



12 Ways to Cut HR Costs: Part 1 - Claim Government Help

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By **Daniel Pollard** - 19 October 2020

UK employers consulted with staff on nearly half a million redundancies during the pandemic - roughly 1.5% of the working population. The true number will have been much higher as small-scale redundancies are not captured by government statistics. The furlough scheme will have given many employers an opportunity to pause but as the scheme comes to an end, employers face some tough choices.

Over recent months we have seen a huge amount of creativity from our clients in finding ways to minimise redundancies. Over the next couple of weeks we will share 12 possible strategies adopted by our clients and some thoughts of our own to help reduce cost without compulsory lay-offs.

1. Claim Government Help



This is perhaps an obvious point but with the government reportedly pumping £14bn into the economy each month this must be the first item on the list.

The main “furlough scheme” has now been closed to new entrants and will end on 31 October 2020 but support for employers remains:

- **Job Support Scheme:** From 1 November 2020 the government will cover the employment costs of staff who are furloughed for part of their normal working time. Employees must work at least 1/3 of their normal hours to qualify. The government will pay 1/3 of their wages (capped at £697pcm per employee) for each hour that is not worked. The employer must also pay at least 1/3. The employer can also pay the final 1/3 but most employers are asking staff to agree to reduce their pay by 1/3.

Larger businesses only qualify if their turnover is adversely impacted by Covid-19. The scheme is extended to run for 6 months.

- **Job Retention Bonus:** Employers will be able to apply for the £1,000 grant in respect of eligible employees who are kept on after having been furloughed. To be eligible employees must: (a) be continually employed until and not under notice of termination of employment as of 31 January 2021; and (b) earn a minimum of £1,560 in total during the three months between 6 November 2020 to 5 February 2021. Special additional rules apply to businesses whose premises have been forced to close as a result of natural or local lockdown arrangements.

For all 12 ways to cut HR costs without redundancies click [here](#).