



# Redundancy Guidelines

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In any potential redundancy situation, the District Lay Employment Advisor should be consulted before any communication or suggestion is made to an employee.

Methodist employers are not permitted to terminate employment contracts for any reason without having obtained permission from the District Lay Employment Advisor. (Methodist Standing Order 438A).

## 1. Introduction

This policy sets out the Yorkshire North & East District's approach to dealing with potential redundancies amongst District, Circuit or Church employees.

It does not form part of an employees' terms and conditions of employment and may be subject to change at the discretion of the Lay Employment Sub-Committee management group.

Although the District's aim is to avoid redundancies wherever possible, the needs of Churches and Circuits may from time to time require a reduction in the overall number of staff employed, or organisational changes that result in some roles being made redundant.

Where this is necessary, we will ensure that:

- The total number of redundancies made is kept to a minimum.
- Employees and, where appropriate, their representatives are fully consulted on any proposals and their implementation.
- Selection for redundancy is based on clear criteria that will be objectively and fairly applied.

- Every effort is made to redeploy or find alternative work for employees in roles which are selected for redundancy, and;
- Support and advice are provided to employees in roles selected for redundancy to help them find suitable work when their employment has come to an end.

It is accepted that redundancy should be used as a last resort and only after all alternatives have been considered and assessed. It is one of the most distressing events an employee will likely experience, and it requires sensitive handling to ensure fair and consistent treatment.

As legislation around redundancy can be complex, we will do all we can to understand our obligations as an employer whilst appreciating and supporting the rights of those that we employ.

## 2. Questions for Local Church and Circuit Trustees to consider

Following on from the general principles outlined above, these are some specific questions that local Church and Circuit trustees should actively consider before moving to a redundancy situation:

- Has the decision been made by a Church Council, at a Circuit Meeting or through a sub-committee to which the Church Council or Circuit Meeting has given formally minuted delegated authority to make such decisions?
- Has possible redundancy been discussed with the Circuit Leadership Team (for both Church and Circuit roles)?

If redundancy is proposed on grounds of unaffordability:

- What efforts have been made to source alternative funding, including but not limited to, seeking external grants, requesting increased congregational giving, asking other Methodist organisations within the Circuit for financial support, reducing non-payroll costs, sale of surplus assets?
- If lockdown regulations do not change from their current position and redundancies are not made, when will you run out of cash?

Providing answers to the questions above to the Lay Employment Sub-Committee management group via the District Lay Employment Advisor will be necessary as will making preparations to discuss the points below with the District Lay Employment Advisor before proceeding or consulting with staff:

- Will the activities currently undertaken continue after redundancy of this role? If so, how?
- If the proposed redundancy is due to the project having been ineffective, has a project evaluation been performed? (Be prepared to provide a copy or explanation)
- Have alternative duties staff could undertake been considered?
- Is redundancy part of a credible, articulated and agreed strategic plan for the Church/ Circuit: either a plan for growth or a managed closure? (Please provide a copy of this plan)

## 3. Is the Role Redundant?

Under Section 139 of the Employment Rights Act 1996 an employee is dismissed by reason of redundancy if wholly or mainly attributable to:

- The fact the employer has ceased or intends to cease to carry on the business for the purposes for which the employee was employed, or;
- The fact the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish.

This is particularly important as we need to understand if it is a genuine redundancy, or if it is something else. Section 139 applies to both public and private sector and covers a number of circumstances that may give rise to a redundancy situation, including:

- Closure of the business as a whole.
- Closure of the business at the place where the employee is employed.
- Diminishing need for a number of staff to do work of a particular kind.
- Less work but same number of employees.
- Re-organisations, and;
- Bumping.

#### 4. Is the Redundancy Fair?

Whilst redundancy is a potentially fair reason for dismissal it does not mean that any redundancy made will be viewed as fair by either the employee or an employment tribunal.

The fairness of the decision will be determined by whether or not it meets the overriding test of fairness as set out in Section 98(4) of the Employment Rights Act 1996.

We should be prepared and able to demonstrate that we have:

- Treated employees fairly and respectfully at all times;
- Acted reasonably in the decisions that we made;
- Followed necessary policy and procedures;
- Adhered to appropriate timescales, and communicated these to employees, and;
- If required, ensured a fair and objective selection process was followed.

If the reason, or principal reason, an employee is selected for redundancy is one of the prohibited grounds as set out in Section 105 of the Employment Rights Act 1996, the Trade Union and Labour Relations (Consolidation) Act 1992, or other employment legislation, the dismissal will be automatically unfair.

These include:

- Pregnancy, childbirth, or stat maternity, paternity, adoption, parental or dependant care leave;
- A reason of Health and Safety;
- For making a protected disclosure (Whistleblowing);
- For asserting a specified statutory right (of which there are many), and;
- For performing functions as a representative on a TUPE transfer or collective redundancy.

In these instances, we will likely have no defence to a claim for unfair dismissal and it is irrelevant whether we acted reasonably or that we followed a fair procedure.

#### 5. Communication

Redundancy situations are emotionally charged so it is important to agree and implement an appropriate and consistent line of communication with all employees, including, at intervals, with those that are not affected.

- The Line Manager of the employee should be the main point of contact throughout the process. In the absence of the Line Manager an appropriate person should be named.
- The Lay Employee should also be given access to a person independent of the process who could offer pastoral support.

Care is needed where potential changes in employed staff roles may be a possible outcome of a wide consultative discernment process regarding future mission priorities.

## 6. The Process

Every redundancy situation is different. This means there is potential for a range of outcomes. Outcomes are agreed by applying a robust process incorporating different stages. Stages include preparation, approval, consultation, evaluation, reporting, feedback, and outcome.

The District Lay Employment Advisor will support you in delivering a process that is both fit for purpose and relevant to the situation.

## 7. What is a Period of Consultation?

A redundancy consultation period is the time allocated for conversations and meetings before formally agreeing any actions. Consultation includes discussing business reasons and looking for ways to avoid redundancies. Whilst we have a duty to do this, we are not obliged to adopt all or any proposals put forward by the employee or employee representatives.

Consultation does not have to end in agreement, but it must be carried out with a view to reaching it, including discussing ways to avoid or reduce the redundancy. There is no timescale or procedure a period of individual consultation should follow, so long as it is:

- Meaningful;
- It starts at a sufficiently early stage, and;
- It is completed before any notices or decisions are issued.

A fair and meaningful period of consultation will typically involve at least two meetings with the employee, possibly in addition to other group meetings, or relevant discussions. This can vary depending on individual circumstances. It is important that all meetings during the consultation process are documented and minuted. There are different types of consultation:

### Option A - where there are no employee representatives

Consultations will be carried out with individual employees as appropriate. Where more than 20 redundancies are proposed talk to the District Lay Employment Advisor for further information.

### Option B - where employees are covered by trade union recognition

Appropriate consultations will be carried out with the recognised union. Individual employees will still be consulted in respect of their own particular circumstances.

### Option C - where there are existing employee representatives

Consultations will be carried out with individual employees as appropriate. Where more than 20 redundancies are proposed, please talk to the Lay Employment Advisor for further information. Where it is proposed that 20 or more redundancies are required at the same location over a 90-day period, consultations about the general proposals and process to be followed will take place via an employee forum. Individual employees will still be consulted in respect of their own particular circumstances.

## 8. Voluntary redundancy

In order to minimise the need for compulsory redundancies requests from employees for voluntary redundancies may be considered. Whether or not additional payments will be offered in relation to this will be a matter for consultation and will depend on the circumstances and we reserve the right at our absolute discretion to decline requests for voluntary redundancy.

## 9. Redundancy selection

When selecting employees for redundancy, consideration should be given to developing and applying a range of selection criteria that is robust, fair, and consistent. Such criteria will depend on existing circumstances and particular needs at the time.

For example, if we are selecting from a pool of employees applying a selection matrix will be used. This will help us demonstrate a fair redundancy procedure was followed. If there is just a single redundancy and a single person doing that role this may not be necessary. We will ensure that, as far as possible, any criteria applied in a group scenario is objective and measurable. Where possible we will use quantifiable factors and ensure that more than one person moderates the scores to eliminate bias or suggestions of discriminatory behaviours. Individual employees who are provisionally selected for redundancy following the application of criteria will be informed of the fact and invited to a meeting, at which they will be given opportunity to discuss the criteria and make suggestions for an alternative course of action.

The District Lay Employment Adviser provides support in identifying what needs to be done to protect and safeguard the interests of the District, Circuit and Church.

## 10. Alternative work

We will make every effort to redeploy to suitable alternative work any employee who is selected for redundancy. Such employees will be informed of all the available vacancies in the organisation at the time of their selection and will be given an opportunity to discuss with their Line Manager which vacancies are likely to be suitable for them.

While priority will be given wherever possible to employees under threat of redundancy, the employer reserves the right to select the best available candidate in relation to any given vacancy. Employees have a separate legal entitlement to be offered any suitable alternative work that is available if they are made redundant while on maternity leave.

## 11. Time off work

An employee under notice of redundancy will be entitled to a reasonable amount of paid time off to look for alternative work, attend interviews, etc. Employees wishing to exercise this right should make appropriate arrangements so far in advance as possible by speaking with their Line Manager.

## 12. Termination of employment

Depending on the circumstances we may waive our right to insist on employees working their period of notice if selected for redundancy and instead give a payment in lieu of notice. We will take time to explain the principles of this to individual employees before processing any such arrangement.

Employees with two or more years' service may be entitled to a statutory redundancy payment. The amount of this payment will be confirmed when the employee is selected for redundancy and the sum will be paid along with the employee's final salary payment or payment in lieu of notice.

## 13. Overview

Ensuring a robust redundancy process is followed is critical. As too is remembering the human element that is involved. There is no substitute for reasonable and fair behaviour, and we commit to undertaking a meaningful process with all District, Circuit or Church employees.

Contact the District Lay Employment Advisor to support you in creating a timeline and process that is bespoke to needs.