## 6. Redundancy



The definition of redundancy is outlined in the **Employment Rights Act 1996**, section 139 (1).

**UK Gov:** Employment Rights Act 1996

Where there are 20 or more redundancies due to take place in one establishment within 90 days an employer must adhere to the requirements set out in Part IV Chapter 2 of the Trade Union and Labour Relations Consolidation Act 1992 (TULCRA) and the government must help these employees.

**UK Gov:** Trade Union and Labour Relations Consolidation Act 1992

Employers are obliged to complete a HR1 form to notify the government.

**UK Gov:** Redundancy payments: Form HR1

It is likely that there will be further and imminent legislative changes around collective consultation introduced via **The Employment Rights Bill**.

**UK Gov:** Factsheet: Employment Rights Bill overview

Anyone facing redundancy has the right to be consulted about this. Redundancy consultations must include those at risk of redundancy and ways of avoiding dismissals and mitigating them wherever possible.

Employers should also meet individually with those affected at least once before any decisions are made about who will be made redundant.

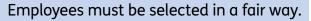
**UK Gov:** Making staff redundant



Redundancy is a type of dismissal which has resulted from:

- Business or workplace closure or relocation
- A reduction or decrease in the need for employees and/or for a particular role.

**ACAS:** Redundancy



**ACAS:** Select employees for redundancy

**>** 

Employees must not be unfairly selected because they have asked for one of their statutory rights at work. Employees must not be selected due to a protected characteristic under **Equality Act 2010**. Protected characteristics are noted in the following link:

UK Gov: Equality Act 2010



The Protection from Redundancy (Pregnancy and Family Leave) Act 2023 Additional redundancy protection for pregnancy, those who suffer a miscarriage and those on maternity leave, adoption leave or shared parental leave (for a defined period) came into force on 6 April 2024.

**UK Gov:** Protection from Redundancy Act 2023





#### **Statutory Redundancy Pay**

If your employee has worked for you for more than 2 years, they have the right to redundancy pay. You must inform them in writing how any redundancy pay has been calculated.

Age	Detail
17 -21 yrs	Half a week's pay for each full year you have worked.
22 – 40 yrs	1 week's pay for each full year worked from the age of 22, + half a week's pay for each year you worked prior to 22 years of age (only if this is the same employer).
41+	1.5 week's pay for each full year worked from the age of 41.  1 week's pay for each full year worked from the age of 22, + half a week's pay for each year you worked prior to 22 years of age (only if this is the same employer).

The government has an online redundancy calculator:

**UK Gov:** Calculate your statutory redundancy pay

>

Trade Unions can assist their members through the redundancy process. If a union is recognised where you work, they may have been able to negotiate redundancy rights and pay that exceed the statutory minimum.

Other employment rights during redundancy include:

- A notice period
- Reasonable paid time off to look for new work
- The option to move to suitable alternative employment

For those faced with redundancy, it can be a stressful time, Partnership Action for Continuing Employment (PACE) can provide practical advice and support to those affected locally and nationally and in most cases employers and employees are glad to receive this support. **TUC:** Redundancy

**Skills Development Scotland:** Redundancy support

**Skills Development Scotland:** PACE Toolkit

When a business becomes insolvent, the company status will appear on the Companies House Register as being either: in administration, in liquidation, in receivership or company voluntary arrangement.

Where an employer is a sole trader or partnership the Register of Insolvencies on the Accountant in Bankruptcy website should be checked (Scotland only).

Citizens Advice inform those affected under those circumstances to contact the Redundancy Payment Service (RPS) to check if they can claim some or all of the money they are owed.

It can also be possible for a Limited Company to end without becoming insolvent via a 'proposal to strike the company off the register'

Where an employer remains being solvent but have not paid redundancy payments, employees/workers can raise claims at an Employment Tribunal demonstrating that they have taken all reasonable steps to obtain payment.

Citizens Advice provides further information on this which is aimed at employees which is also useful for employers to view. **UK Gov:** Get information about a company

**Register of Insolvencies:** A publicly accessible register

**UK Gov:** Claim redundancy

**UK Gov:** Make a claim to an employment tribunal

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#### Other useful links:

**ACAS:** Your rights during redundancy

**Citizens Advice:** Check your rights if you're made redundant.

**UK Gov:** Claim redundancy

**Citizens Advice Scot:** if your employer goes out of business



#### Citizens Advice Service Bureaux

#### **CENTRAL BORDERS CAB**

111 High Street Galashiels **TD1 1RZ** 01896 753 889

#### PEEBLES AND DISTRICT CAB

**Chambers Institution High Street Peebles EH45 8AG** 01721 721722

#### **ROXBURGH & BERWICKSHIRE CAB**

1 Towerdykeside Hawick **TD9 9EA** 01450 374 266

#### SCOTTISH BORDERS COMMUNITY LIBRARY

Contact Centre, Bowmont Street Kelso TD5 7JH 01573 233 516

#### **EYEMOUTH COMMUNITY CENTRE**

Albert Road Evemouth **TD14 5DE** 01890 750 500

#### **SOUTHFIELD COMMUNITY CENTRE**

Station Road Duns TD1 3EL 01361 883 340

#### **DUMFRIES AND GALLOWAY CITIZENS ADVICE SERVICE**

**Dumfries Bureau** 81 -85 Irish Street **Dumfries** DG1 2PQ 0300 303 4321

#### **ANNAN BUREAU**

19a Bank Street Annan DG12 6AA 0300 303 4321

#### STRANRAER BUREAU

32 Harbour Street Stranraer DG9 7RD 0300 303 4321

### Links to other local help in Dumfries and Galloway and Scottish Borders

#### NATIONAL

**Business Gateway (National Unit)** Verity House 19 Haymarket Yards Edinburgh **EH12 5BH** 0300 0113 4753

hello@bgateway.com

**Business Gateway (National)** 

#### **BORDERS**

**Business Gateway (Borders) Ettrick Riverside** Dunsdale Road Selkirk TD7 5EB 01750 535856 bgateway@sose.scot

**Business Gateway (Borders)** 



#### Links to other local help in Dumfries and Galloway and Scottish Borders

#### **SOUTH of SCOTLAND**

South of Scotland Enterprise Ettrick Riverside Dunsdale Road Selkirk TD7 5EB **0300 304 8888** 

## **South of Scotland Enterprise**

#### SKILLS DEVELOPMENT SCOTLAND

JCP Galashiels New Reiver House High Street Galashiels TD1 1TD 01896 754884

#### JCP Galashiels

#### **EMPLOYABILITY SERVICE**

Scottish Borders Council Employment Support Service Team 01835 824000

## **Employability Service**

#### **DUMFRIES & GALLOWAY**

Business Gateway (Dumgal) Kirkbank House 109 -115 English Street Dumfries DG1 2HS **01387 265355** 

## **Business Gateway (Dumgal)**

#### SKILLS DEVELOPMENT SCOTLAND

Dumfries & Galloway College Dumfries Campus Bankend Road Dumfries DG1 4 FD 01387 272500

## **Dumfries & Galloway College**

## EMPLOYABILITY AND SKILLS SERVICE DUMFRIES

Kirkbank House English Street Dumfries DG1 2HS 01387 260026

**Employability & Skills Service** 

# South of Scotland Employment Rights Advice Service

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