**Compliance checklist for redundancy processes**

*This resource was created in partnership with* [*Lynn Burman*](https://www.linkedin.com/in/lynn-burman-47156018b/?utm_source=Breathe%20HR%20redundancy%20toolkit&utm_medium=referral&utm_campaign=Breathe%20redundancy%20content)*, Commercial Director at* [*Clover HR*](https://www.breathehr.com/en-gb/partners/hr-consultancy-directory/clover-hr?utm_source=redundancy-toolkit&utm_medium=referral&utm_campaign=redundancy)*: an expert HR consultancy and trusted Breathe Partner. It’s intended as a general guide only. For the latest legal advice on redundancies, check out the full explainer from* [*Acas*](https://www.acas.org.uk/redundancy)*. And if you’re considering a redundancy – or need HR advice of any kind – it’s always best to speak to an employment law specialist. You can* [*get in touch with Clover HR here*](https://www.cloverhr.co.uk/contact/?utm_source=Breathe%20HR%20redundancy%20toolkit&utm_medium=referral&utm_campaign=Breathe%20redundancy%20content) *or find additional support through our* [*Partner Directory*](https://www.breathehr.com/en-gb/partners/hr-consultancy-directory?utm_source=redundancy-toolkit&utm_medium=referral&utm_campaign=redundancy)*.*

This checklist features a range of questions, considerations and processes you’ll need to follow during a redundancy process, across five main areas:

1. Preparing the ground
2. Consulting collectively
3. Notifying and scoring pooled candidates
4. Consulting with individuals
5. Finalising redundancies

**1. Preparing the ground:**

*First, you’ll need to ask a series of questions about whether redundancy is the right choice for the company and, if so, how you’re going to go about doing it.*

* Check that the situation can be considered a genuine legal redundancy. Compliant options include:
  + Closure of the business
  + Closure of the branch/office where the employee worked
  + A reduced requirement for employees to carry out a particular type of work
* Discuss potential alternatives to redundancy, e.g. pay freezes, reduced working hours, recruitment/pay freezes, overtime bans or reducing contractors.
* Create an ‘at risk’ pool of potential candidates for redundancy. This should include all employees who undertake a similar type of work in a particular department or location, regardless of skill or tenure.
* Consider whether voluntary redundancies or alternative positions in the company can be offered to ‘at risk’ candidates.
* Identify if any pooled candidates are pregnant, on maternity leave or on some other form of familial leave. Extra rules apply to these situations.
* Establish a set of ‘objective criteria’ that can be used to fairly judge candidates.
* Ensure the selection criteria cannot be perceived to unfairly discriminate against any candidate based on characteristics like age, sex, marital status, race, disability, sexual orientation, religion or belief.

**2. Consulting collectively**

*The rules in this section* ***only apply*** *if you’re making more than 20 employees redundant at one establishment within a single 90-day period. Currently ‘one establishment’ is defined as a single office, branch or premises, though the Employment Rights Act will upgrade this to the whole organisation.*

* Inform the UK Government of your intention to make redundancies by filling out the H1 form [on the Government website](https://www.gov.uk/government/publications/redundancy-payments-form-hr1-advance-notification-of-redundancies). This must be completed at least 30 days before redundancies take effect, or 45 days if more than 100 employees are being made redundant.
* Establish what representation employees will have during collective consultation and, if chosen, in individual meetings. Choose option A or B:
  + A) Identify an independent trade union to consult with
  + B) Hold elections for employee representatives, decided by ‘at risk’ candidates
* Officially submit the following information to the relevant trade union/employee representatives before collective consultation begins:
  + A copy of the HR1 form sent to the Government
  + Reasons for redundancy proposals
  + Numbers and type of jobs at risk, including the total selection pool
  + The scoring criteria, including methods and timescales
  + The redundancy packages to be agreed
* Hold a collective consultation meeting with trade union and/or employee representatives. These discussions should be meaningful and held in good faith, and involve:
  + Discussing alternatives to redundancy and ways to mitigate the impact
  + Considering what voluntary redundancy or alternative internal employment options might be available
  + Confirming the number of candidates to be made redundant and the selection pool from which they’ll be chosen
  + Agreeing the scoring system

**3. Notifying and scoring pooled candidates**

*Before confirming individual redundancies, you should score all candidates fairly and objectively.*

* Hold a group meeting with all pooled candidates. You should discuss:
  + The reasons for redundancy
  + How many redundancies are being made and in which departments
  + Reinforce that no decisions have been made on individual candidates for redundancy
  + Additional ways to avoid redundancies, taking suggestions from employees
  + If voluntary redundancy is an option and, if so, who is eligible
  + Remind candidates they have the right to take time off to search for additional work
* Issue a **first letter** to all candidates in the selection pool to confirm they are ‘at risk’. This should confirm in writing all information discussed in the meeting.
* Score each candidate, ideally involving input from at least two separate managers. Then, you can identify ‘provisional candidates’ for redundancy based on these scores.

**4. Consulting with individuals**

*Individual consultation should take place with all candidates provisionally selected for redundancy, regardless of whether collective consultation has already occurred. This should be done before any final decisions are made.*

* Send a **second letter** to provisionally selected candidates, formally inviting them to an individual consultation. This should include the reasons they’ve been provisionally selected and the candidates’ full scores - and be issued in ‘sufficient advance’ of the meeting.
* Explain that this is just a provisional selection and that no final decisions have been made.
* Confirm the employee’s right to have trade union or employee representative support at any redundancy–related meetings.
* Remind the employee of their right to appeal the final decision.
* Hold an individual consultation meeting with each candidate, discussing:
  + The scores awarded to each candidate
  + Any suggestions or criticisms the candidate has of the scores
  + Details of alternative roles in the company, where appropriate
  + The redundancy proposal, package and terms

**5. Finalising redundancies**

*When a final decision has been made, it’s time to formally confirm the details.*

* Send a formal **third letter** to all candidates confirming the outcome of the consultation and their redundancy.
* If the employee chooses to appeal the process, arrange an additional meeting with another manager to discuss their concerns. If necessary, repeat the scoring system and adjust the list of candidates based on this discussion.
* Ensure the redundant employees have been provided with suitable notice before the redundancy takes effect, or payment in lieu of notice.
* Provide redundancy payment in line with the following age requirements. These protections only apply to candidates who’ve worked more than two years\*:
  + **Under 22s:** Half a week’s pay for each complete year of service
  + **22-41s:** One week’s pay for each complete year of service
  + **Over 41s:** 1.5 weeks’ pay for each complete year of service
* Offer all redundant employees help finding alternative work.

*\*This point refers to statutory legal redundancy payments, meaning it follows the legal minimum set by law. Companies may choose to offer an enhanced package at their own discretion.*

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