

New study reveals 1 in 3 employers are likely to make redundancies over the next 3 months

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A new survey from Acas has found that over a third of employers (37%) are likely to make staff redundancies in the next 3 months.

Acas commissioned YouGov to ask British businesses about their redundancy plans and knowledge of the law in this area. The poll found that:

- 6 out of 10 large businesses said they were likely to make redundancies in the next 3 months
- for businesses that are likely to make redundancies, over a quarter (27%) said they plan to do this remotely over video chat or a phone call
- 1 in 4 (24%) bosses are unaware of the law around consulting staff before making redundancies – this increases to 1 in 3 (33%) where businesses have fewer than 50 workers

Acas Chief Executive, Susan Clews, said:

"Businesses are facing extremely difficult circumstances due to the coronavirus crisis and our poll reveals that many are considering redundancies.

"Acas advice for bosses is to exhaust all possible alternatives to redundancies first but if employers feel they have no choice then they must follow the law in this area.

"Our survey reveals that a third of small businesses do not know about their legal responsibilities on consulting staff when considering redundancies. It is important for them to act responsibly and follow our advice or they could be subject to a costly legal process."

If an employer finds there are no other choices than to make redundancies then there are strict rules on consulting staff that they must follow.

An employer must discuss any planned changes and consult with each employee who could be affected. This includes staff who may not be losing their jobs but will be impacted.

The minimum consultation period varies depending on the number of employees that an employer wishes to make redundant. By law, employers who plan to make 20 or more staff redundant over the next 3 months (90 days) must also consult a recognised trade union or elected employee representatives about the proposed changes.

For 20 to 99 redundancies, consultation must start at least 30 days before the first dismissal can take effect, and for 100 or more redundancies, it has to start at least 45 days before.

If an employer does not meet consultation requirements, employees can take their employer to an employment tribunal. If successful, the employer may have to pay up to 90 days' full pay for each affected employee. Someone can also make a claim of unfair dismissal to an employment tribunal on the grounds that they were not consulted, or the consultation was not meaningful.

Consulting employees and unions may help to find alternative solutions to making redundancies.

Acas advisers have seen many examples of this joint working that's produced creative alternatives to job losses, such as part-time working, cuts to overtime, finding alternative roles and retraining.

[Read Acas advice for staff and employers about redundancies.](#)

Media enquiries

[Contact the Acas press office.](#)

Background notes

1. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,097 adults. Fieldwork was undertaken between 14 to 19 September 2020. The survey was carried out online. The figures have been weighted and are representative of British business size.

2. Participants were asked how likely, if at all, that they or their organisation are to make staff redundancies in the next 3 months (between now and December 2020). The results were that 37% were likely to make redundancies; 56% were unlikely to make redundancies; and 7% did not know. For large businesses that employ more than 250 employees (sample size 834): 60% were likely to make redundancies; 33% were unlikely and 7% didn't know.

Of the 779 of total respondents that said they were likely to make redundancies, businesses were asked if they planned to manage this process more remotely (by video call or phone) or more face-to-face, or a mixture of both? The results were:

- more remotely – 27%
- more face-to-face – 33%
- a mixture of both – 33%
- do not know – 8%

The 2,097 British businesses were also asked if they were aware of what the current law states about consulting staff before making redundancies? 76% said yes and 24% said no. The response from small businesses (sample size 1,000) that employ less than 50 employees was that 67% said yes and 33% said no.