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# Collective Redundancy Checklist<sup>o</sup>



How to deal with collective redundancies

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Redundancy can be one of the most difficult issues for employers to deal with.

To ensure that any redundancy exercise is as risk-free as possible and to support potentially redundant employees effectively, employers should carefully plan any redundancy exercise in advance. Below is a checklist identifying the key areas for employers to consider when dealing with collective redundancies.

## Checklist

- Is there a genuine redundancy situation? A dismissal for redundancy will be unfair unless there is a genuine redundancy situation i.e. closure of a business, or workplace or a decrease in the need for employees.
- How many redundancies are being proposed? If there are 20 or more redundancies being proposed in a 90 day period, then the collective consultation obligations will arise. If there are fewer than 20 then individual consultation will apply (see Individual Redundancy Checklist).
- Remember where an individual volunteers, they are still likely to be dismissed by reason of redundancy and should be included in the calculation of numbers for the purposes of collective consultation.
- Notify the Secretary of State. The Secretary of State must be notified where it is proposed 20 or more employees are to be made redundant. Notification must be in writing, either by letter or more usually on a form HR1, and must include the identity of any employee representatives to be consulted, and the date on which consultation began. The notification must be copied to all of the employee representatives who are to be consulted.
- Identify the affected employees. Affected employees are those who may be affected by the proposed dismissals or who may be affected by measures taken in connection with those dismissals.
- Is there a recognised trade union? If there is a recognised trade union in respect of the affected employees, the employer must consult with trade union representatives above any other category of employee representative.
- If there is not a recognised trade union, then the employer has the choice whether to consult with employee representatives elected specifically for the purpose by affected employees; or existing employee representatives. If employee representatives are to be elected, there are specific statutory rules which govern the elections.
- Provide the employee representatives with details of the proposed redundancies. The

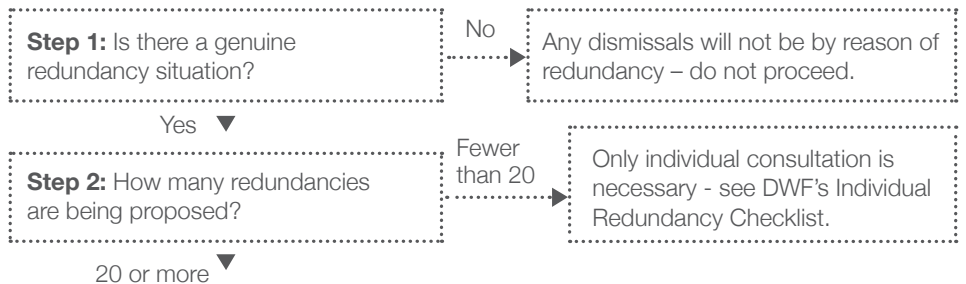


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following information is to be provided in writing to employee representatives as a minimum: (a) the reasons for the proposed dismissals; (b) the numbers and descriptions of employees whom it is proposed to dismiss as redundant; (c) the total number of employees of any such description employed by the employer at the establishment in question; (d) the proposed method of selecting employees who may be dismissed; (e) the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect; and (f) the proposed method of calculating the amount of any redundancy payments to be made (over and above the statutory redundancy payment) to employees who may be dismissed.

- Consult with the employee representatives. Consultation must include ways of: (a) avoiding the dismissals (this includes consultation on the business reasons for redundancies); (b) reducing the number of employees to be dismissed; and (c) mitigating the consequences of the dismissals. Consultation will typically begin with the announcement of proposed redundancies and the provision of information to the employee representatives.
- If an employer fails to collectively consult, there is a risk that the employee representatives, the trade union representatives or individual affected employees may present a complaint to the employment tribunal.
- Remember you must still consult individually with employees to ensure you deal with any individual peculiarities and to address specific alternatives.

### Collective Redundancy – Procedural Flowchart



### Collective consultation procedures must be followed in relation to each employee at risk of redundancy.

