

Redundancy Policy

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Department and Team	Business Support and Transformation, People & OD
Author	People Partner
Reason for Policy Creation/Revision	Cyclical review- Change of legislation - Employment Rights Act
Proof Read By	Head of People & OD
Board/Committee Approval Required	People Committee
Upload onto Website required	yes
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Approved by	SLT
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Internal References – Policies & Procedures	Redeployment Policy.docx
External References	Employment Rights Act www.acas.org.uk/redundancy www.gov.uk/redundancy-your-rights

Additional Requirements

Additional Considerations	Yes	No	Link or further info
Audience – Training and Awareness Approach		X	
Consultation with external and internal stakeholders required		X	
Equalities Impact Assessment required	X		Redundancy Policy
Modern Slavery Statement considerations		X	
Data Protection Impact Assessment		X	Link here
Environmental Sustainability Impact Assessment required		X	Link here

Revision History

Version Number	Revision Date	Approval Date	Approved by	Review Reason
1	-			New document
2	15/11/2022			Policy Reviewed & Updated
3	09/04/2026			Changes to the Employment Rights Act and clarity on PILON
4				
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REDUNDANCY POLICY

1. Policy Purpose

- 1.1 Hanover value our employees and are committed to providing long-term job security and managing the organisation in the best way possible to safeguard employment.
- 1.2 There may be occasions where financial pressures, changes in work practices, advances in technology or external factors have an impact on our people. Where this is the case, alternative measures will be explored to avoid a compulsory redundancy situation. Where appropriate, Hanover may initially seek volunteers for redundancy. Despite best efforts, certain business situations may arise where redundancies are unavoidable.
- 1.3 The policy will be applied fairly and equally to all employees, and without any form of discrimination.

2. Policy Scope, Explanations or Requirements

- 2.1 This policy does not form part of the contract of employment for employees and Hanover reserves the right to amend or withdraw it at any time.
- 2.2 This policy only applies to employees employed by Hanover. It does not apply to workers, contractors, consultants or any self-employed individuals working for Hanover.

3. Equalities Impact Assessment

- 3.1 An Equality Impact Assessment has been completed for this policy, which indicates that the redundancy process is designed to be applied fairly and consistently across all employees, with no evidence of direct discrimination against any protected group. The assessment identified that certain groups, particularly employees who are pregnant or on maternity leave, benefit from additional legal protections in relation to suitable alternative employment. While no significant adverse impacts have been identified at policy level, there is potential for indirect impacts to arise during implementation, these will be managed through the use of objective selection criteria, equality monitoring, manager training, and the provision of reasonable adjustments where required. Any issues identified through monitoring or consultation will be addressed promptly to ensure fair and consistent application of the policy.

4. Measures to avoid or minimise redundancy

- 4.1 Hanover will consider possible alternative measures to minimise or avoid a redundancy situation. Depending on business needs at the time, considerations may include:
 - freezing recruitment for employees who have resigned or retired
 - freezing recruitment for new permanent employees
 - stopping or reducing the use of temporary workers

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- stopping or reducing overtime
- freezing or reducing pay
- offering career breaks or other types of unpaid leave
- flexible working arrangements
- retraining or redeploying employees
- inviting early retirements
- short-time working - reducing the hours of work for a temporary period and suspending paid work for a temporary period

5. Voluntary redundancy

5.1 To reduce the need for compulsory redundancies, Hanover may seek volunteers for redundancy. Hanover reserves the right not to accept an employee's application for voluntary redundancy. This might be the case where too many volunteer applications are received, or it has been considered that accepting an application is not in the best interests of the organisation.

6. Consultation with external and internal stakeholders

6.1 Hanover will consult with all employees who are potentially affected by a potential redundancy situation and not just those who are at direct risk of redundancy. Where it is not possible to hold a face-to-face meeting, Hanover will conduct the consultation process remotely and ensure that employees have access to the necessary technology for participating in the process.

6.2 Where there is risk of redundancy for 20 or more employees at one time within a period of 90 days or less, Hanover will consult with Our Voice, Hanover's elected employee representatives, on the proposed selection criteria and how that criteria will be scored, in addition to other matters relating to the redundancy proposal. This is known as collective consultation.

6.3 As per the Scheme of Delegation, where the proposed changes has a substantial budgetary or management implication, the People Committee will review the proposals and make recommendations to the Board.

6.4 In any collective consultation exercise, Hanover will also consult on an individual basis with each employee that is affected by the redundancy proposal in respect of individual circumstances.

6.5 The People & OD Team shall ensure that the consultation process incorporates ACAS Code of Practice and that impacted employees are able to exercise the right to be accompanied at the consultation meetings.

7. Redundancy selection

7.1 Hanover will identify which and how many roles are potentially at risk of redundancy. Hanover may need to create a pool of employees from which those who are at risk of redundancy. The selection pool will normally consist of employees who carry out same or similar roles. However, a selection pool will not be necessary where redundancies are expected to involve the whole organisation or just one

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specific role. The decision on who to include in the pool will be based on genuine business reasons.

- 7.2 Hanover will carry out role matching through a scoring process for employees in the redundancy pool based on the proposed structure. Employees with the lowest scores will be provisionally selected for redundancy. Hanover will ensure that the selection criteria used is objective, measurable, capable of being applied fairly, and reflect the requirements of the roles that will need to be performed once the redundancy process has been completed.
- 7.3 Employees on maternity, adoption or shared parental leave along with pregnant employees have a legal priority right to be offered suitable alternative employment. This protection allows for direct redeployment without the selection process.
- 7.4 Where employees are provisionally selected for redundancy, Hanover will (where reasonably practicable), seek to identify and offer suitable alternative employment. Any identified suitable alternative roles will be discussed with employees as part of the consultation process. In determining whether a role constitutes suitable alternative employment, Hanover will consider factors including the nature of the work, skills and experience required as well as pay, hours, location and contractual terms. Where an offer of suitable alternative employment is made, employees will be entitled to a statutory trial period in accordance with legislation. An employee who refuses an offer of suitable alternative employment may lose their entitlement to a redundancy payment.
- 7.5 Employees will be consulted individually about the selection pool, the selection criteria that will be used, how that criteria will be scored, and the provisional scores that have been awarded once the selection process has been completed.

8. Notice of redundancy

- 8.1 If selection for redundancy is confirmed, Hanover will provide written notice of the termination of employment in accordance with the notice period set out in the employee's contract of employment or the statutory minimum notice period, whichever is greater.
- 8.2 Depending on the circumstances, Hanover may make a payment in lieu of notice instead of requiring the employee to work their notice period.

9. Redundancy payment

- 9.1 Employees are entitled to receive a statutory redundancy payment if they have worked with Hanover for at least two continuous years. This payment will be calculated in accordance with the relevant statutory redundancy pay provisions in force at the time, information on this can be found www.gov.uk/redundancy-your-rights.

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- 9.2 Employees affected will receive a written statement explaining how their redundancy pay has been calculated.
- 9.3 The following statutory redundancy pay entitlements are set out in law with age and length of service as determining factors:
- half a week's pay for each full year the employee was under 22;
 - one week's pay for each full year the employee was 22 or older, but under 41;
 - one and half week's pay for each full year the employee was 41 or older;
- 9.4 Weekly pay is the average an employee has earned per week over the 12 weeks before the day the employee receives the redundancy notice.
- 9.5 Employees affected will receive a written statement explaining how their redundancy pay has been calculated.
- 9.6 A week's pay will be subject to the statutory cap in force at the time, it is also subject to a salary cap. [Redundancy: your rights: Statutory redundancy pay - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- 9.7 The statutory maximum of 20 years of service will apply in respect of statutory redundancy pay. Therefore, if the employee has more than 20 years' service, only the most recent 20 years are included for calculation purposes.
- 9.8 All payments and associated benefits will be subject to income tax and National Insurance contributions as required by law.
- 9.9 The notice Hanover is required to give employees is the greater of the notice stated in the employment contract and the minimum statutory notice entitlement (1 week for every completed year of service up to a maximum of 12 weeks).
- 9.10 Hanover may, in its sole and absolute discretion, terminate the employment at any time with immediate effect by notification that Hanover is exercising the right under this clause to terminate immediately and make payment in lieu of notice (PILON), and will make payment of the PILON to the employee within 28 days. PILON will be equal to the basic salary (as at termination date) which the employee would have been entitled to receive under the contract of employment during the notice period referred to above (or, if notice has already been given, during the remainder of the notice period) less income tax and National Insurance contributions.
- 9.11 For the avoidance of doubt, the PILON shall not include any element in relation to:
- (a) any bonus or commission payments that might otherwise have been due during the period for which the PILON is made;
 - (b) any payment in respect of pension or other benefits which employees would have been entitled to receive during the period for which PILON is made; and

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(c) any payment in respect of any annual leave entitlement that would have been accrued during the period for which PILON is made.

10. Alternative Work

- 10.1 If an employee is selected for redundancy, Hanover will continue to explore suitable alternative employment and other internal vacancies that may up to the termination date. The selection of candidates for alternative work will be conducted in a fair way. If a suitable alternative role arises during the notice period, impacted employees will be informed and provided with details relating to the application process.
- 10.2 If an employee refuses an offer of suitable alternative employment, they will lose their right to statutory redundancy pay.
- 10.3 If an employee has been given notice of redundancy during maternity leave, adoption leave or shared parental leave, Hanover is under a statutory obligation to offer suitable alternative work, where it exists, in preference to other employees who have also been selected for redundancy.

11. Time off work for training or to look for a new role

- 11.1 If an employee is selected for redundancy Hanover will, where possible, give a reasonable amount of paid time off to look for alternative employment, attend job interviews and arrange training for future employment.
- 11.2 Any request for time off work should be made with the relevant manager.

12. Additional Support

- 12.1 Hanover understands that redundancy situations cause stress and feelings of insecurity. Any concerns about personal wellbeing or that of a colleague, should be directed to a manager or People Partner. Alternative internal help is available through the employee assistance scheme details of which can be found on the employee intranet page. External support can be sought from [Redundancy support \(PACE\) - Employment support - gov.scot \(www.gov.scot\)](#)

13. Right of appeal

- 13.1 There is a right to appeal against the decision to dismiss for redundancy. This should be made in writing to the Appeal Manager and set out the reasons why the decision is unfair within 7 days of the written decision being given.

14. Data Protection Impact Assessment

- 14.1 We process personal data, including special categories of data, in accordance with our Data Protection Policy and privacy notices at all stages of the redundancy process.

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15. Monitoring and Evaluation

- 15.1 We will monitor redundancy numbers, reporting these to the Senior Leadership Team to ensure that we are applying the policy fairly and to measure effectiveness.
- 15.2 The Chair will sign off the Redundancy Register on an annual basis.

16. Review

- 16.1 This policy will be reviewed every three years or sooner if required.