



Redundancy Guide

Spring 2020



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Your business needs to make redundancies. These are the key steps in the process:

- 1** How many redundancies are being proposed? If selection is necessary, consider the appropriate pool of employees. Establish your selection criteria and create a list of alternative vacancies across the whole business or group.
 - 2** Hold a first group meeting with all the employees who might be made redundant. In light of the current public health crisis these meetings could be held remotely via zoom, skype, telephone etc. At this meeting:
 - Explain the reasons for the potential redundancies and how many jobs are at risk
 - Make it clear that redundancies are only a possibility at this stage.
 - Explain that ways of avoiding redundancies are being explored and ask the employees for suggestions. You can also ask for volunteers for redundancy.
 - Explain the pools and proposed selection criteria and explain the right to take time off to seek alternative employment.
- It is important to take detailed notes of the meeting or speak to a script.
- 3** After the meeting, confirm all this in a letter to the employees.
 - 4** Score each potentially redundant employee according to the selection criteria. At least two managers should conduct the scoring, to help ensure objectivity.
 - 5** Write a second letter to those employees who have been provisionally selected for redundancy. Invite them to an individual meeting to discuss their provisional selection and tell them that they can be accompanied by a colleague or trade union rep. This letter should:

- Set out the reasons for the redundancy and the reason for provisionally selecting the employee
- Summarise the consultation exercise that has taken place to date
- Explain that no final decision has been made and that a further meeting will be arranged if their redundancy is confirmed.



- 6** Conduct those individual meetings with each employee about their score, the proposal to select them for redundancy and the terms of the redundancy. Consider their comments and discuss any alternative roles within the group. This includes those which would require some retraining and posts on a lower grade. It is important to take detailed notes of the meeting.
- 7** After the individual meetings, follow up and explore any suggestions as to how to avoid redundancies; also consider any queries raised as to individuals' scores. If any employee's score changes as a result of this process, check if that person should still be selected for redundancy. If, by virtue of the new score, he or she should not be selected, it may be necessary to revisit the scoring exercise across the whole pool.
- 8** When a decision has been made to make an employee redundant, the employee should be invited to a second individual meeting. Again, remind them that they have the right to be accompanied by a colleague or trade union rep. The redundancy is confirmed at the meeting and the employer goes through the redundancy package. After this, the employee should be informed that they have the right to take time off to seek alternative employment. Again, it is important to take detailed notes of the meeting.
- 9** A dismissal letter is sent to each redundant employee. This letter should confirm the decision to dismiss and specifying the termination date. It will also explain the calculation of the redundancy payment and any other payments to be made. The letter should confirm that the employee has the right of appeal and explain how to appeal.
- 10** If the employee does appeal, they are invited to attend an appeal meeting. If possible, the appeal should be heard by someone senior to the person who held the previous meetings. Again, the employee should be informed of their right to be accompanied by a colleague or trade union rep. Following the meeting, the employer should write to the employee confirming the outcome of the appeal and that this is the company's final decision.

Important: Collective Consultation under the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA).

Where an employer proposes to make large scale redundancies of 20 or more employees within a period of 90 days or less (collective redundancies), it must consult on its proposal with employee representatives of the affected employees and also notify the department for Business, Energy & Industrial Strategy (BEIS).

Collective Consultation with staff representatives must begin in good time before any redundancies take place. Certain minimum time periods apply depending on the scale of the redundancies proposed. Where 100 or more redundancies are proposed, consultation must begin at least 45 days before the first dismissal takes effect. For fewer than 100 redundancies, the minimum period which must elapse is 30 days.

The maximum sanction for breaching the obligations under the collective consultation rules is a "protective award" of up to 90 days' gross actual pay for each affected employee. Failure to inform the BEIS, if making large scale redundancies of 20 or more employees within a period of 90 days or less is a criminal offence.

How we can help

The Druces Employment and Immigration team advise and act for clients on numerous non-contentious, advisory and transactional matters, such as redundancy; drafting and negotiating employment contracts; letters of appointments and more.

In the complex and continually evolving world of employment law, our Employment team provides the right level of support and guidance to its clients. We pride ourselves on being able to provide each client with a personal service tailored to meet each their needs, as well as providing advice that is clear, practical and commercially realistic.

Further information

For further information, please speak to:

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