

# REDUNDANCY PROJECT CHECKLIST FOR HR



**This checklist is designed to be a practical reminder of the various tasks and considerations that HR need to take into account at all stages of a potential redundancy project.**

Whether it's early days and there's still time to consider changing course or, in the aftermath of a project, when remaining employees may need considerable moral support, use the checklist to help you mitigate risk and avoid unexpected pitfalls.



# PART 1: STRATEGY AND PLANNING

## BUSINESS CASE

- What are the organisation's needs and goals?
- What are the options for achieving these goals?
- Have the pros and cons of each option been identified?
- What is the business case for considering potential redundancies?
- Can this be backed up with evidence?
- Are there any alternative measures to achieve the organisation's goals which would not involve redundancies?
- If alternative measures are not viable, what are the reasons why?

## KEY PERSONNEL

- Have the key personnel and decision-makers who will be involved in carrying out a redundancy project been identified?
- Who has been appointed to take responsibility for running the project?
- Are any extra personnel (e.g. HR or business services) required to help manage the project?
- Can extra resources be acquired internally or is it necessary to look externally?
- Are the key personnel responsible for managing the project adequately trained in employment law and procedure?
- Have restrictions on information sharing and document security been established for personnel involved in the project? (E.g. Could this be achieved with IT assistance through a protected document hub?)
- Is there an up-to-date confidentiality agreement (or sufficient protection in contracts of employment) which would support these restrictions?

## BUDGET, NUMBERS, TIMESCALE AND RISK

- Is there an initial project proposal, including budget, key personnel responsibilities and key actions?
- What is the proposed timescale for carrying out a redundancy exercise?
- Are there any operational restrictions on the timing of redundancies (e.g. client order deadlines) which might affect the proposed timescale?
- Could the project trigger statutory collective consultation obligations (e.g. because 20+ dismissals are proposed at the same establishment within 90 days) and has this been factored into the proposed timescale?
- When looking at the number of potential dismissals, have recent or ongoing redundancies (or dismissals related to 'change' projects such as dismissal and re-engagement on new terms and conditions) been taken into account? Note: this is not limited to the current business unit, it's important to also consider other parts of the business.
- Is there sufficient time for individual consultation (irrespective of collective consultation obligations) with potentially affected employees, to ensure a fair redundancy procedure?
- What would be the impact of a delay to the proposed timescale, including the likely cost?
- Have internal or external legal advisers conducted a legal risk/cost analysis of the project?
- Are there any potentially affected employees who fall within categories which may trigger specific rules, considerations or risks in a redundancy project (e.g. apprentices, employees who are pregnant, or on maternity leave or others with a 'protected characteristic' such as a disability)?
- Are there any agency or temporary workers in the workforce and could they have an impact on a potential redundancy project in terms of potential costs or risks?
- What is the overall budget/anticipated cost of the project?
- Is there a mechanism in place for monitoring budget, risk and timescale?

## PART 2: REDUNDANCY PROCEDURE

### POLICY AND PROCEDURE

- Do the redundancies being proposed fall within the statutory definition of 'redundancy'?
- Does the organisation have a redundancy policy or procedure (either set out in writing in the contract of employment/employee handbook/standalone policy/collective agreement or established through 'custom and practice')?
- If there is a redundancy policy or procedure, is it contractual or discretionary?
- What are the likely consequences if the organisation deviates from this policy or procedure?
- What are the lessons learned from any previous redundancy projects? What could be repeated or done differently?
- Could any past or ongoing redundancies (or other 'change' projects such as a transfer of an undertaking) have an impact on the rules and procedure which apply to the current redundancy proposals? Note: this is not limited to the current business unit, it's important to also consider other parts of the business.

### AFFECTED EMPLOYEES AND INITIAL CONSIDERATIONS

- Have the employees that are likely to be affected by the proposed redundancies been identified?
- If the statutory collective consultation obligations could be triggered, is it clear at what point in time these obligations are activated and how this fits in with the timescale and internal/external communications?
- If selection for redundancy is likely to be necessary, have the potential pool(s) of affected employees been considered?
- Is there a proposed set of objective and fair selection criteria?
- Has a list of alternative vacancies been compiled on a group-wide basis and is there a mechanism for keeping the list up-to-date?
- What is the current state of employee relations and what is the organisation's relationship with any existing employee representatives?
- Can employee relations problems be anticipated in any particular area and how can they best be dealt with?

### COMMUNICATIONS

- Is there an initial internal and external communications plan in respect of any proposed redundancy project?
- What are the key messages to be given to employees/trade unions or other bodies of employee representatives/commercial partners/customers/the general public? Who will deliver them and, when and how will they be delivered?
- Has a strategy been put in place to mitigate risk and provide a rapid and uniform response to any negative publicity generated internally or externally (e.g. via social media)?
- What are the lessons learned from recent communications with employees or their representatives on difficult issues?
- How will employees and/or employee representatives be kept informed about the redundancy proposals on an ongoing basis?
- Have employee contact details been verified to ensure that they are accurate and up-to-date?
- How will employees who are on leave or working away from the office be kept informed in a timely way?
- If collective or group consultation is being carried out between the organisation and a trade union or other body of employee representatives, will information also be communicated directly to employees in parallel and if so, how?
- What written information will be available to employees and their representatives and in what format?
- How will employees' questions, representations and complaints in relation to the proposed redundancies be dealt with outside of scheduled consultation meetings?

## EMPLOYEE REPRESENTATION

- Where statutory collective consultation rules apply, who from the organisation will consult with employee representatives a view to reaching agreement on the required areas for consultation (e.g. ways of avoiding dismissals or reducing their number) within the applicable time limits?
- Is there a union, works council or any other standing body of elected or appointed representatives that must be consulted under statutory collective consultation rules?
- If there are no employee representatives in place, and statutory collective consultation is required, can new employee representatives be elected?
- If the proposed redundancies do not trigger statutory collective consultation, could voluntary group consultation be carried out?
- Do employee representatives require any particular training or refresher training?
- Will employee representatives be given time off to carry out their consultation duties?
- Where applicable, how will employee representatives be provided with the required written information (e.g. numbers and descriptions of potentially affected employees), within the time limits, under statutory collective consultation rules?
- Does the Secretary of State need to be notified in writing of statutory collective redundancies (on a HR1 form) along with employee representatives?

## CONSULTATION PRACTICALITIES

- Has a timetable been put in place for consultation meetings and employee letters to be sent out?
- Have individual consultation meetings been included in a proposed consultation timetable (in addition to any collective consultation meetings that may be necessary)?
- Are there a sufficient number of meeting rooms for consultation (ideally, for all consultation meetings to be held at the same time)?
- What resources will be required during consultation meetings?
- Have template letters/information packs been prepared for consultation purposes?
- Have employees' records (e.g. disciplinary, attendance, performance, D.O.B, years of service, salary and contact details) been updated and verified to ensure that provisional scoring against selection criteria or proposed payment calculations are accurate?
- Who will be responsible for leading each consultation meeting and taking notes?
- Do those conducting the consultation meetings need any specific training or answers to FAQs?
- Are they clear that they are consulting on genuine proposals and that nothing should be decided until consultation has been completed?
- Are they prepared for handling difficult conversations?
- Is there sufficient time for key personnel to meet in between consultation meetings to consider and prepare responses to matters raised by employees and their representatives (e.g. scores against selection criteria, employees' suggestions for avoiding redundancy or finding suitable alternative employment)?



## PART 3: REDUNDANCY DISMISSALS AND POST-REDUNDANCY ISSUES

### ALTERNATIVE ROLES AND TRIAL PERIODS

- Who will conduct searches for suitable alternative vacancies within the organisation (including across any group companies)?
- Will there be any 'bumping' of employees from their roles?
- Can a list of all open vacancies be compiled along with a system for updating and alerting employees to new vacancies as well as processing their applications?
- Will alternative roles be offered on a trial basis subject to the statutory period of four weeks or for a longer period by agreement?

### DISMISSAL PROCEDURE

- Will employees be allowed to bring a companion to redundancy dismissal meetings?
- Have those who will conduct dismissal meetings been given specific training or guidance on how to ensure that employees are dealt with as fairly and sensitively as possible?
- Will employees selected for redundancy serve their statutory (or, where relevant contractual) notice period or will they leave with immediate effect with payment in lieu of notice?
- Will you offer an appeal procedure and, if so, who will be responsible for running it?
- Will statutory redundancy payments only be available to employees with the statutory minimum two years' service or to all employees? Will there be any enhanced redundancy payments?
- Have any specific legal risks been identified in relation to the redundancy exercise (e.g. unfair or wrongful dismissal, unlawful discrimination or entitlement to protective awards for failure to follow statutory collective consultation procedure)? Is it possible to mitigate them?
- Will ex-gratia payments be offered in exchange for dismissed employees signing a statutory settlement agreement to avoid potential legal claims?
- Where applicable, who will be responsible for drafting and negotiating these settlement agreements, as well as alerting employees to the need for independent legal advice? Can the organisation contribute towards the cost of the advice?
- Is it possible to ensure that employees will receive redundancy payments as close to their dismissal as possible?

### POST-REDUNDANCY SUPPORT AND EMPLOYEE RELATIONS

- Will all affected employees be given a reasonable amount of time off work to look for another job or arrange training (or only those with the statutory minimum two years' service requirement)?
- Can any services be provided to help employees find alternative work (e.g. help with job applications and CVs, contacting other local employers to ask about employment opportunities, offering assistance with re-training)?
- Will any outplacement services be offered to assist affected employees with the impact of redundancy?
- Can any support be provided to remaining employees, post-redundancy, who may feel stressed or suffer from 'survivor guilt' or insecurity (e.g. through counselling services or employee wellbeing champions)?
- Will the new post-redundancy business structure be made clear to internal and external stakeholders (e.g. by issuing revised organisation charts and clear communications to employees, customers and business partners)?
- Is there a post-redundancy communication strategy in place? Can remaining employees be kept informed of the state of the business along with any progress or improvements made?
- Can the impact of the post-redundancy structure on employee relations be monitored at a corporate and individual level (e.g. through team meetings as well as one-to-one catch-ups) to ensure that employee wellbeing as well as productivity and profits are stable and, ideally, improving?

## HOW WE CAN HELP

### BOOK YOUR PLACE ON OUR REDUNDANCY SEMINAR

#### **Redundancies: Top tips to tackle the trickiest issues (or, ideally, avoid them altogether)**

Join our HR experts as they provide top tips to tackle redundancy situations and explore ways to avoid them altogether.

Get practical solutions and support to help you recognise potential pitfalls, minimise your legal risks and to keep the process on track.

#### **Book a place on our seminar and receive:**

- A confidential, one-to-one consultation with a Make UK redundancy expert
- A training pack for line managers to handle redundancies successfully
- A practical guide on measures and options aimed at avoiding redundancies

Network with others, share experiences and seek advice from fellow HR professionals on the day.

**Book:** <https://makeuk.org/news-and-events/Events/AllEvents/Redundancies>



### GET SPECIALIST SUPPORT TO MANAGE REDUNDANCY ISSUES

Our team of 85 barristers, lawyers, solicitors and HR professionals resolve over 100,000 employment law enquiries and settlement agreements each year and win 91% of cases - higher than the national average. With our top-level experts, you know you're in safe hands.

We can help you plan effectively for future change and explore alternatives to compulsory redundancies, where appropriate. If redundancies cannot be avoided, we can provide the necessary support to ensure you manage a redundancy situation as effectively and sensitively as possible.

**Visit:** [www.makeuk.org/Services/HR-and-Legal](http://www.makeuk.org/Services/HR-and-Legal)

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