

# GUIDANCE FOR QUAKER AREA MEETINGS ON HANDLING REDUNDANCY SITUATIONS

*(updated for Coronavirus situation, July 2020)*

The guidance below is given on the assumption that there are fewer than 20 employees to be made redundant (if 20 or more employees are to be made redundant, additional procedures apply).

The guidance is summary guidance and you are also advised to read the resources listed at the bottom of this guide as well as to seek human resources or legal advice.



## 1. Seeking to avoid redundancies

The first thing to do when there may be a need to reduce costs and staffing is to consider ways to avoid redundancy.

Ways might include:

- Agreeing a period of reduced working hours
- Asking employees to stop working for a short time (by agreement)
- Redeploy employees if this is possible
- Reduce use of temporary or contract employees
- Not hire any new employees.

During the current Coronavirus pandemic, you may be able to [avoid redundancy by retaining staff on Furlough](#) (the Government's Job Retention Scheme). The scheme closed to new entrants in June 2020, but if you already have staff on Furlough, this can continue until 31 October 2020. If you then retain employees in employment until 31 January 2021, the Area Meeting may be eligible for the Coronavirus Job Retention Bonus of £1,000 per employee; this bonus may assist financially, to retain employees during the period of ongoing lockdown. Please see later in this document for further information.

## 2. Key principles

If there is a potential redundancy situation, you must:

- Consult (on ways of avoiding the redundancies and minimising hardship)
- Select fairly who is to be made redundant
- Identify and offer suitable alternative employment, if this is available.

## 3. Consultation

Consultation should normally be for a period of at least two weeks and ideally for longer; there will be a lot for the employee to take in. The aim of consultation is to reach agreement, so during the consultation, you must be able to show that you have listened to employees and have responded to questions and suggestions.

You should start the consultation period by setting out your proposals in writing, with the reasons. The proposals should specify which employees are 'at risk' of redundancy and why.

During the consultation period, you should meet with affected employees and receive their views. You should consider these views with an open mind; a change to your proposals could result.

Consultation with employees should include:

- Why you consider you need to make redundancies
- Possible ways to avoid redundancies or reduce their effect
- How you will select employees for redundancy
- How you plan to carry out the redundancies, if unavoidable after consultation, and the timeframe
- How you will calculate redundancy pay.

You may, if you need to do so, consult about redundancy whilst an employee is on furlough leave.

Please note that there is no legal requirement to consult face to face. During the Coronavirus pandemic, it may be more appropriate to consult remotely. Via video is preferable to via telephone because it is possible to see as well as hear each other.

If you consult remotely, remember the following:

1. You should pay extra attention to the individual's wellbeing – ask them how they are and what reasonable support might assist.
2. You should pay extra attention to explaining the situation and give plenty of time – unclear messages are perhaps more likely in this situation.

As with all consultation, you should confirm any discussions in writing.

#### **4. Selection for redundancy**

You will need to decide which employee(s) you propose to make redundant. In some cases, this will be clear – for example if there is only one employee undertaking a particular job. However, if there are two employees undertaking a particular job and you need only one, then you will need to select between them, using fair and objective criteria. You'll need to inform the employee who is selected the reasons why they have been provisionally selected for redundancy rather than his/her colleague and give the individual the opportunity to comment on or challenge this selection. You can find further [information about selection for redundancy on the Acas website](#).

## 5. Proposed notice of redundancy

At the end of the consultation period, you will either confirm your plans, or amend them according to the comments received.

If, after consultation, you are proposing to issue a notice of redundancy to an employee, then you should do the following:

- Send a letter to the employee, stating that it is proposed to make the employee redundant and the reasons for this, and inviting the employee to a (remote or face to face, see above) meeting to discuss it.
- Arrange the meeting and give the employee the opportunity to state his or her point of view at the meeting, including on his/her selection for redundancy. Give the employee the opportunity to be accompanied by a work colleague or certified trade union official at the meeting. Give the employee a further opportunity to express any views about how redundancy might be avoided or the impact on them minimised.
- Adjourn the meeting to consider what was discussed. Give genuine consideration to any points raised by the employee.
- Having considered all the information, inform the employee in writing about any decision and give the employee the right of appeal against the decision. If notice of redundancy is to be given, it should indicate the employee's last day of service with you. The employee is entitled to the notice period in their contract of employment or the statutory notice period (which increases yearly and reaches a maximum of 12 weeks' notice after 12 years' service), whichever is higher.
- If the employee appeals against their selection for redundancy, hold an appeal meeting. Again, the employee has the right to be accompanied at the meeting and where possible, the appeal should be held by trustees at your Area Meeting who have not been previously involved. The trustees should consider whether the employee has been unfairly selected for redundancy.
- You should continue to consult with the person selected about ways of avoiding the redundancy and ways of minimising the hardship on them during the redundancy notice period.

## 6. Suitable alternative employment

If there is suitable alternative employment available, you should discuss it with the employee and give them the opportunity to have a trial period of four weeks in the alternative job. Make sure you check the employee's views. You may not think an alternative job is suitable, but the employee may prefer it to redundancy. You can find further [information about trial periods on the Acas website](#).

If the trial period does not work out, the employee normally retains the right to a redundancy payment.

## 7. Redundancy payments

You must, as a minimum, pay statutory redundancy pay. If your employee's statement of terms and conditions ('contract of employment') states a higher entitlement than statutory levels, you must pay the higher entitlement. You should set out in writing how you have calculated the redundancy payment due.

Statutory redundancy pay is paid once an employee has two years' service with an employer. Time on furlough counts towards qualification period for redundancy.

To check what the minimum redundancy payment you need to offer use the [government's 'redundancy pay calculator'](#).

Remember that in addition, you will need to make payments for any annual leave accrued but not taken. You will also need to either give the notice to which the employee is entitled, or to pay in lieu of notice.

Where you have had an employee on Furlough on 80% pay, you should calculate redundancy payments based on 100% pay. Any outstanding annual leave payment should also be paid at the full rate of pay.

Current guidance is that employees are probably entitled to be paid their full salary during their notice period even if they have only been receiving the relevant percentage of furlough pay during furlough. You are therefore strongly advised to pay full salary rather than the 80% furlough rate.

## 8. Reclaiming redundancy payments

Even where an employee has been furloughed before being made redundant under the furlough scheme, employers cannot reclaim from the Government the cost of:

- statutory redundancy payments
- contractual redundancy payments
- payments in lieu of notice or untaken annual leave
- any additional compensatory payments for termination of employment.

Employers are however likely to be able to reclaim a portion of:

- the cost of notice pay for any notice period whilst on furlough; and
- the cost of any annual leave taken during the notice period

Both these items are only claimable for up to 80%, 70% or 60% salary subject to the relevant monthly cap (in August, September and October 2020).

## 9. Support

You will need to support the employee as much as you can. This will include: reasonable time off work to seek alternative work; or to arrange for training for new

employment (reasonable time off for both reasons is a legal right during the notice period, provided an employee has two years' service or more). If the employee is resident in your meeting, it may also include supporting the employee to seek alternative accommodation. Ask the employee what might help.

## **10. Confidentiality**

Think carefully about confidentiality. It is easy for an employee's affairs to become common knowledge at the meeting. Consider how you will keep relevant matters confidential. Consult with the employee about how best to inform the meeting about when they will be leaving.

## **11. Recognising and thanking the employee**

Consider how the meeting will recognise the employee's service. For example, a gift from members of the meeting may be appropriate.

## **12. The Coronavirus Job Retention Bonus – further information**

As indicated above, your Area Meeting may be eligible for the Coronavirus Job Retention Bonus in respect of employees who were previously on Furlough and are still employed as at 31 January 2021.

However, it should be noted that the details of this scheme have not yet been finalised. It is known that in order to qualify, employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Job Retention Scheme and the end of January 2021. The Lower Earnings Limit is the amount employees need to earn in order to qualify for some benefits and when certain tax become payable. This may mean that some Area Meetings would not qualify in respect of some employees.

## **13. Further information**

- [Acas guidance on managing staff redundancies](#)
- [Acas guidance for employees on rights during redundancy](#)