

Business beyond COVID-19

Q&A for Employers

The Coronavirus Job Retention Scheme (CJRS), also known as the furlough scheme, was introduced to help employers avoid redundancies in the face of the COVID-19 crisis. The Confederation of British Industry (CBI) is reportedly worried companies will be forced to start redundancy procedures imminently to comply with the minimum 45-day consultation period before the CJRS runs out. The obvious worry for employers is whether they can consult about redundancies regardless, and if so the backlash they may face.

<p>Q: Is there really a 45 day redundancy consultation period?</p>	<p>A: Only if you propose to dismiss 100 or more employees based at a single establishment. If the numbers are 20 to 99 then a 30 day period applies. If fewer than 20 employees are affected there is no strict time period for consultation. Read more about this in our collective consultation Q&A.</p>
<p>Q: If the government extends the scheme does this mean I can't consult about redundancy?</p>	<p>A: No. You can still make employees redundant whilst they are furloughed, although you can't claim for 80% of redundancy payments via the scheme.</p> <p>However, as part of your analysis as to whether dismissal is a fair and reasonable course of action (for employees with 2 years' service) you should at least consider furlough as a potential alternative.</p>
<p>Q: If the government extends the scheme does this mean I shouldn't consult?</p>	<p>A: Also no, not necessarily. The COVID-19 crisis has had a devastating impact on business, and even once restrictions on movement and travel begin to lift it will be some time before we see life reverting to normal, and longer still before our economy fully recovers.</p> <p>Many businesses have been forced to discover new ways of working, economising and diversifying. For some these measures will be here to stay, at least in part, as the time and cost efficiencies are realised. Why incur the cost (on time and finances) of travelling to a meeting across the country, or even the world, when the likes of Skype and Zoom provide the platform to facilitate face to face engagement at a fraction of the cost? And in the process, we're doing our bit to save the planet.</p> <p>Some companies will retain these flexible working practices out of choice, but some will be forced to as time is taken to recover from the loss of revenue and build their business back up. Even with the furlough scheme there are many employers who will have no choice but to cut jobs, as they just don't have the pre-coronavirus level of work to support the same workforce.</p> <p>Employers need to start thinking now about the shape of their business post COVID-19 – consultation, especially on a collective basis, is an involved and time consuming process. Also, you have a workforce full of people you chose to support your business – consultation gives you the opportunity to seek their ideas, views, challenges and help you make the best decisions to ensure the future stability and success of your business.</p>

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<p>Q: What if changes are likely, but not necessarily redundancies?</p>	<p>A: It might also be necessary to look at other changes, whether as an alternative or in addition to redundancy, for example perhaps you have an opportunity to downsize your premises and have more home based employees, or want to reorganise your staff to carry out slightly different duties. Where restructure or contract changes affects an employee's terms of employment you will need to consult, and that potentially means collectively if the alternative to accepting the changes could be dismissal and the numbers are 20 or above.</p>
<p>Q: How do I explain to my employees why I'm consulting with them while the CJRS continues?</p>	<p>A: Communication is key. It is imperative that you plan meticulously and have your messaging clear before you start the process as it will undoubtedly immediately create fear, uncertainty and at worst, backlash and bad publicity.</p> <p>If you have carefully thought about the future of your business, what adjustments might be necessary to ensure it survives and are ready to be open to consulting about those then you're on the right track. Especially where collective consultation and large numbers are involved the value of having experience on your side to help cannot be underestimated – so speak to an expert who can support you through it.</p>

Stay up to date with the latest COVID-19 information and resources to help your business.

In light of the current crisis, we have made our Primed online knowledge system available free of charge, allowing you to access the latest COVID-19 information and guidance as well as hundreds of template documents, policies and guidance covering employment law & HR, health & safety and information security.

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