

**Ethical Neutral Policy & Procedure for Handling Individual Redundancies - UK**

Introduction

* 1. We value our employees and are committed to providing for their long-term security wherever possible. We constantly review aspects of our business including our staffing requirements. We will always try to avoid compulsory redundancies wherever possible. However, there may be circumstances when staffing requirements change and compulsory redundancies cannot be avoided.
	2. The aim of this Policy is to set out the process that will be followed in cases of redundancy to ensure compliance with employment law and Acas guidance.
	3. Although this Policy is not contractual and does not form part of an employee’s contract of employment, it should be complied with whenever this is reasonably practicable. We may amend or replace this Policy at any time.
	4. This policy applies to all employees but not to agency workers, consultants or contractors.
	5. A ‘redundancy situation’ occurs where an employer (a) closes or intends to close its business or at any location or (b) where there is a reduced requirement for employees to carry out work of a particular kind.
	6. Before deciding whether to propose making a role redundant, we will consider measures which might avoid bringing about a redundancy situation.
	7. These may include:

(a) natural wastage;

(b) restrictions on recruitment;

(c) retraining and redeployment;

(d) salary freezes;

(e) flexible working arrangements;

(f) introduction of short-time working or temporary lay-offs;

(g) reduction or cessation of overtime;

(h) reduction in contractual working time;

(i) career breaks, sabbaticals and/or leave of absence;

(j) reduced use of agency workers, relief staff, temporary employees, contractors and consultants;

(k) invite applications for voluntary redundancies **(the** acceptance of which is at the Company’s absolute discretion**)** or early retirement; and/or

(l) offer suitable alternative employment where possible.

* 1. If, having considered the above measures, it is still proposed to dismiss one or more employees as redundant, the following will apply.
	2. The Company will not discriminate directly or indirectly against any employee on the grounds of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation. Part-time workers and fixed-term employees will not be treated less favourably than full-time or permanent colleagues.

Management of this Policy

* 1. The Company will task one manager with overseeing the process in which redundancy proposals can be duly considered and implemented if necessary.
	2. This will be done in a manner which is fair, ethical, law-compliant and respectful. Wherever possible, that manager will either have sufficient relevant skills and experience or ready access to these.
	3. Every effort will be made to minimise a reduction is the number of people to be dismissed as redundant.
	4. Before any announcement and/or formal notification of a redundancy proposal is made, an informal ‘heads-up’ will be given to all employees whose roles are ‘at risk’ wherever reasonably practicable.
	5. The Company will consult individually with all employees whose roles are at risk. Where appropriate, consultation will take place with trade union or other employee representatives.
	6. The Company will then again consider such redundancy avoidance measures as are appropriate to the situation subject to its business requirements at the time.

Consultation

* 1. Consultation involves explaining, active listening, sincerely and considering all the views expressed.
	2. Formal notification to an employee that their role is at risk will be given in writing. The use of a text or WhatsApp for this purpose will be regarded as a ‘last resort’ method of communication.
	3. The notification will set out:

(a) the proposals;

(b) the reasons for the proposals;

(c) whether selection is required and, if so the criteria and assessment process;

(d) the overall process to be applied;

(e) the anticipated timeframe; and

(f) the arrangements for the first consultation meeting.

3.3 Each notification will include a copy of the Company’s Redundancy Policy.

3.4 Consultation meetings will start at the earliest practicable time.

3.5 These will be conducted either in person or by video link. In exceptional cases, these meetings may be conducted by telephone or email (subject to satisfactory arrangements being made in relation to security). Each employee’s preference will be considered.

3.6 Both the employee and manager participating in a consultation meeting may be accompanied if they wish by a work colleague of their choice. Companions are present to support but not to represent anyone. However, they will be invited to express a view at least once and probably towards the conclusion of the meeting concerned.

3.7 Reasonable adjustments will be made to all aspects of the process to enable every employee or manager concerned to participate on an equal footing.

3.8 Written notes will be taken either at each consultation meeting or as soon as possible afterwards. Wherever reasonably practicable, these should be agreed.

3.9 It is unlikely that the Company will reply to communications from third parties who say that they represent an employee or manager whilst the consultation process is under way.

3.10 Issues or concerns about the consultation process should be raised by those participating during that process. The Company’s Grievance Procedure should not be invoked for this purpose.

3.11 Employees and managers directly involved in consultation meetings should avoid discussion about the matters concerned outside that process. The same applies even if such discussions are described as “off the record” or “without prejudice.”

Selection

* 1. Where two or more employees carry out a role which is at risk of redundancy, they will be placed in a selection ‘pool.’
	2. Selection criteria will be as objective as possible.
	3. The Company will adopt criteria which meets its future business requirements and these may vary between parts of its business. The following are non-exhaustive examples of the criteria which may be applied:

(a) qualifications and skills relevant to current role and/or to any potential future role;

(b) specialist knowledge relevant to current role and/or to any potential future role;

(c) experience relevant to current role and/or to any potential future role (with more recent experience being regarded as of most value);

(d) aptitude;

(e) efficiency;

(f) work performance (such as quantity and quality of work) provided that this is based upon objective supporting evidence over a period of at least twelve months;

(g) timekeeping and attendance during the most recent twelve months provided that all occasions due to a disability or some other reason permitted by law, are disregarded; and

(h) disciplinary record provided that the Company’s Disciplinary and Appeal processes have been duly applied and exhausted.

* 1. Selection criteria will be consistently applied, transparent, fair and based on the skills required to meet the Company’s existing and foreseeable business needs.
	2. The selection assessment process applied will also be transparent, fair and based on the skills required to meet the Company’s existing and foreseeable business needs.
	3. It may involve competitive interviewing, testing or some other forms of assessment.
	4. **Where some selection criteria are regarded as more important than others, these may be weighted to reflect their relative degree of importance.**
	5. **All selection criteria and weighting will be applied consistently to all employees being assessed in their respective ‘pools.’**
	6. **Selection assessments will usually be carried out by a manager who has had direct recent working knowledge of each employee being assessed in their respective pool.**
	7. **Wherever possible, selection assessments will be carried out at the earliest opportunity after the first consultation meeting.**
	8. A record will be kept of the selection process and results. This will be retained in each employee’s personal file.
	9. All employees whose role does not remain at risk will be notified as soon as possible after the selection assessment.
	10. All employees whose role remains at risk will be invited to a send consultation meeting as soon as possible after the selection assessment.
	11. At that meeting, they will be told:

(a) the highest and lowest scores of those in their selection pool;

(b) their score; and

(c) how their score was calculated.

* 1. This will be confirmed in writing if requested.
	2. At that meeting, an employee may ask HR for the manager who assessed them to review their decision. The manager concerned will carry out the review as soon as possible.
	3. There will be no further right of review during the consultation process.

Search for Alternative Employment

5.1 Any employee whose job remains at risk will be asked at the second consultation meeting whether they wish a search to be carried out for suitable alternative employment within the Company [and any associated company] if this is viable.

5.2 An employee who states that they do wish such a search to be carried out is expected to fully and promptly co-operate with the Company’s efforts in this regard, e.g. in preparing an up to date CV.

5.3 The Company will continue to review its staffing requirements and immediately inform an employee whose job remains at risk of any potential viable opportunities for which they may wish to be considered.

Additional Support

6.1 The Company appreciates that redundancy situations and consultation are unsettling. Any employee who is concerned about their wellbeing or that of a colleague for these reasons should speak with [Position] as soon as possible.

6.2 [Alternative help is available through [name of any company counselling scheme..].

6.3 External support and information are available at [www.acas.org.uk/redundancy](http://www.acas.org.uk/redundancy) for free online and telephone information and advice on employment issues. Also, free information and advice on employment issues can be accessed at [www.gov.uk/redundancy-your-rights](http://www.gov.uk/redundancy-your-rights). Please ask HR for sites offering free assistance in Scotland, Wales or Northern Ireland.

Notice of Redundancy

* 1. Any employee selected for dismissal by reason of redundancy will be given as much notice as reasonably practicable. The minimum notice period will be that specified in their contract or the minimum statutory period whichever is the longer.
	2. The Company may, at its absolute discretion, make payment of salary and benefits in lieu of notice for all or part of the notice period, Such payments may be made in instalments.

Redundancy Payment

* 1. Any employee made redundant who has at least two years’ continuous service with the Company is entitled to a statutory redundancy payment, calculated according to age, weekly pay and number of years of continuous service.
	2. Any employee who receives redundancy pay will receive a written notice setting out how their pay has been calculated.
	3. [Detail any enhanced redundancy pay arrangements]
	4. Subject to HMRC rules in force at the time, redundancy payments up to £30,000 do not attract liability for income tax and national insurance contributions. Therefore, they are paid tax-free.

Garden Leave

9.1 Provided that it is contractually permitted, placing an employee on paid garden leave during the consultation process can be useful for all as it provides time and space for them to consider their next steps.

9.2 Garden leave is not intended as a punitive measure and nor should it be seen as an indication of pre-judgment.

9.3 The possession and use of company property to enable an employee to carry out their job functions and responsibilities may be withdrawn during garden leave.

Time Off to Seek Work/Retraining

* 1. Employees who have been issued Notice of Redundancy and who have at least two years’ continuous employment have the right to a reasonable amount of paid time off to seek alternative work, attend interviews or undertake training.
	2. The Company will determine what is ‘reasonable in each individual case depending upon a balance between its business requirements at the time and the personal needs of the employee concerned. The starting point when making this decision will be to try and accommodate the employee’s requests wherever reasonably practicable.
	3. **Although** the statutory right to pay is to the appropriate hourly rate (broadly the amount of one week's pay divided by the number of normal working hours in a week for that employee) for the period of absence, subject to a maximum of 40% of a week’s pay in respect of the notice period of any employee, the Company will pay their normal basic pay for a period of absence for such reasons.

Resignation

11.1 Where an employee resigns and leaves the Company’s employ before the date upon which their dismissal by reason of redundancy takes effect, they will not normally be entitled to any applicable redundancy payment. However, if they can show that their application for subsequent employment was prompted by notice of redundancy and that they wish to leave the Company to commence that subsequent employment, they will still receive the redundancy payment to which they would otherwise be entitled.

11.2 However, any employee who takes advantage of this clause 11 will still be bound by all their post-termination obligations because of his/her having been employed by the Company.

Offer of Alternative Employment

* 1. If suitable alternative employment is available to all employees at risk of redundancy the Company will provide a written offer to them detailing the terms and conditions applicable to the new employment.
	2. If suitable alternative employment is available to only one or some of the employees at risk of redundancy, all ‘at risk’ employees will be considered for alternative employment based on a fair assessment applying fair selection criteria according to the Company’s business requirements regarding the alternative role(s).
	3. An offer of suitable alternative employment will be in writing and explain the statutory rights to any trial period together with the consequences following any acceptance or rejection of that offer.
	4. The employee’s reply should be in writing as directed in the above-stated offer.
	5. Unreasonable refusal of an offer of a suitable alternative job may cause the employee concerned the loss of any right to a redundancy payment.

Appeal

* 1. Any employee who receives Notice of Redundancy has the right to appeal against the decision if they consider that they have been unfairly selected for redundancy or that there has been a procedural unfairness.
	2. Notice of an appeal must be in writing and received by the person named in the Notice of Redundancy within the stipulated period. It must set out all the reasons in full together with the outcome sought.
	3. Wherever reasonably practicable, the appeal will be decided by a manager who is senior in the Company’s organisation to the manager who made the original decision.
	4. An Appeal Hearing will be conducted either in person or by video link. In exceptional cases, the hearing may be conducted by telephone or email subject to satisfactory arrangements being made in relation to security. Each employee’s preference will be considered.
	5. Appellants may be accompanied at an Appeal Hearing by either a work colleague of their choice or by a union representative with whom they may liaise at the time. In exceptional cases, and as a reasonable adjustment, the Company will consider a request for the companion to be a relative, carer or counsellor acting to support the appellant.
	6. The companion’s role is to support the person making the appeal but not act as their representative (save for where Acas guidelines suggest otherwise). Also, subject to the appellant’s consent, their companion will be invited to express a view probably towards the conclusion of the hearing.
	7. Reasonable adjustments will be made to all aspects of the process to enable every employee or manager concerned to participate on an equal footing.
	8. Either written notes or action points will be made at each consultation meeting and, wherever reasonably practicable, these should be agreed.
	9. The appeal decision will be sent to the appellant in writing together with reasons as soon as possible afterwards.
	10. There will be no further right of appeal.

Annual leave

* 1. Employees may be asked to use any outstanding accrued annual leave prior to the date of termination of their employment.
	2. Payment for untaken accrued annual leave will be made subject to and in accordance with the terms of their contract of employment.

Pension benefits

* 1. Employees should seek specialist advice from [the Company’s pensions department]regarding the impact of redundancy on their Company pension.
	2. **[**[Detail how redundancy will impact on pension benefits, eg the Company will not make any pension enhancement payments (eg added years or additional contributions) to employees leaving the Company due to redundancy.]**]]**

Fixed-Term Contracts

* 1. This policywill apply to the ending, non-renewal or non-extension of fixed-term contracts.

**17 Alternative Informal Process**

17.1 Both the Company and an employee at risk of redundancy may ask HR to apply this alternative process. The decision whether to do so lay at the Company’s discretion.

17.2 This process is non-contractual and may be amended, replaced or withdrawn at any time.

17.3 It cannot be invoked unless and until the Company and the employee concerned give their prior written consent to the other.

17.4 The appointment of a mediator will then be agreed by them.

17.5 The mediator may be employed by the Company provided they have had no previous decision-making role in the matter and have nothing to gain or lose by the outcome.

17.6 Alternatively, the mediator may be an external person provided they have been accredited by a recognised regulatory body in the UK, carry an appropriate level of professional indemnity insurance and comply with the European Code of Conduct for Mediators.

17.7 Further details of this process may be obtained from [Position].

**Notices**

(a) Copyright in this Policy and Procedure is vested in Neutrality at Work International Limited. However, licence is hereby given to employers to incorporate all or some of its provisions into their own policies and procedures without prior reference being made to us.

(b) None of the provisions of this Policy and Procedure are intended by way of legal advice and employers are invited to take their own professional advice as to its terms and effect in law or otherwise.

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