# Family 6 high band

Response Form

Collective Redundancy Consultation for Employers facing Insolvency

Deadline for Responses: 12 June 2015

**How to respond**

This is a template response form. If you would like to use an alternative format please do so in writing.

Please send completed short form responses to: [policy.unit@insolvency.gsi.gov.uk](mailto:policy.unit@insolvency.gsi.gov.uk), or post to:

Pabitar Powar

The Insolvency Service

4 Abbey Orchard Street

London

SW1P 2HT

**General Information**

What is your name, or the name of the organisation you represent?

Please tick the boxes below that best describes you as a respondent to this consultation:

|  |  |
| --- | --- |
| Description |  |
| Micro business (0-9 employees) |  |
| Small business (10-49 employees) |  |
| Medium business (50-249 employees) |  |
| Large business (250+ employees) |  |
| Business representative organisation/trade body |  |
| Trade union or staff association |  |
| Central government |  |
| Local government |  |
| Charity or social enterprise |  |
| Legal representative |  |
| Individual |  |
| Other (please describe): |  |

# 2.1. Employer’s Understanding

**Current Practices**

1) What are the considerations undertaken when deciding whether or not to start consultation? How is this decided in practice where an employer is facing, or has moved into, insolvency? Please provide examples where possible.

2) How does meaningful consultation with a ‘view to reaching agreement’ work in practice? How does notification work in practice? Please provide examples where possible.

**Benefits**

3) What do you understand to be the benefits of consultation and notification where an employer is facing, or has become insolvent? Please provide examples where possible. What further benefits do you think we could encourage?

4) In practice, what role do employees and employee representatives play in considering options to rescue the business and to help reduce and mitigate the impact of redundancies?

# 2.2. Facilitators and Inhibitors

**Facilitators**

5) What factors, where present, best facilitate effective consultation when an employer is imminently facing, or has become insolvent? Please provide examples to illustrate this where possible.

**Inhibitors**

6) What factors, where present, act as inhibitors to starting consultation or notifying the Secretary when an employer is imminently facing, or has moved into an insolvency process? Please provide examples to illustrate this where possible.

7) What factors, where present, negatively impact upon the quality and effectiveness of consultation when an employer is facing insolvency, or has become insolvent? Please provide examples to illustrate this where possible.

# 2.3. Role of Directors

8) Are advisors (accountants, HR professionals, or where an insolvency practitioner is acting as an advisor pre-insolvency) informing directors of their need to start consultation when there is the prospect of collective redundancies? How do directors respond to such advice?

9) Are directors facing insolvency starting consultation, and notifying the Secretary of State, as soon as collective redundancies are proposed and at the latest when they first make contact with an insolvency practitioner? If not, how can this be encouraged?

10) Normally are employee representatives already in place? What are the practicalities of appointing employee representatives when no trade union representation is in place?

11) How does the hand over from directors to insolvency practitioners work when a company becomes insolvent in relation to engagement with employees?

# 2.4. Ensuring Effective Consultation and Notification

**Process for Notification and Consultation**

12) How might the process for notifying the Secretary of State and sharing information with third parties be improved?

13) Could the process requirements for consultation be further clarified or improved?

**Guidance**

14) Would further guidance be helpful and if so, what should this cover, who should it be aimed at and how could it be marketed most effectively?

**Incentives and disincentives**

15) How can Government best incentivise or disincentives the behaviour of directors and insolvency practitioners to ensure that consultation and notification are conducted in a timely and effective way in insolvency situations?

16) What would most encourage constructive engagement by employees when in this situation? And do you have any suggestions for how employee representatives can best be supported?

17) Do you have any examples of where constructive consultation and engagement has happened in an insolvency situation? If so, what was done and how?

**Sanctions**

18) The current sanctions against employers who fail to consult take the form of Protective Awards. Do you think these are proportionate, effective and dissuasive in the context of employers who are imminently facing, or have become insolvent? Is the situation different as it applies to directors and insolvency practitioners respectively?

19) Do you think that the current sanctions for failing to meet the notification requirements are proportionate, dissuasive and effective?

**Memorandum of Understanding**

20) How well is the memorandum of understanding between R3, Job Centre Plus and the Insolvency Service working?