



Redundancy in the Covid-19 Era

Longmores Solicitors



Redundancy: what is it?

Role no longer needed due to:

- Business closure
- Workplace closure
- Reduced requirements

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Redundancy: the cost?

- Notice entitlement
- Redundancy pay – statutory maximum of £16,140
- Enhanced contractual?



Alternatives

- Reduce headcount
- Temporary suspension
- Reduce hours/pay
- Statutory lay off/short work



Should you ask for volunteers?

- No obligation
- Could avoid consultation/selection process
- Enhanced redundancy packages/settlement agreement
- Reserve the right to refuse any application but.....



Fair redundancy

- Redundancy: potentially fair reason
- Process, including consultation
- Selection
- 2 year qualifying period for claims
- Discrimination?
- Decision
- Appeal?



Consultation

- Proposal not decision
- Agreement not needed
- 14 day period?
- Collective – 20 or more dismissals/30 or 45 days
- Rationale – first stage
- Selection scores – second stage



Selection pool

- Which group at risk?
- Wide/ Narrow? Employer decides
- “Pool of one”?
- Similar skills/roles



Selection Criteria

- Objective assessment; avoid indirect discrimination
- LIFO/length of service
- Performance
- Skills/experience/qualifications
- Attendance record
- Disciplinary Record
- Weighting



Alternative Role

- Alternative role available?
- Present all available opportunities
- Must be suitable
- Even if suitable, employee can still refuse if reasonable
- Trial period

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Furlough leave and redundancy

- If furloughed, should you proceed with redundancy now?
- Only those on furlough in the redundancy pool?
- Can you claim notice pay for somebody who is on furlough leave? What should the notice pay be?
- Statutory redundancy pay be based on furlough leave pay or full pay?



Conclusion

- Consider alternatives
- Follow a fair process
- Consultation essential
- Collective?
- Objective/non-discriminatory selection
- Written records



Q & A

Contact

Richard Gvero

Joint Senior Partner, Head of Commercial and Head of Employment

01992 305210

richard.gvero@longmores.law

Miranda Mulligan

Solicitor specialising in Employment law

01992 305212

miranda.mulligan@longmores.law

www.longmores.law

