20 Redundancy Policy

1. Introduction
	1. Every business hopes that it will never need to make redundancies. Despite this, sometimes companies need to do so. Redundancies can arise where there is a proposed change in working practices, a reduction in the volume of work or the closure of a workplace.
	2. This Policy:
* Explains how redundancies might arise in our business
* Sets out the general principles underpinning our approach to redundancy situations (including an overview of our redundancy process)
* Provides a brief introduction to the concept of collective consultation, which will apply if the business proposes to make 20 or more redundancies in a 90-day period
* Provides information regarding your entitlement to redundancy pay and other support in the event that you are selected for redundancy
	1. This Policy applies to all employees of the business. It does not apply to workers, agency staff, self-employed contractors or volunteers.
	2. Please note that this Policy does not form part of your contract of employment. We reserve the right to amend or remove this Policy and the right not to follow some or all of this Policy’s provisions for those in their probation period or who have yet to accrue their statutory rights.
1. When might a redundancy situation arise?
	1. Redundancy situations can arise within a business for several different reasons:
* Where the need for employees to carry out their work has reduced or ceased
* Where it is proposed that a workplace will close down
* Where it is proposed that the business will shut down entirely
* Where it is proposed to move the workplace to a different location where such a move would not fall within your contractual terms or form a reasonable management request in relation to your place of work.
1. Our redundancy principles
	1. If a redundancy situation arises within the business, we will be guided by the following general principles:
* We will explore alternatives to compulsory redundancies
* We will communicate clearly, and at an early stage, with all impacted employees
* We will try to avoid delays in the process
* We will treat all employees who have accrued their statutory rights fairly
* If a formal selection process is required, we will work with all impacted employees to put in place clear and reasonable selection criteria, which will be applied fairly
* We will provide appropriate wellbeing support throughout the process, in line with the principles set out in our Wellbeing Policy
	1. We will always comply with any legal obligations to consult with recognised trade unions and/or employee representatives, depending on the number of redundancies we propose to make.
	2. If we invite applications for voluntary redundancy, we may not always accept a volunteer. We may have business reasons for not agreeing to a particular person for voluntary redundancy.
	3. We will look at whether the roles at risk of redundancy are ‘stand-alone’ roles or whether the redundancy situation impacts part of a wider group. If there is a reduced requirement amongst a wider group, then all those potentially affected will be placed in a ‘pool’ from which selection will be carried out. We will decide the most appropriate pool in each case. Selection from a pool is generally done using selection criteria.
	4. We will never discriminate on the grounds of sex, maternity, pregnancy, race, colour, nationality, ethnic or national origin, religion or belief, gender reassignment, sexual orientation, age, disability or marital or civil partnership status at any stage in the redundancy process.
1. Avoiding compulsory redundancies
	1. In line with our principle of avoiding compulsory redundancies where possible, we will:
* Consider asking for volunteers for redundancy
* Consider operating a recruitment freeze to allow existing staff to be kept on
* Consider the possibility of job-sharing and/or flexible working arrangements
* Consider reducing the use of agency workers and other casual labour
* Consider financial measures, such as salary freezes
* Communicate details of any and all suitable vacancies existing within the business to those selected to allow for redeployment to other roles, where possible.
1. Our redundancy process
	1. Each redundancy situation is different, and there is no ‘one-size-fits-all’ process. However, we will generally be guided by the following:
* Announcement ‒ We will announce the potential redundancy situation to all potentially affected employees. Depending on the number of affected individuals, this may take the form of a group announcement or individual/smaller meetings. Any announcement will set out the reason for the potential redundancy situation and the next steps in the process. These next steps might, for example, be an invitation for volunteers for redundancy, a review of selection criteria or arrangements for consultation meetings.
* Consultation meetings ‒ We will consult with affected employees on the reason/s behind the redundancy situation. You will be asked for your views and representations. If you have been selected following the application of selection criteria, then we will discuss any challenges you may want to raise about your scoring. We will also take the time to discuss other opportunities which may exist for suitable alternative employment within the business.
* Time off to look for other work ‒ We understand that this will be an uncertain time for you and that you may want to explore alternative work options. We will support affected employees by allowing you reasonable paid time off during the working day to attend interviews and/or take other preparatory steps to find alternative work. Any requests for time off require approval and should be raised with your line manager.
* Alternative employment and trial periods ‒ If we offer you suitable alternative employment, you are entitled to a four-week trial period. During that trial period, you can decline the alternative role if it turns out to be unsuitable, and you will not usually lose your redundancy payment. If we decide the alternative role is not suitable for you during the trial period, you will also still get your redundancy payment. You may lose your entitlement to your redundancy payment if you unreasonably refuse to accept suitable alternative work we offer you.
* [Outplacement Support - Insert details of any employer-specific outplacement support you may offer. This may include CV workshops or the provision of external support]
* Your right of appeal ‒ If, following the end of the consultation process, a decision is taken to end your employment by reason of redundancy, then you will be offered the right of appeal against this decision. Any appeal will usually be considered by someone who has not been involved in the initial process.
1. Collective redundancy: where more than 20 employees are impacted
	1. If it is proposed that 20 or more employees are to be made redundant at one place within a 90-day period, then we are generally under a legal obligation to undertake collective consultation.
	2. We will generally consult for a minimum period of 30 days if it is proposed that between 20 and 99 employees will be made redundant within a 90-day period.
	3. We will generally consult for a minimum period of 45 days if it is proposed that 100 or more employees will be made redundant within a 90-day period.
	4. Consultation will initially take place with a recognised trade union or elected employee representatives where the process is a collective one. We will set out the process for selection and election of employee representatives at the time. We will make sure that any elections are fair and transparent.
	5. We will consult with any recognised union or with elected representatives about:
* The reason for the proposed redundancies
* The proposed method of carrying out any redundancies
* The time period over which the redundancies may be carried out
* The proposed method of calculating redundancy payments
	1. We will engage in individual consultation processes with each affected employee, as well as the collective consultation process with representatives.
1. Redundancy payments
	1. If you are selected for redundancy, then you will be entitled to the following payments:
	2. Notice pay ‒ We may ask you to work your notice or we may pay you in lieu of your notice period.
	3. Accrued but untaken holiday pay ‒ If, at the point of dismissal, you have accrued more holiday than you have taken, then you will be paid in lieu of any such excess amount. Further detail can be found in the Holiday Policy. We may ask you to take your holiday during your notice period.
	4. Statutory redundancy pay ‒ If you have been employed by us continuously for at least two years, then you will be entitled to receive a statutory redundancy payment. Statutory redundancy pay is calculated based on the concept of a ‘week’s pay’. The figure for a ‘week’s pay’ will be your normal weekly pay subject to a cap, which is set by the Government each year. Statutory redundancy payments are tax free. Your entitlement is worked out as follows:
* 1.5 week’s pay for each full year you were employed by us and aged 41 years or older
* One week’s pay for each full year you were employed by us and aged 22 or older but aged under 41
* 0.5 week’s pay for each full year you were aged under 22
	1. If you are offered suitable alternative employment with us and you refuse it, then this may impact your entitlement to a statutory redundancy payment. Should this situation arise, we will discuss it with you.
	2. We will let you know our calculation of your statutory redundancy entitlement when making any final decision in relation to your employment.
1. Useful links and contacts
	1. The following internal policies are referred to in this Policy and contain additional information and guidance:
* Holiday Policy
* Equal Opportunities Policy
* Wellbeing Policy
* Maternity & Family Friendly Policy
	1. [Insert details of any workplace provision for help (e.g. an employee assistance program), if applicable]
	2. [Insert links to any intranet pages with job vacancies or similar. If possible, do not include specific information; instead, provide a link to where this information can be found. This will mean that the policy is less likely to become quickly out of date]
1. Administration of the Redundancy Policy
	1. Name1 is responsible for the administration of this Policy. Should you have any feedback, please email to Email1.

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| Organisation Name: | ABC Ltd |
| Policy Adopted Date:  | 1st January 2024 |
| Due for Review Date:  | 1st January 2026 |
| Person Responsible for Policy: | Name1 |
| Email: | Email1 |