



Matt GingellTM

Making sense of employment law

MAY 2017

Office relocations: A guide for HR professionals

“MOBILITY” CLAUSES

If an office, or part of it, is relocating, it's first necessary to check whether there's a clause in the employee's employment contract, which could allow the employer to change the employee's place of work. These clauses are known as “mobility” clauses. A very wide “mobility” clause purporting to allow the employer to change the workplace to any location is likely to be unenforceable. But a commonly used “mobility” clause permitting the employer to relocate within reasonable travelling distance would probably be acceptable.

REDUNDANCY

In a redundancy situation an employer could try and rely on a “mobility” clause in one of two ways.

The employer could avoid the whole redundancy by simply asking the employee to relocate to the new premises in accordance with what's stated in the contract. If the employee refuses, the employer could, arguably, dismiss for misconduct on the basis that the employee failed to follow lawful and reasonable instructions. Remember though – the “mobility” clause has to be enforceable for the employer to be able to exercise it.

Alternatively, the employer could go down the redundancy route and offer the employee suitable alternative employment at the new location. If the employee refuses, the employer could argue that the refusal was unreasonable and that the employee therefore lost the right to a statutory redundancy payment. Redundant employees, who have at least two years' service, are otherwise usually entitled to the payment.

In some cases, it may be reasonable for the employee to refuse an alternative job and the employee (subject to length of service) would then be entitled to a statutory redundancy payment.

UNFAIR DISMISSAL

Employees normally need to have at least two years' service to bring an unfair dismissal claim. In order to defend the claim, the employer would need to show a fair reason for the dismissal (such as redundancy or misconduct), and a fair process must have been followed.

In a redundancy case the employer must consult with the employees prior to making any decision to dismiss. Depending on the number of employees affected the employer could have a separate obligation to consult the workforce collectively.

The employer would also have a duty to consider suitable alternative roles for the employees. Depending on the circumstances, the duty could extend to searching for appropriate jobs at companies within the same group of the employer. If, for example, a London office was relocating to New York it might be reasonable to expect the employer to consider suitable roles in the New York office (as well as at other company offices).

On some occasions the employer may be required to carry out a fair selection process. This is more relevant though when businesses are reducing headcount rather than relocating.

**This guide is intended for *guidance* only and should not be relied upon for specific advice.
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For Employment Law Advice Contact