



# Redundancy guidelines

Employees are often a company's greatest asset and no business owner wishes to make redundancies. However, sometimes there is no other choice. The following guidelines should be used as a roadmap to ensure that if your business is faced with this difficult dilemma, you can make sure that you undertake a fair and proper procedure.

## Stage 1 - First consultation meeting

- Meet with all the employees who might be made redundant (as a group).
- Explain the reasons for the potential redundancies.
- Explain how many jobs are at risk of being redundant.
- Explain the methods being explored to avoid the redundancies (for example, restrictions on recruitment, alternative employment, re-training, voluntary early retirement, voluntary redundancy, short-term working and restricting overtime).
- Explain the selection criteria and scoring guidelines.

## Stage 2 - First letter

- Confirm the information given during the meeting in writing.
- Include a copy of the selection criteria and scoring guidelines.
- The first letter should be provided at the first consultation meeting to those employees who are at risk of redundancy or immediately after.

### Stage 3 - Scoring

- Score each potentially redundant employee using the selection criteria and scoring guidelines.
- Ensure that at least two line managers conduct the scoring, to help ensure scores are objective.

### Stage 4 - Second letter

- Write to those employees that have been provisionally selected for redundancy, inviting them to a meeting to discuss their provisional selection.
- Include an invitation to bring a trade union representative or colleague to the meeting.
- Ensure that the letter is reasonably detailed, setting out the reasons for the redundancy situation and for provisionally selecting the employee for redundancy, and summarising the consultation that has been held with them to date.
- Explain that no final decision has been made at this stage, and that a further meeting will be arranged if their selection for redundancy is confirmed.
- After presenting an employee with their second letter, you should allow them at least 48 hours' notice before the next meeting takes place.

### Stage 5 - First individual meeting

- Consult with each employee individually about their scores, the proposal to select them for redundancy and the terms of the redundancy.
- Consider any comments from the employee, particularly in relation to their scores.
- Discuss details of any available alternative roles within the group (including those which would require some retraining and posts on a lower grade).
- Take detailed notes of the meeting.
- You should allow an employee at least 48 hours' notice before the next meeting takes place.

### Stage 6 - Follow up

- After the meeting, follow up any suggestions made to avoid the redundancies and consider any representations made on scores.
- If any employee's score changes as a result of this process, check if this will result in a change to the group of employees that have been provisionally selected for redundancy.

- If so, repeat the relevant parts of the procedure with any employees that have been selected for redundancy as a result of the review.

### Stage 7 - Second individual meeting

- Where a decision has been made to make an employee redundant, invite that employee to a further meeting.
- Allow the employee to be accompanied by a trade union representative or work colleague.
- Assuming that nothing has changed, confirm that the employee has been selected for redundancy.
- Go through the redundancy package.
- Remind the employee of the right to time off to seek alternative employment.
- Take detailed notes of the meeting.

### Stage 8 - Dismissal letter

- Write to the employee confirming the decision to dismiss them as redundant and specify the termination date (termination may be with immediate effect if the employer is paying the employee in lieu of notice).
- Explain the calculation of the redundancy payment and any other payments to be made.
- Confirm that the employee has the right of appeal. Explain how to appeal and the relevant time limit.

### Stage 9 - Appeal letter

- If an employee appeals, invite them to attend a further meeting to hear the appeal. If possible, the meeting should be held by someone senior to the person who held the previous meeting(s).
- Allow employee to be accompanied by a trade union representative or work colleague.
- Following the meeting, write to the employee confirming the outcome of the appeal and state that this is the final decision.

## How we can help

Working with Xact, Health and Safety, HR and Employment Law consultancy experts, we offer a menu of bespoke redundancy services to help support you, your business and employees from a do it yourself solution through to a full package where everything is taken care of.

## How to get in touch

If you would like more information about the above services, or to discuss a bespoke package for your particular need, please contact:



Your Marsh Commercial Account Executive



Email [riskmanagement@marshcommercial.co.uk](mailto:riskmanagement@marshcommercial.co.uk)

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