*\*\*BLUE TEXT SHOULD BE REMOVED BEFORE ISSUE\*\**

***Redundancy policy***

*Whilst redundancy is a potentially fair reason for dismissal, you are still obliged to follow a fair procedure when implementing a redundancy programme. The policy statement helps get you started with this.*

**Introduction**

The Company is fully committed to providing long-term job security for its employees. However, from time to time, the needs of the business may require a reduction in the number of employees needed to perform its work. It is the Company’s policy to take steps to avoid compulsory redundancies but, where redundancies nevertheless do become necessary, to keep the number of employees made compulsorily redundant to a minimum.

**Avoiding redundancy**

The Company is committed to seeking alternatives to redundancy if a redundancy situation does arise and it will explore alternative options prior to the commencement of a redundancy procedure and will continue to do so throughout any subsequent redundancy consultation process.

Should a redundancy situation arise, the alternative options that the Company will consider will depend on the needs of the business at the time, but may include one or more of the following:

* temporarily restricting recruitment – this may involve implementing a recruitment freeze either in the Company as a whole or in particular departments\*
* allowing natural wastage, i.e. not replacing employees who have resigned or retired\*
* investigating measures such as short time working and/or lay-offs\*
* investigating whether there are opportunities for employees to be redeployed to roles in other departments within the Company, including in different workplace locations\*
* considering whether employees could be retrained so that they are able to carry out other roles within the Company\*
* reducing paid overtime to a workable minimum\*
* implementing a pay freeze, so that all or certain categories of employees will not receive a pay rise at the next annual salary review\*
* reducing or stopping bonus payments for all or certain categories of employees\*
* seeking volunteers for a temporary reduction in working hours or a permanent move to part-time working or other flexible working arrangements\*
* offering career breaks/sabbaticals or other types of unpaid leave\*
* terminating agency, casual and temporary workers and self-employed consultants, either in the Company as a whole or in particular departments\*
* reducing business overheads, such as selling business equipment or renegotiating supplier contracts\*
* exploring other methods by which desired cost cuts could be achieved, such as agreed pay reductions for all or certain categories of employees\*
* exploring whether there are any other options available in order to avoid redundancy\*.

*(\*delete or amend as applicable)*

The Company will also consider whether the relevant alternative measure proposed should be implemented on a temporary or permanent basis and, if temporary, whether this should be on a short-term or long-term basis. Although the Company may consult with employees about alternatives to redundancy, it will make the final decision as to whether any such alternatives are appropriate. If the Company does choose to implement alternatives to redundancy, and employees’ consent is required prior to implementing a particular alternative measure, it will then seek to obtain that consent. If such consent is not forthcoming, it will proceed with the redundancy consultation process, as necessary.

If redundancies cannot be avoided, the Company will then give consideration to asking for volunteers for redundancy, either in the Company as a whole or in particular departments. Whilst the Company will aim to keep the number of compulsory redundancies to a minimum, the overriding consideration will always be the future needs of the business.

**Consultation and selection**

If the need for compulsory redundancies arises, the selection of employees for redundancy will be in accordance with the selection criteria policy and there will be full consultation with employees throughout the redundancy selection process. Employees will be notified at the earliest possible opportunity of the reasons for the potential redundancy situation and of the Company’s proposals.

The Company will carry out consultations over the following time periods:

* a minimum of 45 days’ consultation where 100 or more jobs are proposed to be made redundant at one establishment
* a minimum of 30 days’ consultation where 20 or more jobs are proposed to be made redundant at one establishment
* as much consultation as is reasonably practicable where fewer than 20 employees are proposed to be made redundant at one establishment.

During the consultation exercise, full information will be provided to employees and/or their representatives about the Company’s proposals and there will be adequate opportunity for employees or their representatives to respond. Information provided may include: the reasons for the proposed redundancies; the numbers and categories of employees who may be made redundant; the proposed method of selecting employees for redundancy; the proposed method of carrying out the redundancies, including the time period over which the dismissals may take effect; and the proposed method of calculating redundancy payments (if non-statutory).

The Company will also enter into individual consultation with each employee provisionally selected for redundancy. Each employee will have the right to be informed of the basis for their selection and be invited to put forward any representations, which the Company will fully consider before making a final decision on which employees are to be made redundant.

The chosen selection criteria will be fairly and consistently applied and will be capable of being backed up with evidence and/or data.

The Company may also consider and implement the use of “bumping” during the redundancy selection and consultation process where it considers this to be a reasonable step. Bumping occurs where an employee who has been provisionally selected for redundancy is moved into the role of another employee (where the other employee’s role is not redundant). The other employee is then made redundant instead of the provisionally selected employee.

**Voluntary redundancy**

If the Company does ask for volunteers for redundancy, which is entirely at its absolute discretion, invitations will be offered to all employees whose jobs are at risk of redundancy. The opportunity to volunteer for redundancy will be available for a defined period only and may be withdrawn at any time. Employees who choose to apply for voluntary redundancy are not guaranteed to have their application accepted. The Company has the absolute discretion to decide whether or not to accept an employee’s application for voluntary redundancy. If an employee’s application for voluntary redundancy is rejected, this does not prevent them from still being made compulsorily redundant at the end of the consultation exercise.

Where an employee’s application is provisionally accepted, they will be notified of this in writing. Employees who volunteer and are accepted for redundancy will be entitled to statutory redundancy pay in the same way as employees who are made compulsorily redundant. [However, entirely at the Company’s absolute discretion, employees who volunteer and are accepted for redundancy may be offered a redundancy payment that is higher than the level of redundancy pay payable to employees who are selected compulsorily. There is no contractual right for an employee to receive a higher redundancy payment at any time, regardless of whether or not higher redundancy payments have been paid to other employees who have been made voluntarily redundant on previous occasions.]

**Alternative employment**

Once provisional redundancy selections have been made, the Company will seek to identify any alternative vacancies, even if those vacant roles are subordinate positions. The Company acknowledges that, even if an alternative role involves a demotion, loss of status or wages, an employee may still wish to apply for it rather than risk becoming unemployed.

The Company reserves the right to make the final decision as to whether or not to offer an available alternative position to a redundant employee. However, in accordance with statutory provisions, employees who are provisionally selected for redundancy whilst they are absent on maternity, adoption or shared parental leave are entitled to be offered any suitable and appropriate alternative employment with the Company or an associated employer in preference to other employees who are also at risk of redundancy. This is an absolute entitlement and it applies regardless of whether other employees may be stronger candidates or better qualified, but it does not mean the Company must offer every suitable and appropriate alternative vacancy or indeed any particular vacancy if more than one might be suitable. The Company is therefore bound to take this into account when deciding to whom to offer an available alternative position.

If a decision is made to offer a position, the offer will be made in writing. Where alternative employment is offered and accepted, and the terms and conditions differ from the employee’s current post, it is the Company’s policy to operate a trial period of four weeks in the new post. This is a statutory requirement. If it is established that the post is not objectively suitable for the employee, their employment will be terminated during or at the end of the trial period and the employee will still receive a statutory redundancy payment based on the date on which their original job ended. The Company reserves the right to make the final decision on termination of employment. An employee who unreasonably refuses an offer of suitable alternative employment (whether before, during or after the trial period) may forfeit their right to a statutory redundancy payment.

**Redundancy pay**

Redundant employees who have a minimum of two years’ continuous employment with the Company will be entitled to be paid statutory redundancy pay, which is calculated according to the employee’s age, length of service and gross weekly pay subject to a statutory maximum.

[Entirely on a discretionary basis, the Company may also offer an enhanced redundancy payment [that is based on the statutory redundancy payment calculation]. Any enhanced redundancy payments are paid wholly at the discretion of the Company and there is no contractual right for an employee to receive an enhanced redundancy payment at any time, regardless of whether or not enhanced redundancy payments have been paid to other redundant employees on previous occasions.]

**Time off to look for new employment**

Any employee who has been given notice of redundancy [and who has been employed by the Company for two years or more] will be granted reasonable time off work during their notice period in order either to look for new employment or to make arrangements for training for future employment. This includes, for example, time off to attend job interviews or to visit an employment agency or Jobcentre Plus in connection with new employment.

Any employee who takes time off for this purpose will be entitled to be paid for the period of their absence. However, the Company’s liability to pay the employee in this regard is limited to 40% of one week’s pay. Employees have no contractual or statutory right to be paid for any further time off taken which exceeds this liability. Any payment of salary for further time off is at the absolute discretion of the Company.

If an employee wishes to exercise their right to such time off work, they should endeavour to give their line manager as much notice as possible of the date and time of the time off and how long they expect to be absent. The Company reserves the right to ask them to provide proof of the job interview or appointment if such evidence is available, or at least to ask them to explain the precise purpose of the time off. Employees should also, as far as reasonably practicable, try to arrange any such job interviews or appointments with the minimum disruption to the working day, i.e. as close to the beginning or end of the working day as possible.

Any employee who takes such time off will not be required to make up for the time taken by working additional hours at another time during their notice period.

**Exclusions**

Except in respect of any statutory collective consultation obligations on the Company, this redundancy policy does not apply to any employee who has been employed by the Company for less than two years.

This redundancy policy has no contractual force and should be regarded as providing guidelines only.