



## **Redundancy support**

Making redundancies can be a distressing and often emotional experience. Having the support of an expert can help ease some of the stress involved in that process.

- How do you determine whether or not redundancy is the right option
- How many and which employees will be affected
- Compulsory and/or voluntary options
- Redundancy package responsibilities

I can guide you through the process to ensure that your decisions and actions are both legally and commercially sound.

### **Redundancy Reasons**

Redundancies arise when employees are no longer needed to perform their job. This could be for a number of reasons:

- the business is failing
- the business, or part of it, has stopped operating (often called becoming insolvent or going bust)
- particular skills are no longer needed
- work is being done by other people, after a reorganisation
- the business, or the work, moves to another location
- the business is taken over by another company
- new technology meaning fewer people are required to do the job

Redundancies can be either compulsory or voluntary. Before proceeding with any type of redundancy, I would recommend you always seek advice.

For a redundancy to be legitimate, you have to demonstrate that the employee(s) job genuinely no longer exists.

### **Selecting employees for redundancy**

If you have to make compulsory redundancies, it's important you conduct a fair and transparent selection process. It is important to ensure that you are not discriminating against anyone.

Fair reasons when making selections for redundancy include:

- Skills, qualification and aptitude
- Standard of work and/or performance
- Attendance record including sickness
- Disciplinary record
- Length of Service

Some employers do select employees based on a 'last in, first out' basis. This is permitted (except in Northern Ireland), but you must be able to justify your decision to select employees



based on their length of service alone.

### **Unfair selection criteria**

There are a number of reasons that shouldn't be used to make an employee redundant.

Some examples include:

- Pregnancy or maternity status
- Family – parental, paternity or adoption leave, for example
- Acting as an employee representative
- Part-time workers

### **The redundancy process**

Before making employees redundant, you need to consult with them. Consultation should be conducted individually and in some cases must also be done collectively. The consultation process should cover things like: the reasons for the redundancies and whether or not there are any alternatives to redundancy i.e. part time working, alternative employment. However in some cases this may not be possible.

### **Alternatives to redundancy**

You should try to avoid compulsory redundancies where possible. A few alternatives include:

- Offer voluntary redundancy although you do not need to accept this
- Reduce or remove overtime
- Seek alternative positions for employees in other areas of the business if possible
- Limit or place recruitment on hold
- Consider flexible working i.e. part time
- Remove casual labour, i.e. temporary staff

### **Redundancy Costs**

Remember to consider the costs involved before going down this route. Check the statutory redundancy entitlement as well as any contractual redundancy terms. You can find a redundancy calculator at <https://www.gov.uk/calculate-your-redundancy-pay>