



# Redundancy Policy

## Introduction

From time to time Old Rayne Playgroup may require fewer employees to work because of economic, technological or business-related reasons. This could result in some employee redundancies. The purpose of this policy is to lay out how the organisation will manage impending employee redundancies and, if necessary, any decision to implement proposed redundancies. It is the organisation's intention to avoid redundancies wherever possible, and if they should be unavoidable to mitigate their effect. Furthermore, this policy reflects the organisation's commitment to full employee consultation and to provide appropriate support to staff should redundancies take place. This policy also applies to any situation where fewer employees are required due to a reorganisation of work. Please note only 'employees' are covered by redundancy rules – 'workers' on zero hours contracts are not.

## Alternatives to redundancy

Before making any compulsory redundancies, the organisation will first take all reasonable steps to identify feasible alternatives to meet the needs of the business. These will include:

- (a) restriction of external recruitment;
- (b) introduction of flexible working hours/days;
- (c) consideration of terminating or restricting the engagement of temporary/agency staff;
- (d) voluntary reduction in remuneration; and

## Voluntary redundancy

In the event of proposed redundancies, the organisation will invite all affected staff to apply for voluntary redundancy. Employees who are not directly affected by the redundancy proposal may also apply. The application period will be limited to a specific period of time. The organisation may at its absolute discretion accept or reject any application and is under no obligation to discuss its reason(s) with the applicant.

When an application for voluntary redundancy is accepted, the employee will be notified in writing and invited to a meeting with a relevant manager to discuss the next steps and the redundancy payment that is available. Once the employee's application has been accepted and the employee has agreed to the redundancy payment at the meeting, the organisation is under no obligation whatsoever to accept a withdrawal of his or her application.

## Consultation and information

Old Rayne Playgroup is committed to providing full and proper information employees during the consultation process. This consultation may be carried out with trade union representatives/elected representatives or directly with employees depending on the needs of the organisation. Wherever practicable, Old Rayne Playgroup will endeavour to incorporate the views of trade union/employee representatives and employees into its management of the proposed redundancies. Information provided will include the:

- reason(s) for the proposed redundancies
- numbers and categories of employees affected, specifying those whom it is proposing to make redundant
- proposed method of selecting those for redundancy
- proposed method of carrying out the redundancies
- time period over which the redundancy dismissals will take place
- proposed method of calculating redundancy payments (where non-statutory payments are to be made).

### **Individual consultation**

Old Rayne Playgroup will enter into individual consultation with all employees provisionally selected for redundancy who are 'at risk'. Each employee will be given information about the proposed method of redundancy selection, including any selection criteria to be used. They will be informed subsequently of the basis for their selection and be invited to make representations to their relevant manager about their redundancy selection before any final decision about who is to be given notice of dismissal is taken.

### **Redundancy selection**

The selection criteria to be used in the case of redundancy will change from time to time to reflect the needs of the organisation. The criteria to be used will be fair and robust in application and will vary with each redundancy exercise; however, they may consist of skills, attendance record, discipline record and qualifications.

### **Alternative work**

Old Rayne Playgroup will make every reasonable effort to identify and offer suitable alternative work to those employees whom it proposes to make redundant. In the first instance, these employees will be notified of all existing vacancies when they are notified of their selection for redundancy. They will be given the opportunity to discuss these vacancies with the relevant manager(s). Further meetings may be necessary for the employee and relevant manager(s) to explore the individual's suitability. Any offer of suitable alternative work which is accepted by the employee will be subject to a statutory trial period of four weeks. If the new position is subsequently deemed unsuitable by the organisation the employee's employment will be terminated at the end of the trial period. S/he will receive a statutory redundancy payment based on the date on which their original job became redundant. In these circumstances, should another suitable alternative job be available, the employee will be offered that job and be subject to a further trial period of four weeks. Should the organisation consider a vacancy to be suitable as an offer of alternative work, but the employee unreasonably refuses that offer, or, having taken up the offer resigns that position before the end of the trial four week period, the employee will forfeit their right to a statutory redundancy payment.

Any period of four weeks may be extended by the organisation because of the need for re-training without affecting the employee's right to a statutory redundancy payment. The organisation reserves the absolute right to make a decision about the employee's termination of employment. Special consideration will be given to providing suitable alternative work for those on maternity leave on the date of their proposed redundancy dismissal. The duty of the organisation to seek suitable alternative work for redundant employees will continue up to and including the date of the employee's termination of employment.

The organisation reserves the right to select the best candidate for any job where there is more than one suitable candidate and may apply appointment selection criteria. During any period of redundancies Old Rayne Playgroup will 'ringfence' any vacancies as being open only to internal candidates unless there are circumstances where it reasonably believes there are no suitable internal candidates.

### **Time off to look for work/undergo training**

Any employee under notice of redundancy dismissal who has at least two years' continuous service will be granted reasonable time off to look for alternative work with another employer. This will also include reasonable time off to attend interviews or to undergo training for alternative work. Appropriate time off will be arranged with the employee's line manager.

### **Support for redundant employees**

Old Rayne Playgroup will make every reasonable attempt to support any employee who is made redundant.

### **Statutory redundancy payments**

Those employees with two or more years' continuous service with the organisation will be entitled to receive a statutory redundancy payment. This will be calculated according to their age, length of service and final gross weekly pay subject to the statutory maximum (based on the maximum rate of a week's pay at the time of the redundancy dismissal).

### **Notice and termination of employment**

The organisation may decide to waive its right for the redundant employee to work his or her contractual notice. If this situation is brought about by the organisation a payment in-lieu of notice (PILON) will be made.

Depending upon whether there is a PILON clause in the employee's employment contract, the payment will be made free of income tax and National Insurance contributions up to a sum of £30,000. If this situation is brought about by the employee, the organisation will consider whether it is prepared to agree to a shorter notice period. The employee may serve statutory counter notice. It is normal practice for the organisation to accept such notice unless there are exceptional circumstances.