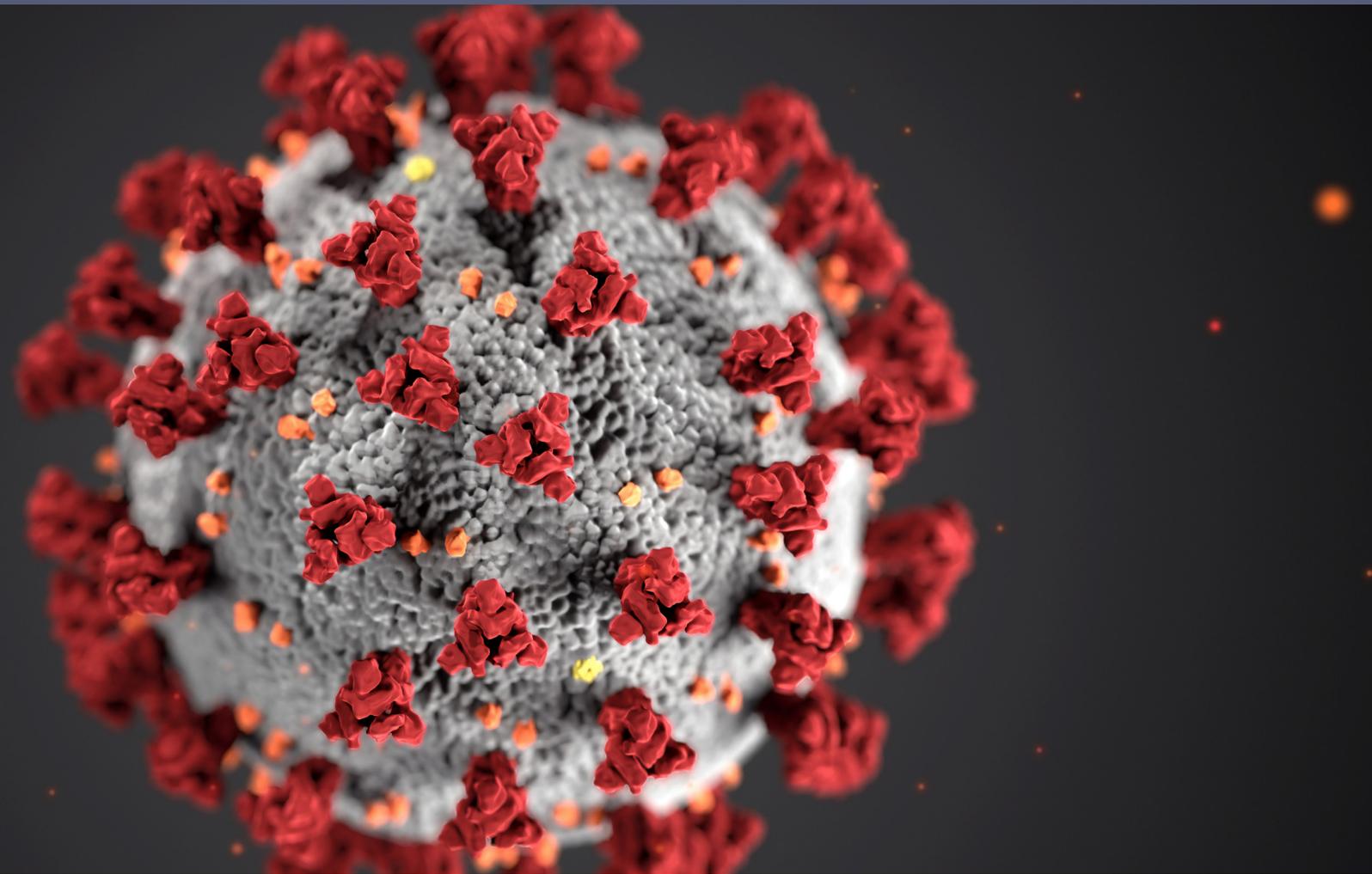


# We solve people problems

Coronavirus: Guidance note for clients (2)



24th March 2020

+44 (0)7801 982334  
director@integratedresources.co.uk



**INTEGRATED**  
RESOURCES

# Introduction

With the situation changing daily, if not hourly, we would advise our clients not to rush into decisions around workforce, but to get in touch to discuss the options. New initiatives are being announced daily and until the regulations come into force, if your business needs short term cash flow support, you may be eligible for a Coronavirus Business Interruption Loan.

As we approach the inevitability of all but key workers being allowed to travel to work, organisations are having to put in place plans to adapt to new ways of working and/or keep themselves afloat and to support their workforce as best they can.

For support at this difficult time, please refer to the latest government guidance for employers: <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-the-coronavirus-job-retention-scheme>

You will no doubt be aware that some organisations rushed to terminate the employment of large swathes of their workforce as soon as this crisis hit, with a handful having done this rather unprofessionally or inhumanely. With the government's new measures in supporting businesses unfolding daily, this seems to have been a hasty move. In addition, employment law requires employers to act reasonably and those who don't, could face backlash through the court system and/or in the press.

A business with no workforce will struggle to survive when the crisis comes to an end. It takes time, effort and money to recruit and onboard new joiners. Where possible, businesses need to try and retain their talent, and the Government's emerging plans are aimed at enabling this to happen.



## Some recent financial support measures by the government include:

### Statutory Sick Pay (SSP) for SMEs

Businesses with fewer than 250 employees will be eligible for reimbursement of up to 2 weeks' SSP per eligible employee who is unable to work because of COVID-19. As soon as the new regulations are drawn up and come into force, the government will set up a repayment mechanism for employers.

### Coronavirus Job Retention Scheme

It was recently announced that businesses will be able to designate employees as 'furloughed workers' (i.e. at threat from redundancy) and receive an 80% reimbursement from HMRC for wage costs of up to £2,500 pcm per worker, for up to 3 months. Employers can decide whether to top this up. HMRC are setting up an online portal and will release further information when it is available. This is aimed to prevent the workforce being decimated by redundancies and lay-offs. In the unlikely event that employees do not agree to being designated as 'furloughed', they could be made redundant.



## Other potential considerations to reduce costs:

### Redundancy

If redundancy is the only option, despite the fact that these are exceptional circumstances, organisations are still expected to follow the statutory procedure. This includes a reasonable consultation period (although this could 'reasonably' be shorter than usual), and the payment of statutory redundancy pay, notice pay and untaken holiday pay. If this is not possible, businesses must pay what they can, and be prepared to be taken to court when tribunals are up and running again, which could be a couple of years down the line.

### Lay-offs

In the likely event that you do not have a lay-off clause in your contracts, you can agree some lay-off time with employees. Those who agree to be laid off, would be eligible to receive £29 per day for up to five days in any 3-month period. If employees have been laid off for 4 consecutive weeks or for 6 weeks in a 13-week period, they can apply to be made redundant and receive redundancy pay.

### Unpaid leave or reducing hours/days

These would require gaining the consent of the employee. Implementing any variations to existing contractual terms without agreement would constitute a

breach of contract and could result in being challenged at a tribunal or at a small claims court.

### **Recruitment freeze**

In situations where the workload remains manageable, you could consider freezing recruitment and/or retraining and redeploying existing employees.

### **Cutting back on paid overtime**

Provided the business can still function, and that it would not be in breach of contract, agree with employees to reduce or cut paid overtime.

### **Pay freezes or pay cuts**

As most contracts don't guarantee a pay rise, implementing a pay freeze (i.e. no pay rise) is an option. Pay cuts, however, must be agreed by employees to avoid a breach in contract.

For further information please see:

<https://www.gov.uk/government/publications/covid-19-stay-at-home-guidance>

<https://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19>



## Frequently Asked Questions:

Here are some examples of the types of questions we are fielding. Please note that our guidance is relevant based on information available up to 22nd March 2020. Please contact us to discuss your particular issues, as each scenario is different.

### **Q. What if people are choosing not to work despite not being sick?**

**A.** If people are *fit and able* to work (remotely or otherwise), and you have made a reasonable request for them to do so, not doing so would be a breach of 'following a reasonable management instruction' and should be dealt with through the disciplinary procedure. However, be careful here, as there may be other considerations, such as family sickness, etc. so tread sensitively.

### **Q. What if people have booked holiday and now don't want to take it?**

**A.** Bearing in mind that employees will continue to accrue holiday, you will need to avoid a situation where everyone wants to take holiday at once when business as usual resumes. Check what your contracts say, but it is usually discretionary whether you agree to an employee's cancelled holiday or not. Try to be consistent to avoid future discrimination claims.

### **Q. What do we do about people on maternity/paternity/adoption leave?**

**A.** These employees must continue to be paid maternity/paternity/adoption pay in accordance with the company or statutory schemes, until the agreed end date.

### **Q. Can and should we delay disciplinaries/grievances?**

**A.** We would recommend that you do not delay, but that you carry out hearings remotely using video conferencing.

### **Q. Can we change our mind on job offers?**

**A.** You can withdraw an offer before someone's start date and may have to pay the contracted notice, depending on the contractual terms agreed. An alternative would be to delay the start date, with their consent.

# Stop Press!



## Coronavirus: Proposed Protection for Self-Employed and Freelancers:

The House of Commons Public Bill Committee has proposed an amendment to the Coronavirus Bill, entitled Statutory Self-Employment Pay.

If accepted (and I think it will be), it compels the government to introduce Regulations providing that “freelancers” (undefined) and “self-employed people” should receive guaranteed earnings of:

(a) 80% of their monthly net earnings, averaged over the last three years; or,

(b) £2,917 per month

whichever is the lower.

The purpose of this amendment is to make the Government ‘top up’ self-employed workers’ earnings to the lower of 80% of their net monthly earnings or £2,917 a month.

We will, of course, provide further updates when available.

Best regards,

A handwritten signature in black ink that reads "Claire L. Vane".



Claire Vane  
Managing Director, Integrated Resources  
07801 982334  
[director@integratedresources.co.uk](mailto:director@integratedresources.co.uk)



+44 (0)7801 982334



director@integratedresources.co.uk



integratedresources.co.uk



@HRIntegrated



Integrated Resources



@HRIntegrated



Registered Office: 92 Clay Farm Drive, Trumpington, Cambridge, CB2 9BY

Registration Number: 04281894

