

Webinar – Covid-19 HR Update

Thank you for joining us.
The Webinar will start at 11am.

PLEASE NOTE: to ensure optimum connection quality, microphones and video connections will be muted.

Generic questions can be asked in the chat function.
Specific questions should be directed to sbwenquiries@wales.coop

Busnes Cymdeithasol Cymru Social Business Wales

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Covid-19 HR Update

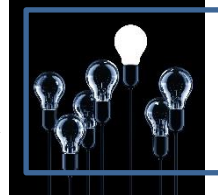
Introduction

In today's webinar we will look at:

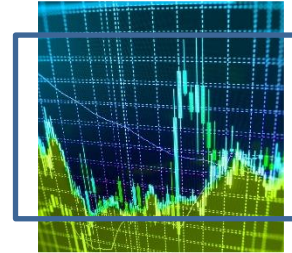
- **End of furlough:** key HR considerations of the end of furlough and its replacement the job support scheme
- **Restructuring:** the need to plan what your organisation will look like over the next 6-12 months and how that can impact upon staff
- **Redundancies and lay-offs:** how to select staff, processes and procedures including communication and engagement
- **Working through the next phase of the pandemic:** highlighting key policies & processes
- **Staying up to date and compliant:** what policies to review
- **Signposting to resources:** useful websites, tools and links

Current Environment

Future Delivery



Rising Cases



Staffing Levels



Slower
Recovery



Fire break &
Lockdowns



Pressures



End of Furlough



Reduced Support



Coronavirus Job Retention (Furlough) Scheme

Recap

- April-July: CJRS pays 80% of wages up to a cap of £2,500 + employer NI and pension contributions
- August: CJRS pays 80% of wages up to a cap of £2,500: employer pays ER NI and pension contributions
- September: CJRS pays 70% of wages up to a cap of £2,187.50: employer pays ER NI, pension contributions + 10% of wages
- October: CJRS pays 60% of wages up to a cap of £1,875: employer pays ER NI, pension contributions + 20% of wages

End of Furlough

- 31 October
- The scheme is designed to help employers avoid having to make redundancies and then recruit a new workforce once the crisis is over as their existing workforce will be ready and waiting to resume work at the end of furlough
- But, this relies on businesses being in a stronger position than a few months ago, and for many this is not the case

End of Furlough: Options

What options do businesses have?

- bring staff back full-time at the expense of the business
- furlough staff for a further period at the expense of the business
- bring staff back part-time with support from the new Government Job Support Scheme

Given the unprecedented nature of the crisis, staff, trade unions or other representative bodies may be more open to exploring different options, particularly when faced with business closures and job losses as the alternative, e.g.:

- using unpaid statutory leave
- granting unpaid sabbaticals
- temporarily reducing hours and/or pay with some or all staff

Last resort:

- consider redundancies



CJRS (Job Retention) Bonus

- Employers who bring staff back from furlough and retain them in employment until the end of January 2021 will qualify for a £1,000 bonus per head payable after 15 February 2021
- To qualify, staff must have remained continuously employed from the end of the last claim period for the CJRS through to 31 January 2021
- Staff will need to have been paid the minimum income threshold (at least £1,560 gross) for November, December and January (counting from the tax date of the 6th of each month)
- A bonus will not be paid for any staff serving a contractual or statutory notice period, including a notice of retirement, that started before 1 February 2021, even if they are still employed on 31 January

Coronavirus Job Support Scheme: Overview

- Opens on 1 November and runs for 6 months until April 2021
- The scheme is designed to protect viable jobs in businesses who are facing lower demand over the winter due to Covid-19, to help keep their staff attached to the workforce
- The business will continue to pay its staff for time worked, but the burden of hours not worked will be split between the employer and the Government (through wage support) and the staff (through a wage reduction) allowing them to keep their job
- For every hour not worked by staff, the Government and employer will pay a third each of the usual hourly wage, with the Government contribution capped at £697.92 a month

Coronavirus Job Support Scheme: Overview

- Employers will be able to make a claim online through Gov.uk from December 2020
- Grant payments will be made in arrears, reimbursing the employer for the Government's contribution, with ER NI and pension contributions remaining payable by the employer
- 'Usual wages' calculations will follow a similar methodology as for the CJRS
- Staff who have previously been furloughed, will have their underlying usual pay and/or hours used to calculate usual wages, not the amount they were paid whilst on furlough
- Staff cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant for them
- Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria

Coronavirus Job Support Scheme: Eligibility

Employers

- All employers with a UK bank account and UK PAYE schemes can claim the grant
- Neither the employer nor staff need to have previously used the Coronavirus Job Retention Scheme
- Large businesses will have to meet a financial assessment test: the scheme is only available to those whose turnover is lower now than before experiencing difficulties from Covid-19
- No financial assessment test for SMEs

Coronavirus Job Support Scheme: Eligibility

Staff

- Staff must be on an employer's PAYE payroll on or before 23 September 2020
- To support viable jobs, for the first 3 months of the scheme staff must work at least 33% of their usual hours: after 3 months, the Government will consider whether to increase this minimum hours threshold
- Staff can cycle on and off the scheme and do not have to be working the same pattern each month, but each short-time working arrangement must cover a minimum period of 7 days

Coronavirus Job Support Scheme: Example

- Megan works 40% of her normal hours
- She receives 40% of her usual salary from her employer for hours worked
- The cost of the remaining 60% of her time not worked is shared equally as 20% for the employer, 20% for the Government and Megan forgoes 20%
- Megan therefore receives 80% of her normal pay and the cost is borne 60% by her employer and 20% by the Government

Coronavirus Job Support Scheme: Extension

- On 9 October, the Government announced an extension to the JSS targeted at businesses required to close entirely due to tighter local or national coronavirus restrictions
- Under the proposals, the Government will support eligible businesses by paying two-thirds of wages (67%), up to a maximum of £2,100 a month, if they are forced to close in the coming months, with ER NI and pension contributions remaining payable by the employer
- Employers will be able to make a claim under the JSS extension for any staff who have been instructed to cease work due to a required closure
- The scheme will begin on 1 November and will be available for 6 months, with a review in January

Coronavirus Job Support Scheme: Extension

The extension applies only to businesses that are legally required to close their premises as a direct result of local or national restrictions. It will not benefit any of the following businesses, which may also be significantly impacted:

- Businesses that are legally able to stay open, but whose trade is significantly affected by a local lockdown, such as suppliers to the hospitality sector
- Businesses that are able to stay open, but experience very reduced demand, such as theatres or cinemas in areas not subject to a local lockdown
- Businesses that decide to shut because of the reduced demand or broader impact of Covid
- Businesses required to close by local public health authorities as a result of specific workplace outbreaks

Coronavirus Job Support Scheme

Key Decisions

- Whether to make use of the scheme at all
- Whether to offer access to the scheme to all staff or just some, and, if just some, how to select those who will be preferred
- How to notify staff and reach agreement: what collective and individual consultation needs to take place before the scheme is introduced and how to secure staff agreement to any new working arrangements before agreeing the changes in writing

Restructuring: Options

Furlough

- A form of agreed lay off was created under the CJRS even where there was no contractual lay-off provision, therefore provided staff continue to agree to being furloughed, it would be possible to extend the period, but employers would no longer be able to reclaim wage costs from the Government after 31 October
- As an alternative to redundancy, staff on extended furlough may agree to reduced terms, e.g. reduce pay below 80%, when the Government scheme ends, but employers would need a new or extended written furlough agreement with staff, depending on how the terms of the existing agreement were been agreed

Restructuring: Options

Changing Terms and Conditions

- As an alternative to redundancy, staff may agree to reduced pay and/or hours
- If employers recognise a trade union for collective bargaining purposes, depending on the terms of any collective agreement, they may be able to agree the change, with the union, which may be binding on all staff or may at least facilitate individual agreement
- Where there is no union, employers will need to consult individually with staff to explain the reasons and necessity for the proposed change, with the aim of obtaining their consent before agreeing the changes in writing

Restructuring: Options

Unpaid Leave

- As an alternative to redundancy, staff may agree to reduced pay and/or hours
- Many staff may have been personally affected by the pandemic and may not want to return to work at the end of furlough, therefore employers can discuss options such as using unpaid statutory parental leave or granting unpaid sabbaticals with the aim of obtaining their agreement before confirming the changes in writing
- This may enable some staff to remain employed without pay until the situation improves and redundancies may no longer be necessary

Redundancy

Crucial Points

To avoid a successful claim for unfair dismissal arising out of a redundancy situation there must be:

- a genuine redundancy situation
- a fair selection process
- adequate warning and consultation of affected staff
- consideration of alternative employment
- a fair procedure

A Genuine Redundancy Situation

A redundancy situation exists where the:

- business as a whole is closing down
- particular part of the business in which the staff work is closing down
- business is closing down in a particular location; or
- business needs fewer staff with the redundant staffs' skills

Redundancy: Selection Pool

Before applying any selection criteria, it is important to identify the correct 'pool' of affected staff by considering:

- Is there a procedure for identifying the pool which has been agreed by the union or staff representatives? If so, this should normally be followed
- Are there other groups of staff doing similar work to the staff in the pool and/or are there staff whose jobs are interchangeable with any of those in the pool? If so, it is likely they should also be included in the pool unless there are good reasons not to
- Are there other staff working at different sites doing similar work? Even if a particular site is closing, it does not necessarily mean that the pool should only include staff working at only that site

Redundancy: Selection Criteria

It is advisable to use a matrix of criteria, which, as far as possible, is objective and not discriminative such as:

- relevant skills, knowledge and experience
- relevant qualifications or training
- disciplinary record
- attendance record
- communication skills (verbal/written)
- time management/productivity

Criteria should always be appropriate in the circumstances, with a business justification for the use of each criterion

Redundancy: Consultation

- A two-way process to gather information to assist employers in making decisions and give staff the opportunity to ask questions and provide feedback
- When arranging a consultation meeting, employers should give staff adequate time and information to properly prepare properly
- Whilst there is no obligation to allow staff to be accompanied to consultation meetings, but it is advisable to allow it for any staff who wish to be accompanied
- All staff who are at risk of being made redundant must be consulted, including staff on furlough, maternity leave, long-term sick leave etc
- It is essential that the consultation meetings occur before any final dismissal decisions have been taken

Redundancy: Consultation

Issues to be discussed at individual consultation meetings:

- the reason for the redundancy and timescale
- an explanation of the pool for selection and the selection criteria
- why the individual has been provisionally selected for redundancy according to the criteria
- whether any factual matters relied upon are accurate
- the financial package
- details of suitable vacancies, including the nature of the job, location, terms and conditions
- details of any other support available
- other suggestions to avoid redundancy

Redundancy: Suitable Alternative Employment

- Staff selected for redundancy should be offered any available vacancy that they could fill, even if it is at a lower salary or at a lower status than their redundant post
- Where staff have been given notice of termination due to redundancy, the employer has a duty to search for suitable alternative employment until the end of their notice period
- If the terms and conditions of the new contract of employment differ in any way from the corresponding provisions of the previous contract, there is a statutory four week trial period for staff to decide whether the alternative employment is suitable
- Staff on maternity, adoption or shared parental leave must have priority over other staff who may be candidates for the alternative role, otherwise the dismissal will be automatically unfair

A Fair Redundancy Procedure

A fair procedure should involve all the previously noted considerations as well as clear communication with the affected staff through one-to-one meetings and in writing including:

- An initial meeting with affected staff explaining the reasons for the potential redundancy and the proposed selection process, confirmed in writing
- Once the selection criteria have been applied, a letter to the provisionally selected staff setting out the reasons for redundancy and their selection and inviting them to a consultation meeting
- A final individual consultation meeting confirming selection for redundancy and discussing redundancy pay terms, confirmed in writing
- The right for staff to appeal against the decision to make them redundant

Key Staff Policies and Procedures

- Some problems employers are facing will only require short term solutions, while others may need permanent changes to contracts and policies
- It is advisable for employers to take advice on their specific situation before attempting to make changes
- If staff regard their employment contracts and policies too unfavourably, they may simply choose to work elsewhere, but well-judged changes to terms and conditions of employment could present an opportunity for valuable flexibility to operate in the emerging, post-Covid world of work

Key Staff Policies and Procedures

- Covid-related Sickness Absence
- Homeworking
- Health, Safety and Wellbeing
- Disciplinary, Grievance and Performance Management
- Redundancy
- Data Protection
- Equality & Diversity
- Employment Contracts

Leadership

- Stabilise and heal
- Reconnect and enable
- Recalibrate

Redefining HR's priorities in a Covid-19 world

30 March 20

<https://www.peoplemanagement.co.uk/voices/comment/redefining-hrs-priorities-in-a-covid-19-world>



Employer Responses to Covid-19: Examples

- Wales Cooperative Centre

<https://wales.coop/derek-walker-chief-executive-of-the-wales-co-operative-centre-outlines-how-the-organisation-adapted-to-advice-to-work-from-home/>

- Acorn Early Years Foundation

<https://www.peoplemanagement.co.uk/long-reads/articles/how-are-people-teams-responding-to-coronavirus-acorn-early-years-foundation>

- Better Food

<https://www.peoplemanagement.co.uk/long-reads/articles/how-are-people-teams-responding-to-coronavirus-better-food>

Employer Responses to Covid-19: Examples

- St Mungo's

<https://www.peoplemanagement.co.uk/long-reads/articles/how-are-st-mungos-responding-to-coronavirus>

- Community Integrated Care

<https://www.peoplemanagement.co.uk/voices/case-studies/how-people-teams-responding-coronavirus-community-integrated-care>

- Unicef UK

<https://www.peoplemanagement.co.uk/long-reads/articles/how-are-people-teams-responding-to-coronavirus-unicef-uk>

Useful Links (as of 19.10.20)

JSS: <https://www.gov.uk/government/publications/job-support-scheme>

JSS: Extension: <https://www.gov.uk/government/news/job-support-scheme-expanded-to-firms-required-to-close-due-to-covid-restrictions>

CJRS (Job Retention) Bonus: <https://www.gov.uk/guidance/check-if-you-can-claim-the-job-retention-bonus-from-15-february-2021>

ACAS: <https://www.acas.org.uk/>

CIPD: <https://www.cipd.co.uk/news-views/coronavirus/support-materials>

Health and Safety Executive: <https://www.hse.gov.uk/>

Coronavirus Statutory Sick Pay Rebate Scheme:
<https://www.gov.uk/guidance/>

Useful Links (as of 19.10.20)

Firebreak in Wales: <https://gov.wales/national-coronavirus-fire-break-to-be-introduced-in-wales-on-friday>

SBW Finance Update Webinar:

<https://www.youtube.com/watch?v=TYO4uWk78ZA&feature=youtu.be>

Eligibility Checker: Business Wales:

<https://businesswales.gov.wales/coronavirus-advice/>

Wales Cooperative Centre: <https://wales.coop/covid-19-hub/>



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Q&A's

Please submit any questions or comments in the chat function

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Social Business Wales

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The screenshot shows the website's header with navigation links: Gwefan Cym, Careers, Search the site, and Become a member. The main content area features the Wales Co-operative Centre logo and a navigation menu: Home, About, News and opinion, Tools and publications, Get our help, and Get involved. Below this is a banner for Social Business Wales with the text: "Wherever you are on your social business journey, we can support you. From start up, to growth, to succession planning, our team will be by your side. Together we can make a difference." and a link to "Cymraeg".

Social Business Wales (SBW) can help with a wide variety of challenges – from VAT advice to visioning, from business planning to board development and from sales strategy to stakeholder engagement. Our expert team of business advisors offer friendly, one to one advice and are backed up by specialist consultants in areas including HR, law, finance and marketing.



Need Help

Telephone: 0300 111 5050

Email: sbwenquiries@wales.coop
<https://wales.coop/get-our-help/support-available/>

<https://wales.coop/covid-19-hub/>

<https://businesswales.gov.wales/socialbusinesswales/>