

Collective consultation for redundancy

When you must consult

Redundancy is usually a type of dismissal when a role is no longer needed. Before you select anyone for redundancy, you should hold a consultation.

Consultation means discussing and seeking agreement with employees on:

- ways to avoid or reduce redundancies
- ways to reduce the impact of redundancy on affected employees

Collective consultation is where you must consult on your redundancy proposals with any recognised trade union, or if there is not one, employee representatives.

The law that covers collective consultation is the Trade Union and Labour Relations (Consolidation) Act 1992.

By law, you must hold collective consultation where all of the following apply:

- you're proposing 20 or more redundancies
- the redundancies are in one establishment – not necessarily in your organisation as a whole, which may be much larger
- you propose to make the redundancies within a 90-day period

It can still be good practice to collectively consult even if you do not have to. It can help you minimise risk where the number of proposed redundancies is close to, or might reach, 20.

You should also consult with employees individually.

What counts towards the number of redundancies

When counting how many employees could be made redundant, you must include:

- voluntary redundancies – for example if you propose to make 22 employees redundant but 6 of them volunteer for redundancy, you must still collectively consult
- those you're redeploying or moving to alternative roles – for example if you propose to make 30 employees redundant and offer 15 of them alternative roles, you must still consult

You do not need to include:

- anyone on a fixed-term contract who's leaving because the agreed term is ending
- anyone who's already affected by collective consultation on a separate redundancy situation

You should not stagger redundancies to avoid consultation. For example, by making several smaller groups of staff redundant over a longer period of time.

If a claim is made to an employment tribunal, and the judge believes you staggered redundancies to avoid collective consultation, staff will be due compensation (a 'protective award').

Checking if it's a single establishment

Collective consultation applies when there are proposals for at least 20 redundancies at a 'single establishment'.

A single establishment could be either an entire organisation, or a 'distinct entity' within an organisation. For example, it:

- manages its own workforce
- is reasonably permanent and stable
- can carry out the tasks it's assigned
- has its own technical means, equipment and organisational structure that allow it to carry out its function

You should still consider collectively consulting staff even if you do not have to, as it helps to cover all options before making decisions.

If you're thinking of making 20 or more redundancies but are not sure whether they're in a single establishment, you should [get legal advice](#).

If a case goes to an employment tribunal, the judge will consider whether the redundancies were in a single establishment.

Example of when collective consultation might be needed

An accountancy firm of 100 employees is suffering losses. They need to make 25 redundancies in the next couple of months. The employer identifies 30 employees at risk of redundancy.

Because they're proposing to make 20 or more redundancies in the same establishment within 90 days, they need to hold collective consultation.

Example of when collective consultation might not be needed

A manufacturing company wants to close 3 small sites and open one larger factory. Each site employs between 10 and 15 people. The total number of employees at risk of redundancy is more than 20.

Each site operates as a distinct entity from the wider business, so the redundancies would be handled separately. This means the business might not need to hold collective consultation. However, it would still be good practice to do so.

Tell the government about collective redundancies

By law, you must inform the government's Redundancy Payments Service (RPS) about your planned redundancies.

You must do this before you issue any individual notice of dismissal, and at least:

- 30 days before the first dismissal, if there are between 20 and 99 redundancies
- 45 days before the first dismissal, if there are 100 or more redundancies

You could be fined if you do not notify the RPS.

[Find out how to notify the government of potential redundancies on GOV.UK](#)

Contact the Acas helpline

If you have questions about collective consultation, you can [contact the Acas helpline](#).

You can speak to us at any point in the process. We can talk through any responsibilities and what you need to consider.