

# Collective Redundancies

**For use only if 20 or more employees will be made redundant in a 90 day period.**

1. Where an employer is proposing multiple redundancies affecting 20 or more employees in one establishment within a period of 90 days, the employer **must**:
  - inform and consult an authorised official of an independent Trade Union recognised for collective bargaining purposes; **or**
  - if the affected employees are not represented by a Trade Union, inform and consult appropriate employee representatives. If no employee representatives exist, or those representatives are inappropriate to the class of affected employees, new employee representatives must be elected (see Client Information Sheet 3 (Electing Employee Representatives); **and**
  - notify the Department for Business, Innovation & Skills on Form HR1. Notice should be given within the same time period as set out in 2. below and providing the same information as set out in 5 below. Failure to notify DBIS is a criminal offence.
2. The period of consultation must begin in good time and in any event at least:
  - 30 days before the first dismissal if 20-99 dismissals are proposed
  - 90 days before the first dismissal if 100+ dismissals are proposed
3. Consultation must take place with representatives of all employees who will be affected by the proposed dismissals or who may be affected by measures taken in connection with those dismissals, rather than just those employees who are actually to be dismissed.
4. The Notices of Redundancy must not normally be issued to employees until the consultation process has been completed. However, in special circumstances, where it is not reasonably practicable for an employer to meet the minimum consultation requirements, the employer is obliged to do all that is reasonably practicable towards meeting the requirements. Individual notice periods are dependent on the contract of employment, subject to statutory minimum notice periods according to length of service. If necessary, payment in lieu of notice may have to be made if there is insufficient time to give full statutory or contractual notice before the notified redundancy date.
5. The employer must disclose the following information to the representatives in writing:
  - reasons for the proposed redundancies
  - number of likely dismissals and descriptions of the employees involved
  - total number of employees of those descriptions at that establishment
  - proposed method of selecting for redundancy
  - proposed procedure (including the time scale); **and**
  - method of calculating any non-statutory redundancy payments
6. The purpose of consultation is, as far as possible to achieve an agreed solution. Consultation must include how to:
  - avoid the dismissals
  - reduce the dismissals; **and**
  - mitigate the consequences of the dismissal

7. There may be special circumstances where it is not reasonably practicable for an employer to meet fully the requirements for minimum consultation or disclosure of information (e.g. insolvency). If so, the employer must do all that is reasonably practicable in the time available.
8. Failure to inform, consult or to comply with the provisions on election of employee representatives may give rise to “protective awards” being made by the Employment Tribunal. The size of the protective award will depend on the length of consultation required, the length provided and other circumstances. A protective award can be made for each affected employee.
9. For the purpose of collective redundancies, the definition of redundancy differs from the normal statutory definition. This wide definition can also give rise to a requirement for statutory consultation if the employer proposes to change terms and conditions of employment which may result in dismissals and reappointment on new terms and conditions.

**Be aware that separate considerations apply to women in the pool for redundancy who are pregnant or on maternity leave. Take legal advice immediately.**

This checklist is provided for your general information only and does not seek to set out the employment legislation in this area in detail. If you have any queries or wish to discuss specific circumstances, please do not hesitate to contact one of our employment team who will be happy to assist.

## Contact

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