

Redundancy Policy & Procedure

Policy · UK · Updated 2026-07-11 · Square brackets are placeholders to replace with your own details.

A redundancy policy and procedure is the written framework an organisation follows when it needs fewer people — what counts as a genuine redundancy, the alternatives considered first, how consultation and selection work, and what departing employees are entitled to.

Redundancy is one of the highest-risk processes an employer runs: decisions made under financial pressure, affecting livelihoods, with every step open to challenge at tribunal. A written procedure followed carefully is what separates a difficult but fair process from an unfair dismissal claim.

This template gives you a complete, ready-to-edit policy: the definition of redundancy, measures to avoid it, consultation arrangements, selection pools and criteria, alternative employment, notice and pay, appeals, and records.

Purpose and scope

This policy sets out how [Your company] approaches redundancy. It applies to all employees. It does not form part of any contract of employment, and [Your company] may adapt the process where circumstances genuinely require it, while always meeting its legal obligations.

Policy statement

Redundancy is a last resort at [Your company]. Where a genuine redundancy situation arises — a closure, a restructure, or a reduced need for particular work — we will consult openly, select fairly against objective criteria, look hard for alternatives, and treat everyone affected with honesty and respect throughout.

What redundancy means

A redundancy situation exists where [Your company] closes all or part of the business, closes or moves a workplace, or needs fewer employees to do work of a particular kind. Redundancy is about the role, not the person: performance and conduct concerns are dealt with under the capability and disciplinary policies, never disguised as redundancy.

Avoiding redundancies first

- Freezing recruitment and not renewing temporary or agency arrangements.
- Restricting overtime and reviewing contractor spend.
- Redeploying affected employees into vacancies elsewhere in [Your company].
- Inviting volunteers for redundancy, on terms set by [senior role] — [Your company] reserves the right to decline a volunteer where their skills are needed.
- Considering reduced hours or other pattern changes, by agreement.

Consultation

Every employee at risk is consulted individually before any final decision: what is proposed and why, the provisional pool and criteria, ways to avoid or reduce redundancies, and their suggestions — considered genuinely, with responses given. Consultation happens while options are still open; a decision announced as final and consulted afterwards is not consultation.

At-risk employees are told in writing that they are at risk, invited to [number] or more consultation meetings, and may be accompanied by a colleague or trade union representative. Where proposals affect larger numbers, [Your company] will follow the collective consultation rules that apply — see current official guidance — including electing representatives where required.

Selection pools and criteria

Where fewer roles remain than people who could fill them, [senior role] defines the selection pool — everyone doing the same or materially interchangeable work — and records the reasoning. Selection uses objective, evidence-based criteria such as [skills and qualifications relevant to remaining work, verified performance records, disciplinary record], scored independently by [two managers] and moderated by [role].

Criteria are checked for discrimination risk before use: absence and performance records are adjusted so that disability-related or pregnancy-related absence does not disadvantage anyone, and no criterion may rest on a protected characteristic under the Equality Act 2010. Employees see their own scores and may challenge them in consultation.

Alternative employment and trial periods

All vacancies across [Your company] are shared with at-risk employees through the consultation period, and suitable alternatives are offered before notice is confirmed. An employee who accepts a suitable alternative role is entitled to a statutory trial period in it — check current guidance for its length and how it can be extended. [Employees on maternity or certain family-related leave have priority rights to suitable alternative vacancies — [Your company] applies the current statutory rules.]

Notice, redundancy pay and appeals

Employees selected for redundancy receive written confirmation of the decision, their notice period — contractual or statutory, whichever is greater — and their redundancy payment calculation. Qualifying employees receive at least statutory redundancy pay; current qualifying rules and rates are on GOV.UK, and [any enhanced terms: [details]]. Reasonable paid time off to look for work is given during notice in line with current guidance.

Anyone selected may appeal in writing to [senior role not previously involved] within [number] working days, and the appeal decision is final.

Records and review

Business case documents, consultation notes, pool definitions, scoring records, vacancy searches, and appeal outcomes are retained in [system] for [period] — they are the evidence that the process was fair. Departing employees are offboarded under the exit and leaver procedure.

This policy is reviewed [frequency, e.g. annually] and before the start of any redundancy exercise. Owner: [name/role]. Next review due: [date].

How to use this template

1. Write the business case before touching this policy — consultation only works when you can explain the "why" in plain terms.
2. Check current GOV.UK and ACAS guidance for redundancy pay rates, notice minimums, and collective consultation thresholds before every exercise; do not hard-code figures here.
3. Choose selection criteria you can evidence from existing records — a criterion with no paper trail invites challenge.
4. Name the decision-maker, the scorers, and a genuinely uninvolved appeal-hearer before announcing anything.
5. Plan the communication sequence so at-risk employees hear it from their manager first, not the rumour mill.
6. Take advice early if numbers may reach collective consultation thresholds or any affected employee is on family-related leave.

Official guidance

- › [ACAS — Redundancy](#)
- › [GOV.UK — Redundancy: your rights](#)

This template is provided in good faith and for general information — it is not legal advice. Adapt it to your organisation and, where your sector carries specific legal requirements, have the finished document reviewed by a qualified adviser. The live version at <https://trainedteam.com/templates/redundancy-policy> is kept current; this file is a snapshot.