

### COVID-19 – Update on Government Schemes and Initiatives

**You will probably be aware of the details and developments relating to the schemes and initiatives to support employers through the current crisis. It is, however, worthwhile summarising what is happening to ensure that you are aware of what is and will be available.**

#### Job Retention Scheme

Although there has been pressure to extend the duration of the Scheme, the Government has stated consistently that it will be withdrawn at the end of October. This still leaves plenty of time for a change of mind but, at present, the support being offered to furloughed employees and their employers will be reduced in the following way:

- from the beginning of August, responsibility for paying the employer's national insurance and employer's pension contribution contributions of furloughed employees was passed back from the Government to the employer;
- from the beginning of September, the Government will pay 70% of salaries and wages up to a cap of £2,187.50 if the employee is on full-time furlough. Employers will be required to top up employees' wages so that 80% of wages are paid for the time employees are furloughed – up to a maximum of £2,500 per month;
- from 1st October, the Government will pay 60% of salaries and wages up to a cap of £1,875 if an employee is on full-time furlough. Employers will be required to make up the difference to maintain the 80% of their wages up to a cap of £2,500 per month.

#### Job Retention Bonus

As part of his 'Plan For Jobs', the Chancellor of the Exchequer has announced a new initiative called the Job Retention Bonus which is designed to incentivise employers to retain previously furloughed employees in meaningful employment, after the Job Retention Scheme ends on 31 October 2020.

Employers will receive a one-off payment of £1,000 for every employee who they previously claimed for under the Job Retention Scheme and who has remained continuously employed up to and including 31 January 2021. To be eligible, the previously

furloughed employees must earn at least £520 a month on average between the 1<sup>st</sup> November 2020 and 31st January 2021. Employers will be able to claim the bonus after they have filed PAYE for January and payments will be made to employers from February 2021.

All employers are eligible for the scheme must ensure that they have:

- complied with their obligations to pay and file PAYE accurately and on time under the Real Time Information (RTI) reporting system for all employees;
- maintained enrolment for PAYE online;
- a UK bank account

Employers must keep their payroll up to date and accurate and address all requests from HMRC to provide missing employee data in respect of historic Coronavirus Job Retention Scheme claims. Failure to maintain accurate records may jeopardise an employer's claim.

#### Redundancy Whilst on Furlough

Legislation has been introduced to ensure that employees who are made redundant when on furlough leave will be guaranteed redundancy pay based on their normal wage and not their furloughed rate.

In addition, furloughed workers will be entitled to statutory notice pay equivalent to their normal wages, and any future unfair dismissal cases would be based on their full wages rather than pay under the furlough scheme, which can in some cases be substantially lower than an employee's contracted pay.

Business secretary Alok Sharma said the new rules would ensure employees on the job retention scheme were not "short changed" if made redundant. In a statement, the Government added that, whilst the majority of businesses were basing statutory redundancy pay on normal wages, there were some that were not.

#### Work Experience for the Under 25's

The Government has launched its Kickstart Scheme which is an investment of £2 billion designed to create hundreds of thousands of high quality 6-month work placements for 16 to 24 year olds who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated

employer National Insurance contributions and employer minimum automatic enrolment contributions.

The details of the scheme have not yet been published but are expected shortly. It is anticipated that the funding will be carefully controlled to ensure that the scheme is not abused and so it is anticipated that:

- employers will need to provide formal training and support to the participants in order to assist with their future job prospects and employability;
- it will have to be shown that the roles are newly-created and not replacing existing jobs with lower-cost labour or are taking the place of redundant staff;
- the roles will have to be clearly defined so that all parties fully understand what will be required;
- development plans will have to be prepared in line with whether the roles are intended to be a short-term opportunity or if it has longer-term potential.

The Government has also announced that, for the period from 1<sup>st</sup> August 2020 to 31<sup>st</sup> January 2021, it will pay an employer in England £2,000 for each new apprentice it hires aged under 25, and £1,500 for each new apprentice hired who is aged 25 and over. The payments are in addition to the existing £1,000 payment already provides for new 16 to 18 year-old apprentices.

## **Improving Recruitment and Selection Methods for Immediate and Long-Term Benefits**

**At a time when we are hearing about redundancies every day along with predictions that there are a lot more to come, it may seem odd to be offering advice on how best to improve the effectiveness of your recruitment and selection methods.**

The good news is that a number of our clients are very busy and are actively recruiting. The likelihood is that they will receive plenty of applications but the risk is that there is an expectation that selection will be a straightforward process simply because a lot of people are available. The reality, however, is that, if you do not have the appropriate recruitment knowledge, selection skills and methods in place, it is likely that frequent errors will be made which will result in unnecessary costs and a failure to meet business goals.

Even if your organisation is having to reduce in size, there is still likely to be the occasional need to recruit which, in such circumstances, will mean that finding the right person becomes even more critical. There is

also a strong argument to say that, when recruitment activity is low, it is the ideal opportunity to review existing methods and processes because you have the time to undertake a thorough investigation into the effectiveness of the approach you have been taking in order to identify and implement improvements.

You will need to establish whether the results of your recruitment activity over the past couple of years are indicating that you have issues. So, what has the level of response to your vacancies been like and how was the quality of the response? Do you invite people for interview but they fail to show up? Have you made job offers which have been rejected and do you know why? Have a high percentage of people who join you been leaving within the first twelve months – either out of choice or because you have decided that they are not suited to the role?

If you have been experiencing one, some or all of the above problems, there are many potential reasons. Too many employers believe that recruiting is a straightforward, simple process. It is not. Here are just a few elements which need constant and careful review:

- has the job role been defined clearly and have the skills, knowledge and experience required to do the job been identified accurately?
- does the knowledge on how best to source suitable candidates exist within the organisation?
- do you undertake regular performance assessments of the recruitment agencies you use?
- do you monitor the pay and benefits you offer to ensure that you are competitive in your marketplaces?
- do you invest time and money in developing your image as an employer?
- do you ensure that all applications are dealt with promptly, fairly and courteously?
- do you provide selection interviewing skills training for your managers?
- do you conduct checks to ensure that candidates' claims on CV's and during interviews are legitimate?
- are you presenting the culture and environment of your organisation to job candidates in a fair and truthful way?
- do you undertake exit interviews when members of your team leave?

There are many other factors which will influence whether or not you are able to recruit successfully on a consistent basis. This is why it is imperative that you

review your recruitment and selection methods regularly and thoroughly.

## **Mental Health Support – Managing the Negative Impact on Organisations**

**There has been and continues to be much written in the press as well as via social media channels about mental health issues. There has been a particularly sharp focus on the related issues since COVID-19 has had an impact on our working lives.**

In new research undertaken by Warwick Business School, where 1,900 Midlands-based businesses were surveyed, researchers found that, on the eve of the COVID-19 lockdown, 31% of all firms reported an increase in sick leave over the previous twelve months due to mental health problems such as depression and anxiety.

Significantly, with organisations which recorded a hit to their performance as a result, the overall productivity of the organisation (based on turnover per employee) was cut by an average of 24.5%. The implication is that a failure to address problems caused by stress or other mental health issues could be putting not only staff's health but also the ongoing viability of organisations at risk.

By interviewing employees, the research found that a number of key factors contributed to poor mental health in the workplace including:

- isolation due to remote working;
- worries about job security;
- demands from customers; and
- unrealistic targets imposed by managers.

The knock-on effects have been placing additional burdens on other members of the team, undermining staff morale and time being spent on related management issues. In addition, extra costs are incurred through the need to hire temporary or permanent replacements. All of these factors lead to reduced efficiency across the business.

The researcher's report recommends that organisations could take the following actions in order to alleviate the problems:

- appoint a mental health lead;
- provide mental health awareness training for managers
- instigate closer liaison with HR professionals;
- initiate open and pro-active approaches to address mental health issues in the same way as physical health problems.

Whilst much of the research was conducted prior to the lockdown, the author of the report, Professor Stephen Roper, feels that the mental health

challenges were already significant in organisations. Since the onset of COVID-19 he believes that issues such as isolation will have been heightened.

## **The Post-Brexit Immigration System**

**The coronavirus crisis has resulted in Brexit having a much lower profile in the media but the fact is that the Brexit transition period ends this December. Negotiations are continuing and the Government is announcing its intentions and plans. Of particular interest to employers is the new immigration system which was announced last month and will be introduced at the end of the year.**

A new health and care visa will provide fast-track entry and reduced application fees for those working in eligible skilled occupations with confirmed job offers from the NHS, organisations providing services to the NHS and the social care sector.

Eligible occupations include doctors, nurses, opticians, physiotherapists as well as biological scientists and biochemists. However, most of the job categories which exist in the social care sector are not included which could create problems when it will not be possible to employ EU nationals so easily in an area where skills shortages exist already.

The arrangements for graduates will entitle international students graduating with a bachelor's or master's degree from a UK university to remain in the UK for two years following their graduation. Those obtaining a PhD in the UK will be able to remain for three years. They will also have the opportunity to apply for longer-term visas in the future.

The goal of the new system is to ensure that all EU and non-EU nationals are treated equally. However, it is also apparent that the Government believes that its electorate wants a crackdown on immigration. The new system provides no route for low-skilled migration which will create major difficulties in the near future because key sectors such as agriculture, hospitality and retail are so dependent upon this type of labour.

## **And Finally.....Bizarre Workplace Accidents**

**Most of us are aware of the health and safety risks at work but some are remarkable:**

A woman, based in Oregon, was working from home and walked to her garage to pick up some paperwork. In doing so, she tripped over her dog, injuring herself. She successfully sued her employer because her employer had failed to undertake a risk assessment!

A worker in Washington was taken to hospital after a toilet exploded whilst she was using it.

An employee suffered a groin strain after tripping over a sign warning of a wet floor. It happened at the headquarters of the Health & Safety Executive!