

✓ list

Redundancy: Checklist for an 'under 20' process

It is not without good reason that many employers find this the most difficult of all the potential staffing issues that they may have to face. Redundancies are not usually good news for anyone.

It is not possible to cover all the complexities of a redundancy process in a simple checklist, but it is hoped that employers will find this 'model' process (which concentrates on the action rather than the legal background) useful as a basis for considering any specific situation they may have to handle.

This checklist is a shortened version of a complete Redundancy Resource Pack which comes with sample letters, telephone consultation and other resources, which is available from Paradigm Partners. The full version is designed to provide all the resources for an organisation to carry out redundancies where there are less than 20 people proposed to be made redundant.

Different regulations apply when there are 20 or more proposed redundancies. ✓

<p>1. The golden rule – document everything you do in this process. Write up notes on meetings within 24 hours, and keep everything for at least 6 months. If you have the administrative resources, give written invitations to meetings, and confirm everything in writing.</p>	
<p>2. Redundancy will be a potentially fair reason for dismissal providing that it is the genuine reason. It will usually be regarded as genuine providing that it results from a business closure, a closure of a particular work place, or a reduced requirement for work of a particular kind. So, the first question is, does your circumstances fit one of these descriptions? Beware of inventing a redundancy when the problem should really be treated as poor conduct or performance.</p>	
<p>3. Are there other things you could do to avoid redundancies? Possibilities include temporary layoffs or short time working, providing your contracts of employment allows for these. Also think about voluntary redundancies and early retirements.</p>	
<p>4. If there is more than one person doing a particular job that may be affected by redundancies, then you are likely to have to decide on the 'pool' from which you will select those who are to go.</p>	
<p>5. Decide on the selection criteria that you will use if it is going to be necessary to choose between employees. Your criteria can include attendance, disciplinary record, relevant skills and competencies. Anything you use must be measurable, and it is best practice for the decisions to be made by more than one person to avoid bias. 'Last in first out' is no longer by itself appropriate as a selection criteria, but can be used along with others, perhaps as a deciding factor.</p> <p>Make sure that none of the criteria are discriminatory, for instance, counting leave that is for maternity or because of a disability.</p>	
<p>6. Have an individual informal meeting with those that are likely to be affected, outline the process, and let them know that you will meet with them again after you have briefed everyone else – this may be the rest of the pool, although in small organisations, this may be everyone else.</p>	

<p>7. Group briefing. Have some initial consultation with the 'pool' or the rest of the workforce if necessary. Explain the situation, the reasons, how the process will be carried out etc. Explain that at this stage you are consulting them before final decisions will be made, and invite them to comment on alternatives. Tell them about your selection criteria. Indicate your willingness to meet with individuals if they have any concerns or ideas they wish to express. Tell them that you have spoken to those provisionally selected.</p>	
<p>8. Individual consultation. Give the 'at risk' employees a written invitation to a consultation meeting. Although not compulsory, you may invite them to bring a companion if they wish.</p>	
<p>9. Meet with affected individuals to inform them of their provisional selection. Emphasise that you are still in the consultation phase, give them information about the selection criteria, and a list of any vacancies that may exist in your group of companies. Let them know that you will consider them for any posts in which they are interested (you don't have to appoint them if they are not suitable, and you do not have to create jobs for people) and that you will keep them informed of any new opportunities.</p>	
<p>10. Decision meeting. Make your final selection. Write to the selected employees, inviting them to an individual meeting. Make the purpose of the meeting clear. Although not strictly speaking a requirement, it is probably a good idea to allow them to bring a companion in line with whatever is your normal policy in your disciplinary procedure.</p>	
<p>11. Outline your decision, and make sure you give them the opportunity to say anything they wish to say about the situation.</p>	
<p>12. Depending on the circumstances, you may have to end by adjourning the meeting either for a short time, or longer if there are further issues to consider.</p>	
<p>13. Reconvene the meeting and inform the employee of your decision. Assuming that there are no changes to your initial plans, discuss any redundancy package, their right to time off to seek alternative employment (if you are not dismissing them immediately), and inform them of their right (see below) to appeal.</p>	
<p>14. Confirm all of this in writing clarifying the termination date and how any redundancy payments have been calculated (see http://www.businesslink.gov.uk/ for an on line statutory redundancy payment calculator).</p>	
<p>15. If an employee appeals, a meeting should be arranged with a more senior manager if this is possible. Confirm any decision in writing.¹</p>	
<p>16. Giving somebody a redundancy notice should not mean the end of the</p>	

¹ If the redundancy process started on or after 6th April 2009, there will be no statutory right to an appeal against a redundancy decision. Offering an appeal is useful, although optional.

<p>relationship. Yes, some people will just want their money and to be on to pastures new, but others will value support such as with job applications, secretarial help, financial advice etc.</p> <p>Some may want to be kept informed about any future vacancies so that they can come back if they want to – so ask them whether they are interested in these types of support.</p>	
<p>17. Redundancies usually affect everyone in a business, so think about 'survivor support'. Keep everyone informed, allow time to reassure individuals and explain how changes are going to affect them. Handle the whole process in an open and fair way, and, above all, demonstrate your vision for the future.</p>	

All reasonable efforts have been taken to ensure that the advice contained in this checklist represents both best practice, and the law as it stands at the time of publication. It should not be relied on as a substitute for taking advice about specific situations.

Ken Allison
Paradigm Partners
0161 928 3213
May 2009