

# ALTERNATIVES TO REDUNDANCY

Guidance Note

# REDUNDANCY

## Have you considered the alternatives?

Due to the on-going financial crisis, it is likely that businesses will need to make difficult decisions in order to survive. Therefore, it is important for employers to have an understanding of the options available when navigating what will be a very challenging situation. An outline of possible alternatives to redundancy have been outlined below:

### 1. Shortage of Work

If you think the situation will only be temporary you may wish to explore placing your staff on a period of "lay off", or "short-time working". Short time working is where less than an employee's normal working week is available; lay off is where there is no work available in any given day.

**Please note:** To enforce this you must have the contractual right to do this, or you would be required to consult with staff about considering this option. Seek advice to discuss in more detail for your particular circumstances.

### 2. Agreed Period of Leave

To avoid losing staff, you may wish to consider offering periods of leave which can be agreed with individual employees. This would need to be agreeable with both parties, but can be paid at a reduced rate, or may be completely unpaid.

### 3. Secondment

There may be opportunity to move staff around to other areas of the business. This could provide staff with helpful new skills or experience.

Another idea may be to consider temporary secondments to other businesses you have a partnership with who have capacity to further help reducing your overhead costs.

### 4. Variation to Terms & Conditions

A further option may be to consider changes to the current terms and conditions of employments you have agreed with staff. This could be temporary, or permanent, but ought to be discussed informally in the first instance and if agreed, confirmed in writing.

For example, some employers have looked at agreeing the following as a measure to avoid redundancies:

- Reducing work hours and overtime;
- Agreeing a pay reduction; or
- Reviewing bonus payments/commission

This would be considered a change to terms and conditions of employment. If we cannot agree the change informally, it would mean consulting formally with employees to consider whether any proposed changes should be enforced.

### 5. Flexible Working

With hybrid working now commonplace, employees may forget there are other forms of flexible working available for them to consider.

Make sure everyone is aware that you are open to considering requests for flexible working arrangements. You can do so via a clear policy, or you may wish to directly communicate with staff allowing them the opportunity to discuss their circumstances and voluntarily come forward to discuss changes.

### 6. Review Other Costs

Staff are not the only cost impacting your business. You should ensure that you have reduced all unnecessary costs and reviewed any savings that can be made. It's easy to overlook what we view as fixed costs, but it is especially important to justify all expenditure in difficult times. For example, your business may be able to reduce overtime, freeze recruitment, or negotiate with suppliers and landlords.

### 7. Redundancy

The last option is to accept that all alternatives have been exhausted and, therefore, the business must look at a more permanent solution. A redundancy process may be the only reasonable solution if the number of employees is unsustainable. An appropriate process is required, where you would be obligated to carry out a meaningful consultation with affected staff.

## GET IN TOUCH

If you have any questions, or would like further support, please get in touch with Georgia Wilson by calling 0141 221 2984 or by email at [georgia.wilson@aab.uk](mailto:georgia.wilson@aab.uk).