

Company Name

Redundancy Policy

Last updated date:

1. Introduction

- 1.1 This document sets out the rights of employees and the procedures and principles to be followed by [*insert name of Company*] (the **Company**) when considering and implementing redundancies.
- 1.2 The Company intends to provide security of employment as far as it is possible. It is recognised however that changes in the availability of work, technology and organisational requirements may affect staffing needs in the future.

2. Aims of the Policy

This Policy aims to:

- 2.1 Help the Company comply with relevant legislation and regulations, in particular (but not exclusively) the Employment Rights Act 1996 (the **Act**);
- 2.2 Set fair and equal procedures; and
- 2.3 Prevent the unfair dismissal of employees.
- 2.4 Consultation **Process**

If there appears to be a situation which could lead to redundancies, the Company will consult with the potentially affected employees at the earliest practicable opportunity. The Company will always consult with employees individually. Where the Company proposes to dismiss 20 or more employees as redundant within a period of 90 days or less, it is required by law to consult the appropriate representatives of any of the employees who may be affected, either by the redundancies or measures taken in connection with them.

All consultation between the Company, appropriate representatives and individual employees will be carried out with a view to reaching an agreement, avoiding or minimising the number of redundancies, and determining the selection criteria to be used.

2.5 Collective Consultation

- 2.5.1 Where it is proposed that 20 or more employees are to be made redundant in a period of 90 days or less, the Company will:

- 2.5.1.1 Notify the Secretary of State EITHER [by letter] OR [by submitting form HR1], no later than:

- a) 30 days before the redundancies are to take effect where the number of redundancies proposed is between 20 and 99; and
 - b) 45 days before the redundancies are to take effect where the number of redundancies is 100 or more.

- 2.5.1.2 Deliver a copy of the notice to the appropriate representatives; and

- 2.5.1.3 Consult the appropriate representatives, such consultation to commence no later than:

- a) 30 days before the redundancies are to take effect where the number of redundancies proposed is between 20 and 99; and



- b) 45 days before the redundancies are to take effect where the number of redundancies is 100 or more.
- 2.5.2 The Company regards the above notice and consultation periods as the minimum and will aim to commence the collective consultation process as soon as reasonably practicable.
- 2.5.3 The appropriate representatives for the purposes of collective consultation under this Redundancy Policy are:
 - 2.5.3.1 for employees in respect of whom an independent trade union is recognised by the Company, representatives of the trade union. The trade unions recognised by the Company are **[insert name of any trade unions that are recognised by the Company]**;
 - 2.5.3.2 those employee representatives elected EITHER [as Consultation Representatives pursuant to the Information and Consultation of Employees Agreement] OR [by those employees affected by the proposed redundancies].
- 2.5.4 The Company will provide the appropriate representatives with the following information, in writing, giving adequate time for the representatives to respond:
 - 2.5.4.1 the reasons for the proposed redundancies;
 - 2.5.4.2 the numbers and categories of employees affected;
 - 2.5.4.3 the numbers of employees in such categories employed by the Company;
 - 2.5.4.4 the numbers of agency workers engaged to work temporarily for the Company;
 - 2.5.4.5 the areas of business in which the agency workers are working;
 - 2.5.4.6 the type of work the agency workers are contracted to undertake;
 - 2.5.4.7 how the Company plans to select the employees for redundancy;
 - 2.5.4.8 how the redundancies will be effected; and
 - 2.5.4.9 how the Company will calculate redundancy payments.

2.6 **Individual Consultation**

- 2.6.1 Any employee who is potentially affected by redundancy will be individually notified of such. No decision will be taken until the Company has consulted each individual employee who has been notified that they are potentially affected.
- 2.6.2 Individual consultation will comprise at least **[insert amount]** meetings between the potentially affected employee and the Company, commencing no later than **[insert number of days]** days before the redundancy takes effect.
- 2.6.3 The purpose of individual consultation is to allow the potentially affected employee proper opportunity to make representations to the Company, including means of avoiding redundancies and the selection criteria.
- 2.6.4 All representations made by employees will be properly considered before any final decision is made.

3. **Avoiding or Minimising Redundancies**

The Company will seek to avoid or minimise redundancies through any means deemed reasonable in the circumstances. In particular the Company will consider:

- 3.1 Inviting applicants for voluntary redundancy;

- 3.2 Inviting applicants for early retirement;
- 3.3 Placing restrictions on the recruitment of new staff;
- 3.4 Reducing the number of temporary staff;
- 3.5 Retraining and redeployment of existing staff to fill vacancies;
- 3.6 Restricting overtime so far as is practicable;
- 3.7 Inviting applicants for flexible working arrangements;
- 3.8 Short-time working or temporary lay offs

There is no obligation on the Company to take any particular measure detailed above, and the use of such measures may be limited by the financial or organisational requirements of the Company. In particular, the Company must have regard to the need to retain the balance of skills and experience amongst employees necessary to meet future business requirements.

4. **Selection Criteria**

- 4.1 The Company will ensure that the process of identifying the categories of employees which are at risk of redundancy (the **Pool**) and the selection procedure applied to the Pool are objective, non-discriminatory and capable of independent application.
- 4.2 Where measures to minimise or avoid redundancies are not sufficient, the Company will develop and apply to the Pool fair and non-discriminatory selection criteria.
- 4.3 The selection criteria will vary depending on circumstances, but the following factors may be considered:
 - 4.3.1 Aptitude for the work;
 - 4.3.2 Skills and experience;
 - 4.3.3 Standard of performance (based on objective supporting evidence);
 - 4.3.4 Attendance and disciplinary record;
 - 4.3.5 Flexibility / adaptability;
 - 4.3.6 Length of service.
- 4.4 The selection criteria will be applied by EITHER [a **Selection Panel**, which will consist of the relevant *[insert names of relevant managers, the HR Director/Manager]* and will be chaired by *[an independent manager or department head, OR the Managing Director [and HR Manager]]*].
- 4.5 Once the selection criteria have been applied to the Pool and provisional selections for redundancy have been made, the Company will notify those employees provisionally selected in writing within *[insert number]* working days that they are “at risk”.
- 4.6 “At risk” employees will be individually consulted in line with the Consultation Procedure.
- 5. **Redeployment**
- 5.1 The Company is committed to redeployment as a means of avoiding redundancy, where practicable.
- 5.2 Where the Company is of the opinion that a suitable alternative position is available, an unconditional offer will be made to the employee, in writing, before the employee’s current employment contract is terminated (**Alternative Work Offer**).
- 5.3 Whether the Company considers an alternative position suitable will depend on a number of

factors, most commonly:

- 5.3.1 Pay;
 - 5.3.2 Job status;
 - 5.3.3 Location;
 - 5.3.4 Working hours; and
 - 5.3.5 Working environment.
- 5.4 The Alternative Work Offer will set out how the position offered differs from the employee's old position and when it is proposed that the employee is to commence the new position.
- 5.5 The new position must commence immediately after the end of the old position or within 4 weeks.
- 5.6 All employees redeployed into a new position are entitled to a 4-week trial period in order to determine the suitability of the work. If the employee remains in the new position after the 4-week trial period, he or she will be deemed to have accepted the Alternative Work Offer.
- 5.7 If it is agreed that the new position is not suitable, either during or at the end of the trial period, the employee will be regarded as having been made redundant and will be able to claim any redundancy payment to which they would have been entitled before the attempted redeployment.
- 5.8 If the employee unreasonably refuses suitable alternative work, he or she will lose any entitlement to a redundancy payment.
6. **Dismissal Procedure**
- 6.1 Following selection and consultation, and where it is determined that there is no practicable alternative, any employee or employees who have been selected for redundancy will be notified by the Company in writing (the **Redundancy Notice**).
- 6.2 The Redundancy Notice will:
- 6.2.1 State that the employee is to be made redundant;
 - 6.2.2 State the circumstances which have led to the employee being selected for redundancy;
 - 6.2.3 Specify the date on which employment will cease (subject to the minimum notice period);
 - 6.2.4 Specify whether the employee is to receive a redundancy payment, and if so how it will be calculated;
 - 6.2.5 Detail any additional payments due to the employee (e.g. in respect of unused holiday allowance); and
 - 6.2.6 State that the employee has the right to appeal, with details of who the appeal should be addressed to.
- 6.3 Individual notice periods to which employees are entitled may run concurrently with the statutory minimum consultation period, where applicable.
- 6.4 [Employees may leave before the date on which employment is to cease without prejudicing any right to a redundancy payment where agreed with the Company.]



7. Appeals

- 7.1 Employees have the right to appeal against being selected for redundancy or redeployment. Should an employee wish to appeal they must notify the Company in writing within **[insert number]** working days of receipt of the Redundancy Notice, setting out the main reasons for their appeal (the **Appeal Request**).
- 7.2 The Appeal Request should be addressed to the person named for the purpose in the Redundancy Notice.
- 7.3 The appeal will be heard within **[insert number]** working days of the Company receiving the Appeal Request by **[insert name and job title of a manager more senior than those involved in the original decision, or a manager not involved in original decision]** OR **[insert name and job title of senior management e.g. the Managing Director]**, who will act impartially in all the circumstances.
- 7.4 The employee is entitled to be accompanied to the appeal meeting by a colleague or trade union representative.
- 7.5 The Company will communicate the outcome of the appeal to the employee in writing as soon as reasonably practicable after the appeal is held, and usually within **[insert number]** working days.
- 7.6 The appeal decision is final.
- 7.7 For the avoidance of doubt:
 - 7.7.1 The contractual notice period will continue to run during the appeal process from the date that the employee receives the Redundancy Notice.
 - 7.7.2 If the appeal is unsuccessful, employment will terminate on the date originally specified in the Redundancy Notice.

8. Redundancy Payments

- 8.1 Any employee who is dismissed through redundancy and who has completed at least two years' continuous service for the Company will be entitled to a redundancy payment. The Company will normally pay Statutory Redundancy Pay (**SRP**).
- 8.2 SRP is calculated according to:
 - 8.2.1 Length of continuous service;
 - 8.2.2 Age during the period of continuous service; and
 - 8.2.3 Weekly pay, up to the maximum statutory limit.
- 8.3 The Employment Rights Act 1996 provides that an employee who is made redundant will receive:
 - 8.3.1 Half a week's pay for each year worked before their 22nd birthday; plus
 - 8.3.2 One week's pay for each year worked between their 22nd and 41st birthday; plus
 - 8.3.3 One and a half week's pay for each year worked after their 41st birthday.
- 8.4 When calculating redundancy pay, only the most recent 20 years of continuous service is taken into account.

9. Further Support

The Company recognises that redundancy can be a stressful and traumatic experience and is committed to providing support to those employees who face redundancy. The Company will provide support by:



- 9.1 Allowing employees selected for redundancy reasonable time off on full pay in order to find a new job or to arrange training;
- 9.2 [Liaising with the local Jobcentre Plus at **[insert location]** to find out about suitable vacancies or training opportunities;]
- 9.3 [Offering guidance on CVs, application forms and interview techniques;]
- 9.4 [Offering advice on job-hunting techniques and sources;]
- 9.5 [Providing clear information on the financial consequences of redundancy, including the amount of redundancy pay, the effect on pension payments and state benefits that may be available.]

This policy has been approved and authorised by:

Name:

Position:

Date:

Signature:

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