

The SME Manager's Redundancy Checklist

How to handle redundancy without damaging your business, your culture, or your people

UK & Northern Ireland

⚠ NI Note: In Northern Ireland, redundancy law broadly mirrors Great Britain but the Labour Relations Agency (LRA) is your point of contact, not ACAS. Collective consultation notifications go to the Redundancy Payments Service (NI), not the Insolvency Service.

1. Before You Begin, Is This a Genuine Redundancy?

<input type="checkbox"/>	Confirm the legal definition applies <i>The role itself must be disappearing, not just the person. Redundancy is not a performance management tool.</i>
<input type="checkbox"/>	Check whether this is a collective redundancy <i>If you are proposing 20+ redundancies within 90 days at one establishment, different rules apply, see Section 3.</i>
<input type="checkbox"/>	Take legal advice if in doubt <i>Speak to an employment solicitor or the LRA before proceeding.</i>

2. Individual Consultation

<input type="checkbox"/>	Notify the employee(s) at risk in writing <i>This triggers the formal at-risk period. Keep the language clear and factual, avoid informal chats as a substitute.</i>
<input type="checkbox"/>	Hold a meaningful consultation meeting <i>This is not just a formality. You must genuinely consider alternatives and listen to the employee.</i>
<input type="checkbox"/>	Inform employees of their right to be accompanied <i>They can bring a trade union representative or a colleague to any formal meeting.</i>
<input type="checkbox"/>	Consider and document all alternatives to redundancy <i>Reduced hours, redeployment, voluntary redundancy. Evidence this in writing.</i>
<input type="checkbox"/>	Hold at least one further consultation meeting <i>One meeting is rarely enough. A minimum of two is advisable to demonstrate genuine process.</i>
<input type="checkbox"/>	Confirm the outcome in writing <i>Whether the redundancy proceeds or not, confirm the decision and the reasoning in writing.</i>
<input type="checkbox"/>	Offer the right of appeal <i>Employees should be able to appeal. Appoint someone not involved in the original decision to hear it.</i>

3. Collective Consultation (20+ Redundancies Within 90 Days)

<input type="checkbox"/>	Notify the Redundancy Payments Service (NI) using HR1 form <i>In NI, notify the Redundancy Payments Service, not the Insolvency Service as in GB. Failure to notify is a criminal offence.</i>
<input type="checkbox"/>	Begin consultation at least 30 days before first dismissal <i>For 100+ redundancies this extends to 45 days. The clock starts from when you notify.</i>
<input type="checkbox"/>	Consult with employee representatives <i>If no trade union exists, you must elect employee representatives before consultation begins.</i>

- Provide required information in writing to representatives**
This includes reasons for redundancy, numbers affected, selection pool, procedure, and timing.

4. Selection , Getting It Right

- Define and document your selection pool clearly**
Who is at risk and why. The pool must be fair and defensible.
- Use objective, measurable selection criteria**
Skills, performance records, attendance (excluding disability-related), and disciplinary record are common. Avoid anything that could be discriminatory.
- Apply criteria consistently and document scores**
Keep records. If challenged at tribunal, you will need to show your workings.
- Check for potential discrimination in your selection**
Review for age, sex, race, disability, pregnancy, or any other protected characteristic before confirming decisions.

5. Notice, Pay & Paperwork

- Issue correct notice period**
Either contractual notice or statutory minimum , whichever is greater. Statutory minimum is 1 week per year of service (up to 12 weeks).
- Calculate and pay statutory redundancy pay if eligible**
Employees need 2+ years' continuous service. Use the government's statutory redundancy pay calculator.
- Clarify PILON position if applicable**
If paying in lieu of notice, ensure your contract permits this and that tax treatment is correct.
- Issue P45 promptly**
Required on or before the final day of employment.
- Confirm final pay including accrued holiday**
Any unused annual leave must be paid at the point of termination.
- Provide written reasons for dismissal if requested**
Employees with 2+ years' service can request this in writing.

6. Supporting Your People , Leavers

- Offer outplacement support**
CV, LinkedIn, interview coaching and career direction support. Demonstrates goodwill, protects employer brand, and reduces the risk of disgruntled former employees.
- Handle the leaving conversation with care**
The way this is done will be remembered. Dignity matters more than efficiency here.
- Brief the departing employee on what will be communicated to the team**
Avoid surprises , agree the narrative before they leave the building.

7. Supporting Those Who Remain

- Communicate change to the remaining team promptly and honestly**
Silence creates rumour. A clear, empathetic message from leadership protects morale and trust.
- Brief managers on what to say (and what not to say)**
Inconsistent messaging from different managers is one of the most damaging things that can happen post-redundancy.

**Monitor team morale in the weeks following**

Productivity dips and resignations from key staff are common after redundancy. Stay visible and engaged.

**Review workload distribution**

If responsibilities are being absorbed by remaining staff, acknowledge it. Ignoring it accelerates burnout and further attrition.

Need support making this process as smooth as possible?

I provide strengths-led outplacement support for SMEs across the UK , helping leavers move forward with clarity and confidence, while protecting how your organisation is experienced by those who remain.

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