

Employers Quick Guide to Redundancy

Sydney Mitchell's Employment Law team can provide your business with a complete range of employment law advice and solutions tailored to suit your needs.

This is a quick guide on the redundancy process and is not intended to be used as a substitute to full and thorough advice on each individual step of the redundancy process...



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1. Before starting any redundancy scenario you first need to work out how many redundancies you need to make and which areas of the business it will affect. Think about whether it is a redundancy or a reorganisation scenario, but most importantly, think about whether there are ways of avoiding redundancies.
2. If you are proposing to make more than 20 people redundant from one establishment, you need to start consulting with your recognised union (if there is one) or start the process of electing employee representatives. If less, you can undertake individual consultation with the affected employees.
3. Choose your selection pool and provisionally choose your selection criteria.
4. Most employers like to hold a "town hall" type meeting with those who may be affected outlining the necessary information which will then be followed up in writing. Alternatively, write to those who may be affected i.e. those within the pool, explain why you are making redundancies, setting out how many redundancies you anticipate making and the pool they are being drawn from, outline the proposed selection criteria you will be using as well as explaining how the process will work and the expected timetable.
5. Always consider making a call for voluntary redundancies, explaining the terms of any enhanced voluntary redundancy package.
6. Write to the employee and hold your first individual consultation meeting with each person affected. Explain the position again, give them the chance to comment on the selection criteria (or, if you are undertaking collective consultation, do that as part of the collective consultation), and discuss voluntary redundancies. It is important to listen carefully to any suggestions the employee and or their representative make, and if you agree with their suggestions, do what they have suggested, but make sure you consider it and look into it.
7. Do the individual scoring, and send each employee a copy of their score sheet anonymising the scores for others, but if that is difficult, tell the employee which where their score falls. Make sure the employee knows the break point, i.e. the score above which their job is safe. If you are consulting collectively, you will need to meet regularly with the representatives whilst all this is going on to discuss ways to avoid redundancies and soften the impact.
8. Hold a second consultation meeting with all the employees who fall below the break point and are now provisionally selected for redundancy. Go through their scores with them and give them the chance to explain if and why they think you have scored them incorrectly. If you accept what they say, adjust their scores. If that moves them above the

break point, pushing someone who was previously above it down underneath the break point, you need to hold this second consultation with the employee who has been pushed below the break point, allowing them to comment on their scores.

If you do not accept their argument, make sure you keep a note of what they have said and your reasons as to why you did not accept it. During this consultation meeting, address any options of alternative employment within the company. Have you identified anything suitable for the employee? Is there anything they would like to be considered for? Invite the employee to consider their position and get back to you within the next few days if they want to be offered or considered for any particular role and then take the appropriate steps.

9. If no suitable alternative role has been identified and you have not revised the employee's scores upwards, hold a third and final consultation meeting where you tell the employee that their selection for redundancy is now confirmed and you are giving them notice of termination due to redundancy. If you have identified suitable alternative employment, explain and offer it to them. If not, tell them you will keep looking (and actually do so) up until the date their notice expires. Explain their right to time off to seek new employment. Remind them they can come forward at any time with suggestions for alternative employment. Then outline to the employee how their redundancy payment, notice pay and any other payments due will be calculated. Ensure that you tell them when their final day of work will be and if they have any outstanding holiday, consider making them take it during their notice period. You also need to make it clear whether you want the employee to work their notice or whether they can stay at home. If you are going to, offer a right of appeal.

10. Keep looking for alternative employment, and keep a paper trail of your search. In a large organisation, you might need another meeting to discuss alternative employment again.
11. When the employees notice period expires, make any outstanding payments (likely to be outstanding holiday pay, outstanding expenses and their redundancy payment).

Important: All meetings should be followed up and confirmed to the employees in writing and the employee can bring a representative (either a trade union or a work colleague) to the meeting with them.

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Contact our Employment Law Specialists



Emma-Louise Hewitt **Head of Employment**

Emma specialises in Employment Law acting for both employees and employers in a range of areas including but not limited to:

- Drafting contracts, handbooks, policies and procedures
- Negotiating exit packages and Settlement Agreements
- Advising on potential Employment Tribunal claims such as unfair dismissal and wrongful dismissal
- Guidance on reorganisation and redundancy
- Assistance with disciplinary and grievance procedures and processes
- Negotiation during ACAS early conciliation
- Advising on all aspects of workplace discrimination, harassment and bullying
- Workplace training on best practice and staff management for supervisors and managers
- Providing general day to day employment law advice and support to business owners, managers and HR advisers



Dean Parnell **Partner**

Dean undertakes work for partnerships and companies ranging in size from owner managed businesses through to international organisations. Dean has also acted for local and central government.

Dean specialises in high value and/or complex employment disputes including restraint of trade and enforcement of post termination restrictions.

Dean is also a qualified mediator and has undertaken over 50 mediations as the lead mediator.

Recent work includes:

- Successfully defending at Tribunal TUPE claim valued in excess of £2 million pursued by 17 Claimants
- Successfully pursuing a high profile whistle blowing claim against Birmingham City Council
- Advising international company on termination of one of their senior employees



Samantha Glynn **Solicitor**

Samantha works with the Dispute Resolution/Employment Law team dealing with Employment issues for both employers and employees.

Areas of expertise include:

- Unfair Dismissal Claims
- Discrimination Claims
- Negotiation of termination packages for employees
- Drafting Employment Contracts/Staff Handbooks and Policies
- Advice on Employee relations
- Settlement Agreements
- Redundancy
- ACAS Code on Disciplinary and Grievance Procedures

Studied law with French in Dundee and during this time spent 6 months studying in Paris. She completed her training at a large practice in Belfast.

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