

RIDE OUT THE RECESSION

top tips to help you survive and prosper.....

July 2009

ALTERNATIVE TO REDUNDANCY

- Reduction in income and increase in costs equals redundancy?

ALTERNATIVES TO REDUNDANCY

- Pay Cuts
- Reduction in hours
- Flexible working
- Training
- Sabbaticals
- Bonuses
- Layoff
- Short time working
- Secondments
- Reduced Benefits
- Early retirement
- Recruitment freeze

PAY CUTS

- **Cut in pay for commitment to no compulsory redundancies**
- **Protected Period**
- **Percentage Reduction**
- **Practical issues**
 - **Consider employment terms**
 - **Consultation**
 - **Express Agreement**
 - **Impose Change and rely on employees implied agreement**
 - **Dismiss and re-engage on new terms**

REDUCING WORKING TIME

- Agreed with pay cuts
- Early shut down, four day week, shift reorganisations
- Practical issues
 - Phasing
 - Period – temp/permanent
 - Service delivery

FLEXIBLE WORKING

- Job share to avoid redundancy
- Team to reduce working hours
- Annualised hours
- Working from home
- Flexi-time
- Compressed hours

TRAINING/REDEPLOYMENT

- Will employees retrain and work in other areas
- Practical issues
 - Time
 - Cost
 - Impact service delivery

SABBATICALS

- Unpaid time away from work
- Promise that can return
- Practical issues
 - Do not make promises cannot deliver

LAY OFF AND SHORT TIME WORKING

- Check contracts
- Provision
 - lay off work
 - impose short time working
- Complex area
- Statutory scheme
- Certain circumstances regarded as redundancy

SECONDMENTS

- Second to group company customer or supplier
- Pay for set period
- Opportunity to retain employee and skills
- Practical issues
 - Payment
 - Duration
 - Duties and management
 - Liability and insurance

REDUCE BENEFITS

- Insured Benefits
- Employer pension contributions
- Practical issues
 - Consent
 - Taxation
 - Period, temporary of permanent

EARLY RETIREMENT

- Will it increase costs?
- Practical issues
 - Effect on pension (state/private) less qualifying years
 - Depends on scheme
 - Transferring pensions

BONUSES

- Forgoing bonus to increase job security
- Very controversial

RECRUITMENT FREEZES

- Advertise internally
- Redundant Employers opportunity to apply

REDUNDANCY

- What does that definition mean in plain English?
 - Can be summarised as redundancy situation where dismissal is wholly or mainly due to:-
 - The closure of the business; or
 - The closure of the employee's workplace; or
 - A reduced need for employees to do the available work
- Procedure

TRANSLATING EMPLOYMENT LEGISLATION INTO BUSINESS PRACTICE

- April 2009 various legislative changes effecting businesses
- Increase in statutory annual holiday entitlement 4.8 weeks to 5.6 weeks
- Employees failing to pay Tribunal awards appear on public register

- Repeal of the statutory dispute resolution procedures (6 April 09)
- ACAS code and disciplinary and grievance procedures
 - Effects level of compensation by up to 25% for both employer and employee for failure to comply
 - Covers disciplinary misconduct and poor performance but excludes redundancy
 - Best practice for both disciplinary and grievance not greatly changed
 - Transitional provisions

- Extension of right to request flexible working – to parents of children up to the age of 16 years
- Increase in statutory sick pay, statutory maternity pay and statutory adoption pay

QUESTIONS?

