



Re-organisation and redundancy

The approach taken by management to re-organisation proposals can substantially affect the impact that restructuring and redundancies have in the workplace. A poor process can give rise to legal liability, increased absence levels, poor performance and undermine goodwill and trust in management. The impact of such proposals on employees in the workplace cannot be underestimated.

How to get it right

Employers need to formulate a clear business plan outlining what they want to achieve and critically the reasons for those planned changes. No decisions should be made before appropriate consultation has been carried out.

Depending on the numbers of employees potentially affected by the proposals, obligations to inform and/or consult collectively with unions or elected employee representatives may arise. This should be factored into any timeline for effecting the changes. You may be legally obliged to file an HR1 form with the Secretary of State (Business, Innovation and Skills) and a failure to do so can lead to criminal prosecution.

In addition to collective consultation, employers will almost always need to consult with employees on an individual basis. It is critical that the correct legal process is followed here and that the re-organisation changes are appropriately categorised, for example, as change of terms and conditions or redundancy. This will sometimes require an in-depth analysis of the changes proposed.

Why you can't afford to get this wrong

In the current economic climate employees who feel aggrieved are more likely to bring a claim. Claims in relation to a failure to consult and unfair dismissal are the most common.

The manner in which the process is carried out can generate as much bad feeling as the actual dismissal or change to terms and conditions. In addition, a poor process can lead to otherwise unaffected employees

seeking alternative work as they do not like how colleagues are treated and think they may be next.

How we can help

- Our advice is tailored to suit your business and we can give you a clear, simple step by step process to follow and provide you with advice throughout to navigate you through the process;
- We can analyse your proposals and advise you on the options available to you for implementation;
- We will assist you in assessing the risks to your business to identify the most appropriate commercial approach;
- We can provide tailored documentation for you to use in communication with employees; and
- We will assist you to implement a fair process which will reduce the risks of any successful claims against the business.

For further advice please contact:

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