



**Mark Ridley**  
head of Employment  
Department



## ***Exploring alternatives to making people redundant***

Mark Ridley advises that in a recent report, the Chartered Institute of Personnel and Development (CIPD) calculated the true average cost of making an employee redundant as £16,375.

According to local solicitor Mark “The CIPD says that this is what it costs a firm before it can achieve a single penny’s-worth of savings through the redundancy. Their conclusion is that redundancy always should be a last resort, because it often makes economic sense to keep staff on the pay roll and plan for recovery.”

Mark accepts, however, that circumstances differ from business to business, and in tough times there may often appear to be no realistic alternative to redundancy. “But there is a lot of truth in what the CIPD has to say, and it’s often worth exploring alternatives like part-time working and extending holidays.” “In many cases, options like these can actually be very attractive to the employee, enabling them to have more of a life outside work while still with the security of a regular wage.

“Practically, they immediately reduce operating costs for the employer, without the need to make large redundancy payments, as well as reducing future recruitment and training expenses.”

Mark is very happy to help businesses that need to make cost-savings and identify the most effective and least damaging route. “Call us our Departmental Direct Line 024 7649 3118 and speak initially to Sue Mace, the Department’s PA to help find the solution that’s best for you. ”Mark continues, “The more businesses can cost-effectively keep people in work, the less impact we will see of recession on our local economy.”