

Managing a redundancy process

Step 1: Check redundancy is needed

Redundancy is usually a type of dismissal when a role is no longer needed.

Redundancy only applies to those with the [legal status of employee](#).

Someone is not likely to be an employee if they're:

- an agency worker
- a casual worker
- on a zero-hours contract

You should only consider making redundancies if part or all of the organisation is:

- closing, or has already closed
- changing the types or number of roles needed to do certain work
- changing location

If you have concerns about an employee's conduct or performance, you need to follow a [disciplinary procedure](#).

When considering making redundancies, your first step should be to check:

- why you think redundancies are necessary
- what issues you're trying to solve
- other options that might be available

Look at other options

Before starting a redundancy process, you should consider ways to reduce, or avoid having to make, redundancies.

For example, you could see if you can:

- offer voluntary redundancy
- change working hours
- move employees into other roles
- let go of temporary or contract workers
- limit or stop overtime
- not hire any new employees

Offer voluntary redundancy

You can give employees the option to put themselves forward for voluntary redundancy.

It's your decision whether or not to accept the volunteers, taking into account the wider needs of the organisation. For example, if an employee is highly skilled in their role, you might need to keep them on.

It's a good idea to make this clear to employees early on.

Avoid discrimination

If you do give the option of voluntary redundancy, you:

- should offer it as widely as possible, not necessarily just to those at risk of redundancy
- should not pressure or single anyone out
- must select employees in a fair way

This can avoid the risk of indirect discrimination. For example, it could be age discrimination if you only select older employees.

[Find out more about discrimination](#)

Change working hours

There could be ways for you to save costs by having employees work more flexibly.

You should always talk with employees and try to reach agreement first.

For example, you could offer employees:

- homeworking
- job shares
- to work fewer hours

If it's written in their employment contracts, you can tell employees that they need to:

- stop working for a while (known as a 'temporary lay-off')
- work fewer hours (known as 'short-time' working)

Lay-offs and short-time working are temporary solutions and must not be a permanent change to agreed working hours.

[Find out more about lay-offs and short-time working](#)

If you're considering changing what's written in employment contracts

You usually need to agree changes to employment contracts with employees.

You must consult with them to try to agree. They do not have to accept.

There are additional considerations when [changing an employment contract after a TUPE transfer](#).

[Find out more about making changes to employment contracts](#)

Move employees into other parts of the organisation

You should see if you can move employees into different areas of your organisation ('redeploy') to avoid redundancies. For example, by consulting with employees and appropriate representatives about:

- what transferable skills employees have
- if there are other vacant or new roles in the organisation that require those skills