

**Transcript of Podcast Employment Advice Service: Episode 1 Redundancy**

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My name is Bob Owen and I am accompanied today by Jane Hudson and together we are the HR Advisers for the Employment Advice Service.

In these uncertain times; we are going to discuss the best practise approaches for a Redundancy process, which is a very real concern for many employers as we approach the end of Furlough support in October and there are economic pressures, reductions in employment and recessionary conditions in the UK due to the social impact of the Coronavirus - Covid-19.

Jane, these are very challenging times for all. Where do we start when considering potential redundancies?

We can consider the definitions of redundancies to guide our business case: the job has ceased or is about to cease or diminish or about to diminish or has moved in location.

We should also remember it is the job which becomes redundant. An employee may be considered for dismissal from their role due to their role becoming redundant.

I suppose the first step is to devise a plan and seek professional advice, what do you think?

Yeah, absolutely I think before you even start considering that process, definitely get some HR help and support. But before you even do that, there are some options which an organisation could consider. So for example, things like putting a freeze on recruitment, maybe a temporary laying off staff is there’s a clause in the contract which enables you to do that. Or speaking to staff about maybe reducing their contracted hours, or their pay. You know, you may find that if there’s a threat of redundancy on the horizon that your team would rather take the reduction in hours and still be able to work than having no job at all. So there are other things that we would always say consider, because redundancy should be the last option basically yeah.

So if you know, you’ve exhausted or considered those other options and you still need to make some cuts, then sadly, yes it is starting the redundancy process, but as you said, you need to have a plan in place, and it must be fair and considered.

I mean and that plan will involve developing the selection pool, selection criteria, and then really once you’ve got that in place it will be starting the consultation. How many consultation meetings Bob would you have?

The first point to consider is that Consultation is a legal right for employees and an obligation for employers.

Well I suppose the guiding thing firstly here is a legal right for the employees who have consultation and an obligation on the employer to consult. And ACAS put forward a minimum of two consultation meetings, it can be more. I normally have three, I find it useful. But as I say, the minimum is two within that.

The other thing that ACAS do point out is that under 20 employees the period of time before the first redundancy takes effect is 30 days. Now sometimes companies shorten that, but we try to aim for 30 for under 20, although there’s no guideline as I say. Above that different numbers so far over 20 but under 100 it’s 30 days, above 100+ its 45 days. Again they’re all details you need to get advice on when you come to consider redundancy.

The Consultation process ends when the employer determines and it is a two-way constructive discussion, where business reasons can be explained and explored, and ideas for avoiding redundancy, as you said Jane, can be considered. Any suggestions put forward can be adopted but don’t have to be. At least then the employee has had the chance to put their point of view forward within that. Unfortunately, if you can’t come up with an alternative to redundancy, then it’s time to consider the next stage which is dismissal.

Jane, how would you approach that initial process?

Well that would be my third consultation meeting with the effected employee and what I would do beforehand is calculate the persons redundancy package, so what redundancy they’re entitled to. You know, remember only employees with over two years’ service actually are entitled to redundancy pay. The government website has got a calculator to calculate that for you, it’s really straightforward, really easy to use. So make sure you’ve got a copy of that which you would take to the meeting. Make sure you’ve looked in the employees contract to see what notice periods they’re on.

And so in that meeting, you would then explain that there is no alternative, sadly, the post is becoming redundant, but you would discuss their notice period, what payment if they’re eligible for, calculate any outstanding money and holidays which they’ll still be paid for. And then they do have a right of appeal so you would explain that to them as well. Make sure you follow this up the next day with a letter, a dismissal letter, confirming everything. And that is an actual legal requirement, so an employer must send that letter.

Oh very much so.

One of the key things there is that you follow your own policy and contractual obligations isn’t it? Yes.

And also ACAS have very good guidelines in terms of the dismissal process. Now it’s off dismissal but we’ve obviously mentioned the fact that employees get notice, but do you have to work that or can it be paid in lieu?

It’s entirely up to you and what their contract says as well. If you’ve got people who are currently on furlough, then I would suggest that you keep them on furlough until their notice runs out. If the person is back at work, and is happy to continue working their notice, then absolutely let them work, you know if their notice is four weeks, then let them work that four weeks. People may be feeling slightly disheartened because they know they’re going. Or you could pay somebody, but it’s payment in lieu, I mean that depends on what your contract says. But you know, you may have some work for them to finish, because it’s a transition period isn’t it really so it’s what your contract says, but it’s also what you agree yourself and the employee really.

Yeah, very much so, very much so.

Can staff go for interviews during that period? Yes, you’ve got an obligation as an employer to let them go for interviews and training etcetera. We’d always say as well you know, offer help with CVs or application forms. You know, it’s a very difficult situation for everybody, so as an employer, if you can do everything you can just to support that member of staff then that’s great. And obviously think about references for them as well that’s another thing.

Oh very much so, very much so.

I suppose it’s remembering in the planning that the staff remaining as well, their morale their friends, their colleagues are going so they’re down. Yes. Probably feeling guilt they are staying and obviously looking forward, they’ve got a hefty workload as well to think about. So that something to be in the planning process. I’ll say handled in the right way, it can be a big difference to how staff react, potentially avoid litigation which can be expensive, and support the morale of staff that are remaining. So again, all in the planning process. Yes.

And think to what you say and what we discussed, I think we’ve said that basically, consider approaches to avoid redundancy first. Then plan. Consult the staff affected, obviously. It’s a legal right, we’ve mentioned. Select the staff fairly, and dismiss staff fairly. And plan for notice periods. Calculate accurate payments in the final end, and support staff leaving and remaining. Plan for the future going forward.

OK, if you need any more help, from this podcast, contact myself or Jane directly or at [**employment.advice@communityfirstyorkshire.org.uk**](file:///\\NYYF-DC\CFY%20Shared$\Corporate%20Support\Marketing%20and%20Comms\Marketing%20templates\employment.advice@communityfirstyorkshire.org.uk).

Thank you for listening to this podcast.

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