

CHECKLIST: REDUNDANCY PROCEDURE

A checklist outlining issues that may need to be addressed in a redundancy situation. This checklist is for guidance only and is not intended to constitute legal advice. Whether a redundancy procedure is fair will depend on the specific circumstances of each individual case.

Step 1: establish whether there is a genuine redundancy situation

- Is there a closure of the business in which the employee was employed?
- Is there a closure of the place of business where the employee was employed to work?
- Is there a reduced requirement for employees to carry out work of a particular kind?

Step 3: notify the Secretary of State if collective redundancies

The employer must notify the Secretary of State that it is planning to make collective redundancies:

- At least 30 days before the first dismissal takes effect (in other words, the date on which notice is to expire or employment is to end) where the employer proposes to dismiss 20 to 99 employees within a 90-day period, or
- At least 45 days before the first dismissal takes effect where the employer proposes to dismiss 100 or more employees within a 90-day period.

The notification must be in writing (either by letter or on a *form HR1*) and a copy must be provided to the employee representatives. The employees cannot be given notice of dismissal until the Secretary of State has been notified.

Step 5: first letter

- Confirm the information given during the meeting.
- Include a copy of the selection criteria and scoring guidelines if relevant.

Step 6: collective consultation

- Collective consultation under TULRCA will only be necessary where 20 or more redundancies are being proposed within a 90-day period.
- If necessary, hold elections to elect employee representatives.
- Consult the appropriate representatives (with a view to reaching an agreement) on ways and means of avoiding or reducing dismissals and mitigating their consequences.
- The consultation will usually also cover the appropriate pool(s) for selection and the selection criteria.

Step 2: consider pool and selection criteria and list any alternative vacancies

- Establish how many redundancies are being proposed.
 - If 20 or more redundancies are being proposed in a 90-day period, then the collective consultation obligations will arise under the Trade Union and Labour Relations (Consolidation) Act 1992 ("TULRCA") and it will be necessary to notify the Secretary of State of the proposed redundancies.
 - If fewer than 20 redundancies are being proposed, then it will be necessary to follow a fair procedure in relation to each employee at risk of redundancy.
- Consider the appropriate pool of employees if selection will be necessary.
- Establish a proposed set of objective selection criteria if selection will be necessary.
- Put together a list of alternative vacancies on a group wide basis.
- Consider whether there are any employees who are pregnant, or on maternity, adoption or shared parental leave as special rules apply to them on redundancy.

Step 4: first meeting

- Meet with all of the employees who might be made redundant (as a group).
- Explain the reasons for the potential redundancies.
- Explain how many jobs are at risk of being redundant (making sure it is clear that the redundancies are only a possibility at this stage).
- Explain that ways of avoiding the redundancies are being explored (for example, restrictions on recruitment, alternative employment, re-training, taking voluntary early retirement under the pension scheme, voluntary redundancy, short-time working and restricting overtime).
- Ask the employees for suggestions of ways to avoid redundancies.
- Consider asking for volunteers for redundancy.
- Explain the pools and proposed selection criteria (if relevant).
- Explain the right to take time off to seek alternative employment.
- Take a note of the meeting.

Step 7: scoring

- Score each potentially redundant employee using the selection criteria and scoring guidelines.
- Ensure that at least two line managers conduct the scoring to help ensure scores are objective.

Step 9: individual consultation

- Consult with each employee individually about their scores, the proposal to select them for redundancy and the terms of the redundancy.
- Consider any comments from the employee, particularly in relation to their scores.
- Discuss details of any available alternative roles within the group (including those which would require some retraining and posts on a lower grade).
- Take a detailed note of the meeting.

Step 11: meeting to confirm outcome

- Where a decision has been made to make an employee redundant, invite that employee to a further meeting.
- Allow the employee to be accompanied by a trade union representative or work colleague.
- Assuming that nothing has changed, confirm that the employee has been selected for redundancy.
- Go through the redundancy package.
- Remind the employee of the right to time off to seek alternative employment.
- Take a detailed note of meeting.

Step 13: appeal

- If employee appeals, invite them to attend a further meeting to hear the appeal. If possible, the meeting should be held by someone senior to the person who held the previous meeting(s).
- Allow employee to be accompanied by a trade union representative or work colleague.
- Following the meeting, write to the employee confirming the outcome of the appeal and that this is a final decision.

Step 8: second letter

- Write to those employees that have been provisionally selected for redundancy, inviting them to a meeting to discuss their provisional selection.
- Include an invitation to bring a trade union representative or colleague to the meeting.
- Ensure that the letter is reasonably detailed, setting out the reasons for the redundancy situation and for provisionally selecting the employee for redundancy, and summarising the consultation that has been held with them to date.
- Explain that no final decision has been made at this stage, and that a further meeting will be arranged if their selection for redundancy is confirmed.
- Allow the employee a reasonable opportunity to consider this information before holding the meeting.

Step 10: follow up

- After the meeting, follow up any suggestions made to avoid the redundancies and consider any representations made on scores.
- If any employee's score changes as a result of this process, check if this will result in a change to the group of employees that has been provisionally selected for redundancy.
- If so, repeat the relevant parts of the procedure with any employees that have been selected for redundancy as a result of the review.

Step 12: dismissal letter

- Write to the employee confirming the decision to dismiss them as redundant and specify the termination date (termination may be with immediate effect if the employer is paying the employee in lieu of notice).
- Explain the calculation of the redundancy payment and any other payments to be made.
- Confirm that the employee has the right of appeal. Explain how to appeal and the relevant time limit.



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