

Fitter, Leaner...but not meaner...



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Agenda

- UK Labour market
- Alternatives to redundancy
- Contractual changes and dismissals
- Redundancy round up – 3 recent cases

What has been going on in UK labour market?

- Unemployment at 2.49 million (Aug 2011)
- 1.26 million working part time because can't find full time (June 2011)
- Unemployment rates for women highest in 23 years
- £4.4 billion spent on redundancy payments in 12 months to March 2011

UK Labour Market

- 480,000 redundancies 2009/10
- 470,000 redundancies 2010/11
- Average redundancy payment £9,362
18 weeks salary for typical full time employee
- Higher payouts than necessary
- Increased risk of claims

UK Labour Market

- More than half of employees unhappy at work
- More than one third seriously considering leaving
- Sense of personal accomplishment falls from 70 percent to 61 percent

* Mercer employee engagement survey 2011

Alternatives to redundancy?

Changing terms and conditions

As an alternative to compulsory redundancy “Joe Blogs Limited” wishes to put all of it’s staff except the management team onto a 4 day week and reduce company sick pay. They have just made an announcement to the staff. However, a group of employees is now refusing to agree to this.

How do you deal with this?

Dismissal for refusing to accept a contractual change

- Does the employer have to be in dire straits?
- When will a dismissal be seen as reasonable by an Employment Tribunal?
- Do management have to share the pain?

* Garside & Laycock v Booth, EAT 0003/11

Redundancy round up – 3 recent cases

Who to include?

- HR manager and assistant
- Employer restricted it's consideration to the manager role only
- Need to define the pool
- What is the “work of a particular kind” that is disappearing (s139 Employment Rights Act 1996)
- Fulcrum Pharma v Bonassera EAT 0198/2010

Fair selection criteria

- Typical examples of selection criteria
- Practical tips
- Beware maternity leave – how to apply selection criteria to employees on maternity leave
- Eversheds Legal Services Limited v De Belin
EAT 0352/2010

New jobs being created

- Are redundant employees ahead of the queue in respect of any new jobs created?
- What if an external candidate is better suited to the job?
- Morgan v The Welsh Rugby Union EAT 0314/2010
- Can you assume a displaced senior person would not be interested in a junior role?

Question Time

Need further help?

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