

Staffing Options – COVID19

There are many options which we all hope will not have to be considered if the promised government support arrives quickly. We are waiting to hear about measures announced last night (19/03/20) where the government may guarantee wage payments to allow them to retain staff. The guarantee could be in the range of 70%-90% depending on whether your member of staff is a low, medium or high earner.

But as we stand business owners should consider the following:

Temporary Changes via Contractual Clauses

Action	Cons	Pros
Temporary lay offs	Huge impact on the employees, but retains jobs & skills. Entitlement to Statutory Guarantee Payments (maximum payment is £25 a day for 5 days in any 3 months i.e. £145)	You may have already had a contractual clause in place; otherwise you will need a contract change.
Short Time Working		Quick & immediate impact on cash.

Temporary Changes via Consultation and with Employee agreement

Action	Cons	Pros
Voluntary Unpaid Leave	May cause disruption and have the wrong people taking it up or no people at all.	Quick to organise as it is a temporary contract change letter. This may help parents with children off school.
Reduced Working	Disruption if the wrong people take it up or if no one agrees to it. Only short term impact.	Quick to arrange with a letter and may help parents with children off school.
Agreed Salary reduction	Only short term, impacts lower paid staff more. Only saves a limited amount of money. Directors of businesses often reluctant to participate in this.	Assuming agreed through employee consultation. Effective immediately with a letter. Keeps businesses ready for the upturn. Skills kept in the business. Staff happy to sign up if it means their colleagues keep their jobs.

Other temporary areas to consider:

- Redeploy employees to alternative roles/departments
- Second to another business
- Do not renew any fixed term contracts
- Stop using agency staff
- Remain on full pay but don't work, and save it as overtime to be worked when needed
- Take holidays now so available later in the year when needed
- Change your operations to remove premium/night shift payments
- Stop any overtime
- Stop any non-contractual bonuses
- Freeze pay – if an annual pay award is due consider postponement
- Agree reduced pay now to be caught up and paid later if the situation recovers
- Cut out or back on employee perks

Permanent Headcount Changes

Action	Cons	Pros
Redundancy < 2 years' service	Could be age discrimination and may lose your best people.	Quick if < 2 years' service
Redundancy	Expensive in the short-term if people have worked at the business for a long time, lose skills and you will be less prepared for the upturn.	This has a long term impact on the finances of the business. Impact on morale to consider.
Voluntary Redundancy	Can lose the best members of the team, can cost more if enhancement offered.	Maintains morale, gives choice.

Please consult with your HR professional before implementing any of these options.

If you do implement any of these measures you should put your employees in touch with Universal Credit. They have provided an [Online Application](#) facility for those who are unpaid or on reduced pay.

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