

Urban Splash joint venture job cuts – what does the law say?

The 160 employees who were made redundant after a modular housing joint venture between Urban Splash and a Japan-based giant entered administration [last week](#) may be entitled to compensation, a law firm has said.

Employment law specialist Morrish Solicitors has said any staff who were cut by House by Urban Splash may be entitled to a Protective Award of up to 90 days' pay.

The joint venture ceased trading last week and [closed down a factory](#) in Alferton and various construction sites.

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Morrish Solicitors said it has had enquiries about a possible Protective Award claim and is investigating whether there are grounds to pursue such action on behalf of affected employees.

A Protective Award is a payment awarded by an Employment Tribunal in cases where an employer fails to follow the correct procedure when making 20 or more redundancies.

Tony Rippon, associate solicitor at Morrish Solicitors, said: "Based on the information we've received, employees may be able to seek compensation of up to 90 days' gross pay for a Protective Award.

"As the business is in administration the Insolvency Service may pay up to £4,568 to each employee who secures a Protective Award.

"This amount is in addition to the redundancy pay, notice pay,

outstanding wages and holiday pay these employees may also be able to claim.

“Employees should not fear repercussions from pursuing such a claim as it is the administrators of the business and not the group company who the claim is pursued against.”

The US House Group is a joint venture between the Manchester-headquartered property company, Sekisui House UK – a subsidiary of the Japan-based Sekisui – and Homes England who own the remaining 4% of shares.

Both Urban Splash and Sekisui House UK own 48% of the shares each.

Its modular homes have been used on sites such as Wirral Waters and New Islington in Manchester.

Daniel Smith and Adrian Berry of Teneo Financial Advisory Limited were appointed as joint administrators of Urban Splash House Holdings Ltd, Urban Splash House Investments Ltd, Urban Splash House Ltd, Urban Splash Modular Ltd, Port Loop Holdings Ltd, Port Loop Ltd and Port Loop (Subco1) Ltd (together “the US House Group”) on May 11.

Teneo has recently completed [the sale of Studio Retail Group](#) out of administration and been appointed by Misguided to [“explore strategic options for the business”](#).

The appointments do not impact the wider Urban Splash group or its operations.

In a statement issued last week, Urban Splash said: “The directors of House – (Urban Splash House Holdings Group) have appointed administrators from Teneo to the company.

“The appointment of Teneo senior managing directors Adrian Berry and Daniel Smith to the company has no impact on the wider Urban Splash group or its operations, which continue to run successfully.”

Joint administrator Adrian Berry said: “This appointment follows various operational issues relating to the factory in Alferton, which have impacted the wider group.

“We will now look to stabilise the US House Group by providing a platform to complete certain developments and explore sale options for the factory and the other development sites.

“We would like to thank all employees and other key stakeholders for their continued support.”

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