



Handling small scale redundancies

Guide to the redundancy process where fewer than 20 members of staff are to be made redundant over a 90 day period.

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An increasing number of employers are looking at ways of making cost savings. Unfortunately for many employers they will have no option other than to consider making employees redundant. Although many employers will have perfectly legitimate reasons for making redundancies, it is still important that employers follow a reasonable procedure if there are no alternatives to redundancy available.

Considering suitable alternative roles is a key element of a fair redundancy process. Redundancy should be a last resort. If you unreasonably fail to look at suitable alternative positions then you may leave yourself open to tribunal claims. If a suitable alternative position is found for an employee elsewhere in the business and they chose to accept it it is good practice to consult with them on issues such as: the impact on their salary where the position is of a lower pay grade and arrangements in relation to travel and expenses where the position accepted is in a different location.

If no alternative roles are available the consultation process should commence.

You will need to brief managers within your business regarding the decision to conduct redundancy proceedings. It may be that they require support and training, particularly if staff in their team are being considered for redundancy and they are expected to liaise with them. Managers should be involved throughout the process and so need to be fully informed and understand the business need for the decision. If you are the only manager at your company you may consider obtaining help and support from specialists in this area. Our solicitors are specialists in employment law and HR support and can advise and support you during the redundancy consultation process if you require it.

Redundancy consultations

When making small scale redundancies you are required by law to consult with all staff affected individually, not just those who will possibly be made redundant. Each individual should be met with regularly through the process and they should be informed fully about their situation and what you intend to do next. Group meetings may be held too but they are not required by law and should not be used as an alternative to individual meetings as this could lead to claims of unfair dismissal. When deciding which members of staff are to be made redundant you must ensure that the reasons for selecting them are fair and in the best interests of the business. Fair reasons for selecting staff to be made redundant include but are not limited to: disciplinary record, absence record and performance. Be careful not to discriminate when selecting staff to be dismissed.

Once you have chosen who will be dismissed from your organisation you must then start to think about notice periods and redundancy pay. If your business does not offer enhanced notice periods or redundancy pay-outs the statutory amounts must be followed.

Statutory notice periods:

- one week for employees who have been continuously employed for a minimum of one month but less than two years
- one week (up to a maximum of 12) for each year of employment when the employee has been continuously employed for two or more years

Statutory redundancy pay – for employees who have been employed continuously for two years or more:

- half a week's pay for every full year of employment whilst under the age of 22
- one week's pay for every full year of employment whilst aged 22 or more but less than 41
- one and half week's pay for every full year of employment whilst aged 41 or older

During redundancy notice periods it is best practice to allow staff time off to attend recruitment agencies and job interviews.

What if I don't follow the process correctly?

Employers are required by law to do all that they reasonably can to meet the requirements regarding redundancy consultation and it is important that you are transparent with the relevant parties throughout the procedure. If you fail to consult trade unions, the elected employee representatives or employees facing redundancy they may complain to an employment tribunal where you could find yourself facing claims of unfair dismissal and so it is advisable when considering making redundancies in your business that you obtain legal advice on the correct procedures.

Stephensons' HR support and employment law team can be on hand to guide employers who are going through the redundancy consultation process. Our experts can help you to deal with any issues as and when they arise and minimise the risk of any claims against you.

Working with you, for you

At Stephensons our clients are real people and they live and work in the real world - which at times can be an unpredictable place. But whatever it throws at them we're never far away to help. Because we're real people too and we understand our client's needs. Our similarities mean we can work side-by-side to get the best outcome possible. It also means we can tailor our legal costs and services to lots of different circumstances. Ensuring everyone gets the representation and result they deserve for their individual circumstances. Our business is to deliver legal services that work for our clients, so you can trust our specialists to take care of things on your behalf.

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