

# Top Tips – Managing Redundancy

The redundancy process is a stressful time for any business. rradar has put together some top tips to help you manage it. These tips are meant to highlight key aspects of the redundancy process and avoid common pitfalls. They are not everything you need to know about redundancy.

## 1. Remember it is the job that is redundant

It is really important to remember that in a redundancy situation you are making job roles, not individuals, redundant. A redundancy situation will arise because you need to reduce the headcount in your company, not remove specific individuals.

Any correspondence with employees should reinforce that. For example, you should state 'your role is at risk of redundancy', not 'you are at risk of redundancy'.

This means redundancy can't be used to deal with poor performance or disciplinary issues.

## 2. Check if collective consultation is needed

It is really important If you are proposing to dismiss fewer than 20 employees at any one establishment, there are no set rules to follow. However, if you are proposing to dismiss more than 20 employees at any one establishment in a 90-day period, you must carry out a collective consultation exercise. As part of collective consultation, you must:

- notify the Redundancy Payments Service (RPS) within the right timeframes, and before a consultation starts.
- consult with trade union representatives, elected employee representatives, or with staff directly.

- keep staff informed throughout the consultation.
- respond to any requests for further information.
- give any affected staff termination notices showing the agreed leaving date.
- issue redundancy notices once the consultation is complete.

## 3. Make sure selection criteria is lawful

You need to put selection criteria in place that will help you pick which individuals to keep in the roles that will remain in the company. These selection criteria's must be lawful. They can include things like attendance record, work performance, skills and experience.

Selection criteria cannot include membership of a trade union, having taken part in trade union activities or having acted as an employee representative.

## 4. Look for suitable alternative work

Before dismissing someone by way of redundancy, you need to think about whether there is any suitable alternative role they can do in the company.

Things to think about when deciding if other work is suitable include:

- pay – wherever possible, an employee’s pay should be the same or higher
- status – any loss of status in a different role may be eased by promising to prioritise the employee if their original job becomes available again
- location – any increase in travel time should be weighed against the employee’s age, health and home life
- working environment – is the new working environment safe if, for example, the employee has a physical disability or mental health condition?
- hours of work – changes in hours of work, such as shift patterns, need to take into account personal circumstances
- temporary working – you keep the employee as a temporary worker until a permanent role is available

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## **5. Make sure you pay redundancy pay**

If you do not pay redundancy pay or if an employee disagrees with the amount, the employee has 6 months less 1 day from the date their employment ended to make a claim for payment to an employment tribunal. If they are also claiming unfair dismissal or notice pay, they have 3 months less 1 day from the date their employment ended.

If you cannot afford to make redundancy payments or if you’re insolvent, you can ask the RPS for financial help or to make your redundancy payments and recover the debt from your assets.

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