

HANDLING REDUNDANCIES IN A SMALL BUSINESS

January 2024

This guidance is aimed at employers where **fewer than 20 staff** are at risk of redundancy. It covers the legal basics, explores alternatives to redundancy, and takes employers through the process they need to follow to be fair and stay within the law in this situation.

In a situation where 20 or more employees are at risk of redundancy, follow the advice given in the Labour Relations Agency Advisory Guide - [Advice on handling redundancy](#).

This information is intended to be a brief introduction to the subject. Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law. Specific legal advice should be sought in respect of particular cases. While the information is considered to be accurate at the date of publication, any errors or omissions cannot be held to be the responsibility of the Labour Relations Agency.

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What is redundancy?

Redundancy is generally where an employer needs to reduce their workforce - for example, if the business is closing or certain work is no longer required.

As the employer of a business, you may be worried about a downturn in trade.

- Is there enough work to keep staff busy?
- Is there sufficient income to pay wages and keep the company afloat?

You may be considering making redundancies to reduce the number of staff you employ to cut costs. This can be a daunting prospect which will affect you and your employees.

If you have to make redundancies they should be for the following reasons:

- You have ceased, or intend to cease, carrying on the business for the purposes of which you employ someone.
- You have ceased, or intend to cease, carrying on the business in the location you employ someone.
- You no longer require your employees to carry out work of a particular kind.
- You no longer require your employees to carry out work of a particular kind in a specific location.

Redundancy can occur where the amount of work disappears completely, or where the amount of work reduces. Redundancy is potentially a fair reason for dismissal as long as you are reasonable in the way you handle the situation.

Seriously consider alternatives to redundancy

Before you start a redundancy process, consider all the alternatives you could use or combine to reduce redundancies, or even prevent them altogether.

The alternatives include:

- **Reducing or ending overtime** - Check your contracts first.
- **Stop recruiting and retrain staff** - This can often save you money and be better for morale.
- **Stop using contractors/casual staff/agency workers** - Be clear on their employment status first.

- **Offering flexible working** - Employees are more productive with a better work/life balance, so offering part-time working, job shares etc. can save you money and avoid redundancies.
- **Offering voluntary redundancy** - Ask employees if they would consider this option. Don't single out individuals otherwise you could be accused of discrimination, and remember a voluntary redundancy is still a dismissal. You may not be able to accommodate all requests received for voluntary redundancy, where for example you receive more requests than you need or where key staff volunteer and you are unable to release them. Make sure you communicate this to staff when you are offering voluntary redundancy.
- **Temporarily lay-off employees** - This is not the same as redundancy. If you have a temporary lack of work available and you already have employee agreement, or can get agreement, you can 'lay off' your staff for a period of time, usually with considerably reduced pay. To find out more, see Labour Relations Agency Information Note on [Temporary Lay-off and Short-time Working](#).
- **Temporarily place employees on reduced hours working** - This is similar in practice to lay-offs, and is where, **with agreement**, employees are laid-off for a number of days each week, or for a number of hours during a working day. To find out more, see Information Note on [Temporary Lay-off and Short-time Working](#).
- **Changing your staff employment contracts** - Sometimes you might not want to lose your staff but instead can **agree** new terms and conditions such as wages, hours and duties. As a last resort, you may need to impose changes to terms and conditions which are often simpler and better alternatives to redundancies. If you impose changes in contractual terms **without the agreement** of the employee, or without dismissing and re-engaging the employee, then there will be a breach of contract. This is called a unilateral variation of contract. To find out more, see Labour Relations Agency Advisory Guide - [Advice on Agreeing and Changing Contracts of Employment](#).

Preparation

Draw-up a draft framework of what you are thinking of doing and in what order. When making/intending to make fewer than 20 people redundant, this should include.

- **Focusing on your businesses future** - It's important to remember that redundancy is meant to help you get your business back on track. You'll need to plan how the business will operate when redundant staff leave and communicate your vision for the future of the business to the staff that will

be staying.

- **Briefing your managers** - Talking with your managers will help smooth the process and help you work out what support they need. If you are the owner and only manager, you may need help and/or training.
- **Talking to your staff** - You're legally required to **consult meaningfully** with your staff. This is a very specific way of discussing the situation with staff, so working out how, when and what to talk about is important. It's also useful because your staff may give you ideas on how to avoid redundancies or minimise the number of people being made redundant, that you hadn't previously considered.
- **Be careful in choosing which jobs will go** - If redundancy does turn out to be the way forward, you need to plan how you will fairly and consistently decide which jobs will go. You also need to plan how you will select people for redundancy from those posts.
- **Giving an indication of redundancy notice and pay** - This should be part of your discussions and if handled well, can be reassuring for your staff and your business planning.
- **Remembering notice period rights** - Being mindful of special rights your redundant staff have to look for jobs or training will help you plan ahead. An employee with two years' continuous service who is being made redundant can take reasonable time off with pay to look for another job, or to arrange training. You do not have to pay more than two fifths of a week's pay no matter how much time off you give the employee.
- **If other jobs in your business come about** - Ensure there are provisions for trial periods that could help you avoid redundancy costs. Employees who accept an offer of alternative work are allowed a four-week trial period, after the notice period, to see if the work is suitable. The four-week trial period can be extended by agreement - this should be in writing and show the date on which the trial period ends. They may still claim a statutory redundancy payment (SRP) if you both agree that the work is not suitable. If you think the job is suitable but the employee unreasonably refuses to take it, they may lose any entitlement to a statutory redundancy payment.
- Ensure you follow the three-step statutory dismissal procedure when making an employee redundant. These steps are set out later in this document.

Brief your managers

It is in everyone's interests for you to start talking with your employees about the

circumstances your business faces - but before you do that, you will need to have your managers prepared, trained, informed and ready to support you.

If you're the owner and only manager

You are likely to manage the redundancy process on your own unless you bring in external help. If you are on your own, make sure you are fully prepared and trained, and set aside as much time as is needed.

In particular, ensure you are confident about handling the redundancy process correctly and trained to conduct one-to-one interviews with staff at risk of losing their jobs.

These one-to-one meetings can be emotionally draining and a psychological strain, so make sure you are prepared to handle them.

If you have several managers and/or owners

You will need their full support. They should be involved in the process from the beginning, fully understand the business case for what you are proposing, and be kept up to date throughout so they can:

- Come up with ideas that help smooth the process and even reduce or avoid redundancies.
- Effectively talk and liaise with staff.
- Make redundancy dismissals and give notice of when staff selected for redundancy will leave.
- Help you restructure your business in the best possible way.

Consultation

When you are making fewer than 20 employees redundant you are legally required to have meaningful consultation with each employee.

Unlike larger-scale redundancies, there is no fixed period of consultation required. It needs to be enough to be meaningful to your particular situation.

These meetings are not a set of negotiations, nor are they simply about telling your employees how things are going to be. You, or your managers, **must** meet each employee privately, at least once, listen to them and genuinely consider any proposals or suggestions they may put forward.

Don't skip the one-to-ones only by meeting with your staff as a group. There is a risk that redundancies could be unfair and you may end up at an industrial tribunal.

Benefits of meaningful individual consultation include:

- A better chance of finding alternative jobs for staff.
- Increased employee morale; they'll feel included and see they have an input into the process before any decisions are made. Ideas and options that you hadn't considered/identified previously.
- An opportunity for you to become aware of other relevant issues early on.

Examples of what you need to consult about include:

- Informing the employee of the situation, what you intend to do about it, and why.
- The criteria for the selection process.
- Ways to avoid/minimise redundancies.
- Listening to any concerns about the process or any other relevant matters.
- Assisting and arranging time off for employees, for example, updating CV's and looking for training.

You're not legally required to consult with your employees **as a group/collectively** in small-scale redundancy situations. You may find it useful to do so as a first step and follow up with the individual consultation meeting.

Remember, meeting with staff collectively has to be in addition to, not in place of, individual meaningful consultation.

Choose redundant staff carefully

When you are making an entire, specific group of staff redundant, you have already identified a clear pool for who you need to make redundant.

However, many employers wish to reduce staff/team numbers rather than remove a certain role completely. In this case, you'll need to draw-up **selection criteria** for the pool of staff to be considered for redundancy.

The pool of staff at risk of redundancy

In many cases, the pool of staff to choose may seem obvious. However, where there is

a business need, you may widen the pool to include staff with a lower skill-level, even though the redundancy might not directly affect them, to ensure you retain key staff for future growth.

The selection criteria

Once you identify a pool, decide how to fairly and objectively choose between them. Draw-up a list of criteria. Also, remember to consult with your employees about your choice of criteria. Guidance on applying your selection criteria is set out below.

Absence and attendance

- It's easier to score absences and punctuality fairly if you keep good records.
- If you are comparing staff with different lengths of service, be careful. For example, if you were to look at records from the past six months, an employee with 18 years' service who has had one absence could be selected for redundancy over a colleague with 18 months' service and no absences. Here, it might be advisable to look back over a longer period.
- Exclude any leave you've authorised like holidays, medical and dental appointments. You'll also need to exclude pregnancy-related absences and any statutory leave entitlements such as adoption leave, paternity leave and parental leave. You should also consider any reasonable adjustments for disabled employees which could include excluding disability related absences or alternatively, allowing increased levels of absence when applying selection criteria to them.

Disciplinary records

- Again, it's essential to have proper records if you score on discipline.
- Make sure that any disciplinary records used are taken from fair disciplinary procedures that meet the standards outlined in the Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures available [here](#).

Performance

- You might include performance in your criteria if you have a regular performance management system that's applied consistently to your staff.
- Consider whether you want to use positive performance measures (like meeting sales targets), negative performance measures (like valid customer complaints) or a mix of both.

Skills, experience, and qualifications

- Often these are used together for fairness and to reduce the risk of age discrimination. For example, you might ensure your criteria balance the value of a longer serving employee with vast experience with a more recent employee with the latest qualification.
- Remember to only factor in skills, experience and qualifications that are relevant to the job and/or your business.

Last in first out (the most recent employee is the first to be dismissed)

- Where you are contemplating making compulsory redundancies, you should be aware that using length of service as a selection criterion may place younger employees at a substantial disadvantage compared to older ones, and that it may therefore be unlawful indirect age discrimination.
- A length of service selection criterion may also have a discriminatory impact on other equality grounds in workplaces where an employer has been using lawful affirmative or positive action measures to successfully increase the level of representation in the workforce of groups who have been historically under-represented.

You may choose to hold staff interviews to select the most appropriate person(s) for redundancy. Be careful here - interviews can be subjective and there is a risk your choice may be based on how you feel about a person, rather than using your selection criteria. If you do conduct interviews, you could consider running these as part of a wider more objective selection process.

If you are making more than one group of staff redundant, it may be appropriate to use different selection criteria for different groups, for example, using sales statistics as part of selection criteria would be unique for sales staff and would not apply to security staff.

Remember, it is unlawful to discriminate against people at work because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion, political opinion, and sex. To find out more visit the [Equality Commission for Northern Ireland](#).

An employer must consult with an employee on maternity leave. Maternity leave should never be factored into absence scores. Similarly, ensure you don't test other criteria such as productivity or sales during maternity leave periods. You need to be aware that there is additional protection for women who are at risk of redundancy

whilst on maternity leave in relation to the offering of suitable alternative work. The Labour Relations Agency Workplace Information Service on 03300 555 300 can provide further guidance on this.

Redundancy meetings

Once you have applied the selection criteria and have identified those employees who are at risk of redundancy, you must ensure that you comply with the statutory three-step procedure which is set out in Schedule 1 to the Employment (Northern Ireland) Order 2003. If you breach any part of the three-step approach, which is summarised below, any subsequent dismissal may be judged automatically unfair if it is challenged in Tribunal by an employee and there will be additional financial penalties for non-compliance with the procedure.

The three steps as required by law, as they apply to redundancy dismissals, are set out below. At each of the meetings in this process – the meeting at Step 2 and the Appeal meeting at Step 3 - the employee has the right to be accompanied by:

- A trade union official who is employed by a trade union; or
- A lay trade union official, as long as they have been reasonably certified in writing by their union as having experience of, or having received training in, acting as a worker's companion at disciplinary or grievance hearings; or
- A fellow worker (i.e. another of the employer's workers).

The three-step process

Step 1 - Statement of grounds for action and invitation to meeting

- The employer must set out in writing the employee's alleged conduct or characteristics, or other circumstances, which lead them to contemplate dismissing the employee.
- The employer must send the statement or a copy of it to the employee and invite the employee to attend a meeting to discuss the matter.

Step 2 - The meeting

- The meeting must take place before action is taken.
- The meeting must not take place unless:
 - a) The employer has informed the employee what the basis was for including in the statement, under Step 1, the ground or grounds given in it; and

b) The employee has had a reasonable opportunity to consider their response to that information.

- The employee must take all reasonable steps to attend the meeting.

After the meeting, the employer must inform the employee of the decision and notify them of the right to appeal against the decision if they are not satisfied with it.

Step 3 - Appeal

- If the employee wishes to appeal, they must inform the employer.
- If the employee informs the employer of their wish to appeal, the employer must invite them to attend a further meeting.
- The employee must take all reasonable steps to attend the meeting.
- The appeal meeting need not take place before the dismissal or disciplinary action takes effect.
- After the appeal meeting, the employer must inform the employee of the final decision.

Following the appeal meeting, you should consider the matters raised as part of the appeal process, without unreasonable delay, and make a decision on the outcome to either refuse or uphold the appeal.

- If you decide to **refuse** the appeal, the redundancy dismissal, pay and notice you have issued continues as originally proposed.
- If you decide to **uphold** the appeal and the employee has not yet ended their redundancy notice period, the employment contract will normally continue as though the employee had not been selected for redundancy in the first place.
- If you decide to **uphold** the appeal and the employee has ended their redundancy notice period, you will need to seek to reinstate them and their continuous service will apply from when you first employed them. You may need to pay any arrears of wages between the end of the notice period and the time you reinstate them.
- It is advisable not to make a redundancy payment to your employee until the appeal stage has been completed as you may **uphold** an appeal.
- Whichever you decide, confirm your decision **in writing as soon as possible**.

Sample letters which can be used as you move through this process are attached as Appendices to this document.

Notice

Employees who are being made redundant must receive either notice or pay in lieu of notice. The notice to be given is as set out in the contract of employment or their minimum statutory entitlement, whichever is the longer.

The statutory minimums for periods of notice are:

- One week if the employee has been continuously employed for one month or more, but less than two years.
- One week for each completed year of service (up to a maximum of 12 weeks) if the employee has been continuously employed for two years or more.

If you do not require the employee to work during their notice period, you can make a payment in lieu of notice if this right is set out in the contract of employment.

Payment for notice or payment in lieu of notice should be based on normal pay if they have normal working hours. If the hours are irregular or there are no normal hours and the pay varies with the amount of work done, pay should be based on an average of the previous 12 weeks in which work was done.

You will need to make sure that employees still receive their normal week's pay where they are:

- Ready and willing to work, but you don't/can't provide them with work;
- Incapable of work because of sickness or injury;
- Absent from work wholly or partly because of pregnancy, childbirth, maternity leave, paternity leave, parental leave, or adoption leave; or
- Absent from work to take holidays.

The only exception to this is where the contractual notice exceeds the statutory notice provision by at least one week. In these circumstances pay is not protected. If this applies, you can seek further information from our Workplace Information Service by calling 03300 555 300.

Redundancy pay

If you have no contractually enhanced redundancy pay arrangements, all your employees with at least two years' continuous employment are entitled to a statutory redundancy pay entitlement of:

- 0.5 week's pay for each full year they were under the age of 22.

- 1 week's pay for each full year they were 22 or older, but under 41.
- 1.5 week's pay for each full year they were 41 or older.

Employees can only count a maximum of 20 years' service and the 'weekly pay' is subject to an upper limit, currently £669 per week, (with effect from 6th April 2023). This limit is normally increased annually.

If you have a contractually enhanced redundancy pay arrangement, the amount paid should be in line with your agreement. You should ensure that any contractually agreed redundancy pay is not in breach of Age Discrimination legislation. Guidance on enhanced redundancy payments is available in the Equality Commission's guide on [Age Discrimination in Northern Ireland](#) (page 29).

Redundancy pay under £30,000 is not taxable and is something an employee receives in addition to any other payments such as notice and outstanding holiday pay etc. You must give your employees a written statement showing how you have calculated their individual entitlement and should make it very clear how much they will be getting and when they can expect to receive it.

Alternative job offers

Suitable alternative job offers can be made to employees, as a way of avoiding redundancy, at any time during the redundancy process. Failure to do so, where suitable alternative work exists, is likely to render any subsequent dismissal unfair. Where an alternative job offer has been made by the employer and accepted by the employee, **before** notice is given, this is normally viewed as a mutual variation of the terms of contract.

Where the offer of a suitable alternative job is made **after** notice is given, there is a statutory scheme which gives the employee the right to a trial period in the new job. During this trial period, the employee's right to be paid their redundancy pay is protected, if they find that the work is not suitable or reasonable.

The positions that are available have to be suitable and reasonable, factoring in:

- The hours/working pattern.
- The workplace location.
- Pay and contractual terms.
- Job content and status.

The statutory trial period is normally for a period of four weeks. It will usually commence as soon as the old contract expires (or at latest within four weeks) and will end four weeks after the trial period has begun. This trial period is for the employee and employer to assess the suitability of the role and is only extended in very specific circumstances.

- If your employee agrees to a trial and finds the job role suitable and reasonable, they simply continue in the new role and are considered to have accepted this instead of being made redundant. No redundancy pay is due.
- If your employee agrees to a trial and does not find the job to be suitable and/or reasonable, then you will usually need to treat them as having been dismissed as redundant when their original contract came to an end. This means they should receive their original redundancy pay etc.
- If you think your employee has either unreasonably refused a trial, or trials the role but then rejects it for a reason unrelated to how suitable or reasonable the role is, you may consider the employee to be no longer eligible for a redundancy payment. However, this can result in a claim of unfair dismissal if handled wrongly.

Paid time off to look for work/arrange training

Employees who are in their redundancy notice period and have at least two years' continuous employment by the time their notice ends, have a right to reasonable time off during working hours to look for work or make arrangements for training.

Time off could include activities such as:

- Visiting Jobs and Benefits offices, recruitment agencies and searching websites such as JobApplyNI.com.
- Attending job interviews.
- Getting help writing/updating CVs and/or job applications.
- Events linked to college, university, or apprenticeship enrolment.

While it's likely that a complete refusal for any time off is going to be unlawful, you are expected to take your business needs into account. The length of the notice period, when a request for time off was made, the local employment environment, health and safety requirements and the effect the absence would have on the running of your business are just some factors to consider when you're working out what is and is not reasonable.

Regardless of the amount of time off you allow, you are only statutorily required to pay a maximum amount that is equal to two fifths of one week's pay during the **entire** notice period. Of course, you can choose to pay more if you wish, or if you have a contractual agreement to do so.

Focus on the future of your business

Carrying out a redundancy process of any size is a complex process for anyone, but it's crucial to remember that, unless you're closing completely, the redundancy process is meant to be the first step in getting your business healthy and back on track.

Making the best use of your remaining staff

Following redundancies, remember that it's likely your remaining staff are just emerging from a difficult period that may have seen them lose colleagues or be at risk of redundancy themselves. They are likely to be as concerned about the future as you are. Talk to them. Seek their views and suggestions for going forward and you'll likely increase their enthusiasm and morale.

It's also likely that some of your remaining staff will have seen their workloads change. Some may have taken on some responsibilities the redundant staff originally had. Others may have less work to do. Minor adjustments to workloads are likely to be seen as reasonable day-to-day requests but be careful not to overload staff. Major adjustments are likely to require some variation to staff employment contracts, which requires you to follow a proper process. To find out more, see the Labour Relations Agency Advisory Guide – Advice on Agreeing and Changing Contracts of Employment [here](#).

Appendix 1 - Redundancy Payment Ready Reckoner

Statutory redundancy pay table

Age	Service (Years)																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
18*	1	1½																		
19	1	1½	2																	
20	1	1½	2	2½	-															
21	1	1½	2	2½	3	-														
22	1	1½	2	2½	3	3½	-													
23	1½	2	2½	3	3½	4	4½	-												
24	2	2½	3	3½	4	4½	5	5½	-											
25	2	3	3½	4	4½	5	5½	6	6½	-										
26	2	3	4	4½	5	5½	6	6½	7	7½	-									
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-								
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-							
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-						
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-					
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-				
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-			
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-		
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½	
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24	
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½	
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25	
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½	
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26	
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½	
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27	
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½	
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28	
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½	
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29	
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½	
61**	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30	

18* - It is possible that an individual could start to build up continuous service before age 16, but this is likely to be rare, and therefore we have started from age 18.

61** - The same figures should be used when calculating the redundancy payment for a person aged 61 and above

Appendix 2 – Sample Selection Matrix

Note - This sample matrix and scoring mechanism is intended as a guide only and should be adapted to your own business circumstances.

[An employee who is declared redundant on the basis of selection criteria which uses a selection matrix has the right to see a breakdown of their score and should be given limited information about their position on the matrix relative to other employees in the selection pool. They should not be given the specific scores of others in the selection pool, but this information would be discoverable at a tribunal in the case of a claim of unfair selection for redundancy].

	Skills/ Experience/ Qualifications	Attendance Record	Time- Keeping Record	Disciplinary Record	Performance in present job	Total
Employee Name 1						
Employee Name 2						
Employee Name 3						
Employee Name 4						
Employee Name 5						
Employee Name 6						

Selection criterion	Score	Description
Skills/Experience/ Qualifications	0	Poor skills in current role - unable to perform effectively and close supervision required
	1	Limited skills in current role and unable to operate without close supervision
	2	Competent in most aspects of current role but requires some supervision
	3	Fully skilled in current role and able to operate without supervision
Attendance record	0	Very high number of days absence
	1	High number of absences/unexplained absence/regular short periods of absence
	2	Very few absences - with substantiated reasons
	3	Minimal absence - substantiated reasons always provided
Time-Keeping Record	0	Very poor timekeeping
	1	Frequent lateness
	2	Few examples of lateness and reasonable explanation provided

	3	Excellent timekeeping
Disciplinary record	0	Final written warning
	1	First written warning
	2	Verbal warning
	3	No disciplinary record
Performance	0	Unsatisfactory
	1	Performance fails to meet objectives
	2	Performance meets all of the objectives of the role
	3	Performance consistently exceeds the required standard

Appendix 3 – Letter informing an employee they are at risk of redundancy

Date

Dear

I write following the meeting held [*insert date and time*]. As we discussed, the organisation may need to make redundancies.

The organisation is considering making [*insert estimated figure*] employees within the [*specify team/department/section/location*] redundant because [*explain how the reason for potential redundancies impacts on that particular team, department, section or location*]. Unfortunately, your post is one of those at risk of redundancy.

What happens next?

The organisation will now start the consultation process. The purpose of consultation is to:

- Discuss and explore ways of avoiding or reducing the number of redundancies and reach agreement if possible.
- Give you the opportunity to make suggestions and raise any questions you may have.
- Consider possible suitable alternative employment within the organisation.
- Seek to agree criteria for selecting staff if redundancies are necessary [*or explain the selection process agreed with the [relevant trade union/employee representative body]*].
- Identify your needs during the process and provide you with any necessary support or assistance.

I want to make it clear that no decisions have been taken yet and that no decision on this will be made until the consultation has concluded.

Who will we consult with?

The organisation will consult with you on an individual basis. We will be writing to you soon to invite you to a meeting to discuss ways of avoiding or reducing the need for redundancies and about the criteria on which any selection for redundancy would be based. All suggestions will be considered.

How long will the consultation last?

There is no set period for how long the consultation will last, because it will depend upon the issues that are raised, but we expect it to last for at least [*X weeks*].

We will keep you informed and involved throughout the process. In the [*next few days/coming weeks*], we will write to invite you to an individual consultation meeting to discuss the issues outlined in this letter, and any other concerns that you may have.

We appreciate that this is likely to be an upsetting and difficult time for everyone. Please feel free to [*talk to your manager or contact me/insert name of person*] if you have any queries or would like to discuss any aspect of the process further.

Yours sincerely

Appendix 4 - Letter inviting an employee to an Individual consultation meeting

Date

Dear

[Insert details of background and reasons for redundancy and provide adequate information to allow the employee to engage meaningfully in the consultation process].

You are invited to an individual consultation meeting on *[insert date and time]*, with *[insert name or job title]*.

The purpose of the meeting is to consult with you in advance of any decision to make your position redundant. This will include discussion around any measures we can take to avoid redundancy and details of the criteria which the Company would propose to apply if redundancies cannot be avoided.

Please take the opportunity to consider anything you may want to raise during this consultation meeting.

[You may wish to offer the employee the right to be accompanied at this meeting. There is no legal requirement to offer the right of accompaniment at consultation meetings but you may choose to do so. If the right of accompaniment/representation forms part of an existing contractual agreement with staff, e.g. a collective agreement with a recognised trade union, this should be included in this letter].

Please confirm your attendance with me including details of your companion *[if this is offered to the employee]*, and do not hesitate to get in touch if you have any further questions in advance of the meeting.

Yours sincerely

Appendix 5 - Letter to an employee confirming that they are at risk of redundancy and inviting them to a meeting

Date

Dear

Further to the individual consultation meeting with you on *[insert date]*, I have considered the issues raised and have continued to explore alternatives to redundancy within the organisation.

Unfortunately, there are no alternative options available currently and I have now applied the selection criteria which puts your position at risk of redundancy.

Details of how the criteria was applied is attached for your consideration. *[Also attach any other information the employer will use in the decision making process]*.

If your position is made redundant you would be entitled to the following redundancy payment *[include details]*.

You would also be entitled to receive the following notice or pay in lieu of notice *[insert details]*.

[The notice required is as set out in the contract of employment. If the employer does not want the employee to work their notice, they can pay in lieu of notice, if the contract expressly states that they can do so].

You are invited to a meeting on *[insert date and time – allow sufficient time for the employee to consider the information provided to them in advance of the meeting]* where you can discuss this and raise any issues arising with me.

Following this meeting, I will consider any issues raised by you during the meeting before making a final decision. This will be notified to you in writing within *[insert timescale for notifying the decision]*.

You have the right to be accompanied at this meeting by a work colleague or trade union representative.

Please confirm your attendance with me, including details of your companion, and do not hesitate to get in touch if you have any further questions in advance of the meeting.

Yours sincerely

Appendix 6 - Letter confirming the decision to make an employee redundant and inviting them to appeal the decision

Date

Dear

Following our meeting of [*insert date of 'at risk' meeting*], I regret that a decision has now been taken to make you redundant.

I have attached details of your redundancy payment which will be paid to you on [*insert date*].

Choose either [a] or [b]

[a] You will be entitled to [*insert number of weeks' notice*] and your employment will end on [*insert date*].

OR

[b] Your employment ends with immediate effect and you will receive [*insert number of weeks*] pay in lieu of notice.

*[Note that notice begins on the first day after the employee **receives** notice].*

You have the right to appeal the decision to make you redundant. If you wish to appeal this decision, you should make your appeal in writing to [*inset name/job title*], within five working days of receipt of this decision. The appeal will be held by [*insert name/job title*].

[Where possible, the appeal meeting should be held by a more senior manager who has not been involved in the decision to make the employee redundant].

You have the right to be accompanied at this meeting by a work colleague or trade union representative.

This has been a difficult decision for the Company and I would like to thank you for your service and valuable contribution during your employment with us and wish you all the best for the future.

Yours sincerely

Appendix 7 - Letter to an employee confirming the outcome of the appeal

Date

Dear

I refer to your appeal meeting with [*insert Job title/name*] which was held on [*insert date*].

At this meeting you appealed against the decision to terminate your employment by reason of redundancy.

I have given consideration to the points raised by you but regret that your appeal has been unsuccessful. Your employment will terminate/has terminated on the date as set out in my letter of [*insert date of dismissal letter*].

I would like to take this opportunity to thank you for your service to the Company and wish you well for the future.

OR

I have given consideration to the points raised by you and am pleased to confirm that your appeal has been successful. The decision to dismiss you by reason of redundancy has been revoked and your employment with the Company will continue.

[If the employee has already left the Company, they should be reinstated with no break in service and should receive any arrears of pay between the end of the notice period and the date of reinstatement. You should also provide any details relating to their return to work].

Yours sincerely

**More information is available by calling our Workplace Information Service at
03300 555 300.**

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