

A photograph of three business professionals (two men and one woman) sitting around a table in a modern office or cafe at night. They are engaged in a discussion, with laptops open in front of them. The scene is lit with warm, ambient lighting, and the background shows a blurred cityscape through large windows. The overall mood is professional and collaborative.

geldards

Employment Powerhour

Eight ways to save staff costs without making redundancies

23 May 2023

Introduction

- Challenging economic climate
- Staff costs
- Limited ways arrangements can be changed
- Reducing numbers won't necessarily solve the problem
- Cost savings without redundancies

How to save on staffing costs

- Staff retention
- Maximising the staff you have
- Reviewing terms and conditions
- Other alternatives

Retaining staff



Hybrid and flexible working arrangements

- Offering flexible working is seen as highly attractive to prospective employees
- This is a cost neutral benefit
- Assist with other costs (e.g. maintaining workspaces)



Health and wellness initiatives

- Framework in place to support physical and mental health
- Offer counselling and occupational health services
- Guidance for line managers so they can support their teams

Diversity and inclusion

- Good employment practices
- Culture
- Flexible working and job design
- Seeking out the best talent

CIBII



Upskilling and apprenticeships

- Succession planning
- Online Apprenticeship Service
- Working with local schools and attending careers fairs

Cost neutral benefits

- Not all benefits have to come with a cost to the employer
- Salary sacrifice
 - Childcare Vouchers
 - Pension arrangement
 - Electric car
- Additional holiday

Maximising the staff you have



Restrict recruitment/deferring job offers

- Reducing overheads without legal consequences
- Pausing recruitment
- Rescinding job offers or delaying start date
 - Consider notice

Banning overtime

- Depending on the requirement for overtime, this can be an effective way of reducing the wage bill
- Confirm whether there is a contractual right to overtime



Reducing agency staff

- Agency staff and self-employed contractors
- Relatively low risk
- Are they workers/employees?

Retraining and re-deploying staff

- Could you move staff to alternative positions?
- Be aware that you may need employee agreement



Reviewing terms and conditions



Reducing pay and pay freezes

BBC Sign in Home News Sport Weather iPlayer Sounds


NEWS

Home | Cost of Living | War in Ukraine | Climate | UK | World | Business | Politics | Culture | Tech

Business | Your Money | Market Data | Companies | Economy | Technology of Business | CEO Secrets | Global Trade

Asda consults on cutting pay for 7,000 workers

22 hours ago · Comments



ALAMY

The image shows a screenshot of a BBC News article. At the top, there is a navigation bar with the BBC logo, a 'Sign in' button, and icons for Home, News, Sport, Weather, iPlayer, and Sounds. Below this is a red banner with the word 'NEWS' in white. Underneath the banner is a horizontal menu with links for Home, Cost of Living, War in Ukraine, Climate, UK, World, Business, Politics, Culture, and Tech. Below the menu is another row of links: Business (underlined), Your Money, Market Data, Companies, Economy, Technology of Business, CEO Secrets, and Global Trade. The main headline of the article is 'Asda consults on cutting pay for 7,000 workers' in a large, bold, black font. Below the headline, it says '22 hours ago · Comments' with a small red comment icon. There is a red share icon below the text. The main image is a photograph of a supermarket aisle. A worker in a bright green shirt and dark trousers is walking away from the camera down the aisle. The shelves are stocked with various products, including boxes of cereal and other packaged goods. A sign for '50p' is visible on the shelves. The photo is credited to 'ALAMY' in the bottom left corner.

Reducing pay and pay freezes

- Pay freezes are unlikely to be a breach of contract
- Pay cuts are a much more riskier option
- Advise obtaining express agreement
- Collective consultation



Reducing hours/days worked

- Seek agreement with employees
- Agree a reduction in pay
- Increase working time when work levels increase
- Lay off and short term working

Other alternatives



Sabbaticals/unpaid leave

- Voluntary or invite applications
- Paid or unpaid
- Consider terms and enter agreement



Secondments



- Shifting cost/cost benefit
- Ability to second in the contract?
- Documentation



Lowri Phillips

Partner

+44 (0)29 2039 1758

lowri.phillips@geldards.com



Helen Snow

Partner

+44 29 2039 1497

helen.snow@geldards.com



Rachel Mills

Senior Associate

+44 (0)1332 254123

rachel.mills@geldards.com

geldards

Thank You

www.geldards.com
info@geldards.com