

FURLOUGH: THE NEW 'F' WORD

Advice you can't afford to miss!



An introduction to furlough

Early Years HR specialist, [Jacqui Mann](#), shares her wealth of knowledge with us; and discusses the confusing topic of furlough. Read on for her valuable advice - from training and annual leave, to returning to work.

Over the last few weeks, everyone's lives have changed in a way that no one could ever have imagined. Things are very different and who knows what 'normal' will look like in the future. Meanwhile, we all have to deal with an ever-changing world - which includes how you run your business.

One of the ways the Government has tried to protect the economy was to introduce the Coronavirus Job Retention Scheme (CJRS). It has been a life line to many people. However, it's not been the easiest thing to understand: just when we had guidance it was revised ...and then revised again. As an HR professional trying to keep up-to-date, it has been difficult. (Several glasses of wine consumed some evenings!).



The Coronavirus Job Retention Scheme has been a life line to thousands of people. But its seemingly ever changing goal posts leave many (understandably) confused.



It has been especially difficult within the early years sector. More so, when guidance was issued and then changed at the last minute leaving many nursery owners worried and concerned as it seemed they were not eligible to claim the 80% of salary for employees.

New guidance has been issued which doesn't really make things any more clear.

Early years providers can claim a proportion of the salary bill through the CJRS but only from the part considered to have been paid from private income (parents' fees). You must use February as the initial month to look at what income was private and funded. One can understand why you can't claim for the part you are receiving funding for; no one wants to be seen as making a profit from this situation. The part that is more difficult to understand is this;

"Providers should adjust these proportions in subsequent furloughing applications, if their income from the Government's free entitlements changes, but are not expected to make any adjustments in relation to changes in parent-paid income."

You're not expected to make changes in relation to what the parents pay seems very strange because most settings won't receive the same fees from parents in March, April, May or June as they received in February.

Other furlough considerations

Unfortunately, the guidance is still unclear: the percentage that childcare providers can claim will depend on the percentage of funding received. For example, if you receive 40% funding, you can only claim up to a maximum of 60% for your furloughed employees.

[Source: Department for Education \(April 2020\). Coronavirus \(COVID-19\): financial support for education, early years and children's social care.](#)

Furlough is a word that none of us had heard of before 20th March. I wish I had a pound for every time I heard it now!

There is still some confusion on what furlough means. Here are the main points:

- If your business has been affected by COVID-19, you can furlough employees and apply for a grant to cover a percentage of their wages up to £2,500. As I mentioned earlier early years childcare providers are unable to claim 80%.
- Employees must agree to be furloughed.
- They must agree to a reduction in salary, if you are not paying full salary, although this can be topped up by you, the employer.
- You need to keep a record of their agreement for five years, in case HMRC carry out an investigation.
- When furloughed, an employee must not do any work for you. However, they are allowed to work for another employer - even when furloughed by you.
- An employee must be off work for a minimum of three consecutive weeks. If you need them to return to work before this you can still pay them the reduced salary they agreed to, but you will not be able to claim it back through the Government scheme.
- You can arrange social events, quizzes, on Zoom for example. It's a great way to keep in touch with employees making sure everybody is doing OK and is safe.

Training on furlough

When 'on furlough' employees must not carry out any work for you but they can complete training. When a reduction in salary has been agreed it may mean that an employee does not receive the minimum wage. When they are not working that's OK. If they are spending time training, they must receive minimum wage.

My suggestion is that you agree with employees what training you would like them to complete and how many hours they should spend on training. That way you can ensure they don't go below the minimum wage. Here is an example:



Any time spent on training above 29.6 hours would need to be topped up, otherwise they would be under minimum wage.

Parenta is actively supporting all its apprentices through their learning journey, to enable them to achieve their qualifications they are working so hard for.

If you have staff (furloughed or not) and would like to sign them up to further their childcare career, we are enrolling new learners on to our courses every day.

Contact us to find out how we can help you get your staff enrolled on to a childcare course.

Holiday confusion

Another area that is causing much confusion is annual leave/holidays. You can request employees to take holiday while they're on furlough. If they have pre-booked holiday, I would suggest that you continue with that holiday.

You will need to top-up the payment for holidays so the employee receives 100% payment for those days.

You might want to ask employees to take some holiday while they are on furlough. It may be a good idea to ask them to take any holiday they have already accrued in this holiday year. If you are going to do this you need to give them twice as much notice as you want them to take holiday. e.g. you want employees to take a week's holiday, you'll need to give them two weeks' notice.

Remember, employees still accrue holiday when they are furloughed, shielding, sick or on unpaid leave.



Shielding

If you have employees who are shielding currently, they can be furloughed and you can make a claim under the scheme.

What we don't know yet is what will happen about payment for those shielding if furlough ends. Potentially, they may be able to move to SSP, but this can only be reclaimed for 14 days if someone is self-isolating or has symptoms.



Returning from furlough

When we return to work things will be different. We don't know how yet, but it will be different. You need to carry out risk assessments and work out how you're going to show employees how they are going to be protected in the workplace.

Some employers are now asking people to return to work and have been surprised by the response. Some employees are saying they do not want to return to work. Some are refusing to return. If this happens there are several options.

- First, try and find out why they don't want to return. What are their concerns?
- Are they genuinely worried about their health and safety?
- Do they suffer with mental health issues?
- Do they have health problems which means they are vulnerable?
- Are they living with someone who is vulnerable?
- Do they have children to look after?

You will need to consider these very carefully. Currently many of these issues are covered by furlough. But as far as we know at the moment furlough finishes at the end of June.

If you have work for employees then furlough may not apply any more. In which case you can consider offering:

- Unpaid leave
- Annual leave
- Parental leave (which is unpaid)

If there is no genuine reason why the employee will not return, and your setting is safe, you may want to consider unauthorised absence and start disciplinary proceedings.

When you return to your setting there may not be as many children as before, which could mean you are overstaffed. In this case, you might be considering making redundancies.

During the redundancies process, you are required to consider what, if any, suitable alternatives are available. Furlough is considered a suitable alternative. While furlough is still available think very carefully about making redundancies. You could find yourself facing an unfair dismissal claim.

My advice would be to wait until the Government provides the plan for furlough before making any decisions.

What I urge you to remember, and to take into consideration over the next few weeks, is that one day, this will be over, and what you do over this period of time will have a very big impact on the sort of business you have at the end of it.

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