**Guidance for Parishes**

There will be times when it becomes clear that you may need to reduce the number of people working for you. This may mean you have to make individual employees redundant and if that is the case you must follow a definite procedure. This procedure is outlined here.

1. **Establish this is a redundancy situation**

The first step is to determine that there is a genuine reason for making the employee redundant as defined by the Employment Rights Act 1996. These reasons include:

* you have ceased\* or intend to cease carrying on the business for the purposes of which the employee was employed; or
* you have ceased\* or intend to cease carrying on your business in the place where the employee was employed; or
* the requirements of your business are such that the need for your employee to carry out work of a particular kind has ceased\* or diminished\*; or
* the requirements of your business are such that the need for your employee to carry out work of a particular kind has ceased\* or diminished\* at the place where the employee works

\*“cease” and “diminish” mean cease and diminish either permanently or temporarily and for whatever reason (including financial)

Once you have determined your ‘genuine’ reason the following process should be followed. You will also need to consider the timeframe as there is a requirement to give employees a ‘reasonable’ amount of time for consultation, however what is reasonable time is not defined but as a small employer you should allow at least two weeks, and **ideally four**, for this consultation period

1. **Redundancy steps/process**
2. Create a business rationale document outlining your business case for change (sample document ‘Financial Review’).
3. Invite the individual/individuals who are affected by the business case to a meeting (use Letter 1) where you take them through your business case and advise them that you will be commencing a process of individual consultation during which you will answer any of their questions and consider their suggestions for ways of avoiding redundancy[[1]](#footnote-1).
4. After this meeting you start individual consultation with employees affected and ‘At Risk’ of redundancy. Use letter 2 to invite them and refer also to 3a) below.
5. Arrange follow up meetings to hear any proposals put forward by the employee(s). It may be necessary to have several further meetings to hear all proposals. You should always adjourn the meeting or arrange a final meeting to fully consider the proposals (3b).
6. Have a final meeting at which the final decision can be taken. (See 3c)
7. Hold any appeal hearing against the redundancy.
8. **Consultation meetings**

The employee has the right to be accompanied at this meeting by a colleague, friend or a trade union representative at all the meetings.

1. **The first consultation meeting**
* At the first individual consultation meeting you should indicate that you are considering making the employee’s job redundant and explain the reasons why their particular job has been selected
* You should stress that the meeting is a consultative one and that no final decision has been taken at this stage
* You should give the employee a reasonable amount of time to consider their position and to make any suggestions, e.g. work reorganisation, withdrawal of funding etc. What is a ‘reasonable’ amount of time is not defined but as a small employer you should allow at least two weeks, and **ideally four**, for this consultation period
1. **The second and any subsequent consultation meetings**
* You should arrange follow up meetings to listen to and consider any suggestions put forward by the employee to avoid redundancy. Depending on the employee this may take more than one meeting (letter 4)
* Employees will often have good ideas that may help to avoid redundancies. You do not have to agree to their suggestions, but it's important to seriously consider any ideas that could reduce redundancies, otherwise employees could claim the redundancy process has been unfair
1. **Final consultation meeting**
* This is the meeting where you confirm your decision as to whether to continue with the redundancy or if a different solution has been found
* If the decision is to confirm the redundancy, you should confirm your decision to your employee in writing (letter 5) and you need to give the employee the opportunity to appeal and then hear any appeal
1. **Rights of Redundant Employees**

Any employee made redundant has a statutory right to:

* Reasonable paid time off work to look for another job if that person has completed at least two years’ continuous service
* Redundancy pay if that person has completed at least two years’ continuous service
* The contractual or statutory notice period, or pay in lieu of notice
* A four week trial period (which can be extended by agreement) in a suitable alternative job without losing the right to redundancy pay if the job proves unsuitable- this can be ended by either party (letter 6) within the trial period. However, unreasonable refusal by the employee to accept alternative employment could mean loss of the right to statutory redundancy pay
1. **Redundancy pay**

There are two types of redundancy pay; contractual and statutory.

If contractual redundancy pay does not form part of the employee’s contract they may be entitled to statutory redundancy pay. To qualify for statutory redundancy your employee needs to have worked for you for **two consecutive years**. You also need to take account of the individual’s age and their weekly pay. They have the right to:

* half a week’s pay for each complete year of employment below the age of 22
* a full week’s pay for each complete year of employment between the ages of 22 and 40 inclusive
* a week and a half’s pay for each complete year of employment age 41 or above
* See also [Calculate your statutory redundancy pay - GOV.UK (www.gov.uk)](https://www.gov.uk/calculate-your-redundancy-pay)
1. **Additional points to consider**
* Statutory redundancy pay is capped at 20 years' employment
* Employment is counted up to the date your employee’s notice runs out
* An employee who has more than 1 year's continuous service is protected by law against being unfairly dismissed
* If a claim for unfair dismissal is made, in order to successfully defend the claim, an employer will need to demonstrate that the employee was dismissed for a 'genuine' reason

A tribunal will expect evidence from an employer to demonstrate that a ‘genuine’ reason has been applied. In the event that the employer cannot show that there is a genuine redundancy, the dismissal will be unfair and the employee is therefore likely to succeed in any tribunal claim that he/she brings.

1. If it is likely that more than 20 employees are affected you will need to follow the collective redundancy procedure and have elected representatives. See <https://www.gov.uk/staff-redundant/redundancy-consultations> [↑](#footnote-ref-1)