

The Redundancy Procedure Guide For Employers

Redundancies can sometimes be unavoidable in business. A sudden shift in the economic climate, a new merger or perhaps relocation can all mean you may be carrying surplus staff. In this guide we offer guidance and advice on the redundancy procedure. If you are facing redundancy it is crucial employers follow the correct procedure and timings.



Selecting people for redundancy

Before considering making any employee redundant there must be a genuine reason for the redundancy. When selecting employees for redundancy you are required to use a method which is fair and does not discriminate against any employee for reasons like, age, sex or race. The decision needs to be based on evidence such as disciplinary records as opposed to making an employee redundant simply because they do not work as well as others perhaps.

In some cases a redundancy method may have been agreed with a trade union, or there may be a written procedure in the employee's employment contract, if so this procedure should be followed.

There may be a redundancy procedure that you have used in the past which the workforce did not object against, this procedure should then be used if it is fair to all employees. If you do not use a fair selection procedure you could face an employment tribunal. If you're unsure on the selection procedure we would advise you to speak with one of our solicitors who can offer advice and guidance as employment tribunals can be extremely costly.

The Redundancy Process

Plan well ahead of time:

- It is important that you plan well ahead of time and follow the proceedings set out in your redundancy procedure
- You should log every stage in writing. Not only will this help you keep track of the process it will also benefit you if you were to attend an employment tribunal as you may be asked to demonstrate the procedure you carried out

Consult and notify employees in time:

- There is not a statutory fixed consultation period if there are less than 20 employees involved within the process. However within the employment contract it may specify a consultation period in which case you must follow this
 - For 20 or more individuals you are required to begin consultations with these employees or their elected representatives. You must then notify the Department of Business, Innovation and Skills no less than 30 days before the dismissal comes into effect
 - For 100 or more employees involved within the redundancy process you are required to begin the consultations no less than 45 days before the dismissal comes into effect
- * If you fail to consult employees properly this could be potentially very costly. The employee has the right to ask an employment tribunal for a protective award, which gives all employees involved up to 90 days full pay.
- You must be able to illustrate that you have consulted each employee individually. This should involve an initial meeting to discuss the full process, timescales, any possibility of alternative work, as well as explaining redundancy pay calculations. Further meetings should then be arranged to discuss feedback and to explain the appeals procedure

Decide the criteria from which employees will be selected for redundancy:

- Decide what selection criteria you will use, you should select a criteria that will suit your business needs
- Ensure that throughout the procedure your criteria is applied fairly and consistently
- You should disclose the selection criteria to employees as part of their individual consultation
- You should not however share individual scores with other employees

Provide redundant employees with notice:

- The notice you provide redundant employees should be in line with their contract
- The notice should, at the very least, cover the statutory minimum notice period

Mishandling Redundancies

Common mistakes made by employers:

- Not following the correct redundancy procedure
- Using selection criteria that is unfair
- Failing to consult employees properly

If you mishandle redundancies you could find yourself facing a costly unfair dismissal claim at an employment tribunal. Employment tribunals can make compensatory awards to individuals of

anything up to £75,000.00. These awards are based on a calculation of the redundant employee's present and future loss. At Banner Jones our team of specialist employment solicitors can provide you with redundancy procedure advice and support if you require it.

Why Choose Banner Jones?



Ranked in the Legal 500



Over 135 years of experience



5 Regional offices



Variety of specialist lawyers



We do workplace mediation



Insurance backed employment scheme

96%

96% of our clients would recommend us to a friend

Don't hesitate to get in touch with one of our expert employment law solicitors for specialist advice:

Phone: 0333 200 2300

Web: www.bannerjones.co.uk

Join our Social Networks

