



The Redundancy Process -

What's inside this guide:

- Clear 10-stage process from business case → consultation → selection → offers of alternative roles → notice, payments and aftercare
- Built-in checklists, “at-a-glance” collective-consultation/HR1 timelines, and plain-English legal notes
- Written for England/Wales/Scotland (highlights where NI can differ)

Key numbers you'll need (Make sure they are verified!)

- **Collective consultation thresholds:** 20–99 redundancies → start consultation ≥30 days before first dismissal; 100+ → ≥45 days. Submit **HR1** to the Insolvency Service on the same timetable; failing to do so is a criminal offence with unlimited fines.
- **Statutory redundancy pay cap:** for redundancies on/after **6 Apr 2025**, cap = **£719/week** (max SRP **£21,570**). Age-banded formula and 20-year service cap included.
- **Notice periods (minimum):** 1 week (1 month–2 years), then 1 week per full year up to **12 weeks**.
- **Priority protection for suitable alternative roles:** during pregnancy and **up to 18 months** after birth/placement (and for qualifying shared parental/adoption leave).
- **Time off to look for work/training:** employees with 2+ years' service—employer must pay up to **40% of one week's pay** in total during notice.
- **Right to be accompanied:** no statutory right for redundancy consultation meetings (good practice to allow a companion).



The Stage-by-Stage Guide to Redundancy in the UK

Accurate as of September 2025 (England, Wales & Scotland). For Northern Ireland, some rules differ. If you need help at any point, call or email HR Support Group via www.hrsupportgroup.co.uk.

This practical guide walks employers through a legally compliant redundancy process, from planning to exit. It aligns with UK law including the Employment Rights Act 1996, the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), and current government and Acas guidance. Always check your contracts, policies, and any union agreements in place.

Core principles

- Genuine redundancy only (the role or requirement for work has ceased or diminished).
- Consult meaningfully and in good time before decisions are taken.
- Use fair, objective selection criteria and avoid discrimination (especially pregnancy, maternity, disability).
- Look for suitable alternative employment and prioritise those with extended protection (pregnancy, maternity/adoption/shared parental leave).
- Keep clear written records of the business case, consultation and decisions.

Stage 1 — Build the business case and plan

- Evidence the change (e.g., restructure, site closure, technology change, reduced demand).
- Document alternatives you considered to avoid redundancies (recruitment freeze, overtime cuts, cost savings, redeployment, short-time working/lay-off if contract allows).
- Identify the 'establishment' impacted (needed for collective thresholds).
- Decide provisional timelines and who will lead consultations.

Stage 2 — Decide the consultation route

Count the number of proposed redundancies at one establishment within any 90-day period:

- Fewer than 20: follow an individual consultation process.
- 20–99: collective consultation must begin at least 30 days before the first dismissal takes effect and you must notify the Insolvency Service (RPS) on form HR1.
- 100 or more: collective consultation must begin at least 45 days before the first dismissal takes effect and you must notify RPS on HR1.

Failure to submit HR1 on time is a criminal offence. Run collective and individual consultation in parallel.

Stage 3 — Prepare information for consultation



- Draft the written rationale and proposals (reasons, numbers, roles affected, proposed selection pools and criteria, method of selection, proposed dismissal timelines, payments, and how to mitigate impacts).
- If there's no recognised union and collective rules apply, arrange an employee representative election; give reps (or the union) the required written information.
- Line up templates: at-risk letters, HR1 (if applicable), FAQs, scoring matrix, vacancy list, equality impact check.

Stage 4 — Start consultation (collective and/or individual)

- Open with an 'at-risk' announcement to affected staff and invite them to consultation meetings.
- Collective consultation (where required) must be 'in good time' and cover ways to avoid, reduce and mitigate redundancies. Keep minutes and share responses.
- Individual consultation is required in all cases. Share provisional selection pools and criteria, scoring approach and alternatives to redundancy. Allow employees to comment, provide evidence and suggest alternatives.
- It's good practice to allow a companion at individual meetings, although there's no statutory right to be accompanied for redundancy consultation meetings.

Stage 5 — Define selection pools and fair criteria

- Pools should include roles that are the same or similar and may include roles requiring similar skills where appropriate.
- Use objective, evidence-based criteria (e.g., skills, qualifications, performance, disciplinary record).
- If using attendance, exclude absences related to pregnancy/maternity and disability-related absences where reasonable adjustments apply.
- Avoid criteria that directly or indirectly discriminate under the Equality Act 2010.

Stage 6 — Apply the criteria and consult on scores

- Score against documented evidence and (ideally) moderate scores with a second reviewer to reduce bias.
- Share individual scores with each employee and invite comments/appeals on the scoring before any final decision.
- Consider volunteers (employer retains discretion to accept).

Stage 7 — Search for and offer suitable alternative employment

- Share all suitable vacancies across the organisation. Keep a log of roles considered and outcomes.
- Offer a statutory 4-week trial period (extendable in writing for training) when an employee moves to a suitable alternative role.



- Employees with protected status have priority for suitable alternative vacancies during the extended protection window (pregnancy and for up to 18 months after birth/placement; similar rules for adoption and qualifying shared parental leave).
- If an employee unreasonably refuses a suitable offer, statutory redundancy pay can be forfeited.

Stage 8 — Confirm outcomes and give notice

- If redundancy is confirmed after consultation, issue a written outcome letter explaining reasons, selection, alternatives considered and payments.
- Give statutory or contractual notice (whichever is greater). Statutory minimum: 1 week (1 month–2 years’ service); then 1 week per full year up to 12 weeks for 12+ years.
- Consider Pay in Lieu of Notice (PILON) or garden leave in line with contract and tax rules.
- Offer a right of appeal and confirm it in writing.

Stage 9 — Payments and entitlements

- Statutory Redundancy Pay (SRP) for 2+ years’ service: 0.5 week per full year under age 22; 1 week per full year age 22–40; 1.5 weeks per full year age 41+. Capped at 20 years’ service.
- Weekly pay cap from 6 April 2025: £719; maximum SRP £21,570. Use the average weekly pay over the 12 weeks before notice (special rules for variable pay).
- Enhanced (contractual) redundancy where applicable.
- Notice pay (worked, PILON or garden leave), untaken holiday pay, outstanding expenses/bonuses as per contract and policy.
- Employees with 2+ years’ service get reasonable time off to look for work or training during notice; pay is capped at 40% of one week’s pay in total.

Stage 10 — Aftercare and record-keeping

- Provide references and reasonable support (e.g., CV or interview coaching, EAP signposting).
- Settle final pay and issue P45. Continue to keep accurate records of the business case, consultation notes, scoring, vacancy searches and payment calculations.
- For collective redundancies, retain copies of HR1 and consultation documentation.

At-a-glance timelines (collective consultation & HR1)

Number of proposed redundancies (one establishment, 90 days)	Earliest any dismissals can take effect (minimum consultation start)	HR1 notification to RPS (minimum)
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Fewer than 20	No statutory minimum – consult individually in good time	Not required
20–99	≥ 30 days before first dismissal takes effect	≥ 30 days before first dismissal
100 or more	≥ 45 days before first dismissal takes effect	≥ 45 days before first dismissal

Employer checklist

- ☐ Business case documented and alternatives explored
- ☐ Correct establishment identified and numbers counted
- ☐ HR1 submitted on time (if 20+ at one establishment)
- ☐ Employee representatives elected or union engaged (if collective)
- ☐ Written information provided to reps/staff
- ☐ Consultation meetings scheduled and minuted (collective & individual)
- ☐ Selection pools and objective criteria agreed; equality impact check completed
- ☐ Scores moderated and shared; feedback considered
- ☐ Vacancies searched and documented; priority applied for protected employees
- ☐ Outcome letters issued; appeal offered
- ☐ Payments calculated and itemised; final pay processed
- ☐ Records retained (including HR1 and consultation documents)

Key legal notes (plain-English)

- Collective consultation thresholds and HR1 are under TULRCA 1992. Failure to notify can lead to prosecution and unlimited fines.
- Extended priority for suitable alternative employment applies during pregnancy and for up to 18 months after birth/placement, and for qualifying adoption/shared parental leave.
- Statutory redundancy pay limits are updated each April by statutory order.
- There is no statutory right to be accompanied at redundancy consultation meetings, but it is good practice to allow it.

