



## Northamptonshire County Council

25<sup>th</sup> June 2010

Dear Colleague

### **CORONAVIRUS (COVID-19) – EMPLOYMENT ISSUES**

#### **Furlough Scheme**

As an update, the government has acknowledged that schools may have separate private income streams impacted by COVID-19, whether that has ceased income or has been reduced. Schools and nurseries will be considering the impact this will have on its workforce that typically works on activities relating to these private income streams.

Government advice is that schools should first look to make the necessary savings from their existing budget or consider options to re-deploy employees to support the COVID-19 response before opting to furlough them. Only after all other potential options have been fully considered should schools furlough those affected staff and access the CJRS scheme, **provided that the following conditions have been met:**

- a) the employee works in an area of business where services are temporarily not required and/or whose salary is not covered by public funding;
- b) the employee would otherwise be made redundant or laid off;
- c) the employee is not involved in provision that has been already been funded; (where appropriate) the employee is not required to deliver provision for a child of a key worker and/or vulnerable child; and
- d) that the grant from the Coronavirus Job Retention Scheme (CJRS) would not be duplicative to other public grants that you receive and **would not lead to financial reserves being created for your school.** (This means that schools must be able to demonstrate that all of the salary costs covered by the grant from the Coronavirus Job Retention Scheme would normally have been paid using income outside GAG or LA delegated budget lines).

Furlough may also be appropriate to cover lost private income and can be calculated based on a percentage of overall income. The example provided by Government is as follows:

If a school's average monthly private income stream (for example, from parent-paid school meals) provides 4% of the schools' overall income, the school could claim support through the CJRS for

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up to 4% of its paybill, after exhausting options to meet costs from existing budgets and redeployment This would be done by furloughing staff (for example, catering staff) whose usual salary or combined salaries are linked with the income lost and come to no greater than 4% of the provider's total paybill.

Schools are not expected to consider each stream of private income separately so a school should consider its total income from private sources, as a proportion of its overall income, and the pay of all the staff it proposes to furlough, as a proportion of its total paybill.

The Authority's view is that for maintained schools the furlough of staff would be exceptional, however if you are considering this or if you have already made an application, please complete the furlough questionnaire attached.

The questionnaire will be used to apply for the CJRS for NCC payroll schools and also to ensure that non-NCC payroll schools have made appropriate applications. All applications need to be sent to Schools Team [finschools@northamptonshire.gov.uk](mailto:finschools@northamptonshire.gov.uk)

Our understanding is that any staff member whose cost is met by private income (or who has been identified for furlough as representing the proportion of lost private income) must have had 3 weeks consecutively off work between 1st March and 30th June. AND they must have been **notified by the 30th of June** that they were furloughed. We can submit the claim to HMRC by the 31st of July, after which we will no longer be able to make the claim. So there is immediate urgency regards notifying your furloughed staff.

The scheme itself only reimburses up to 80% of the employee's regular wage capped at £2,500 gross per month, plus the associated Employer National Insurance Contributions and **minimum automatic enrolment employer pension contributions** on that subsidised wage. Employers would therefore need to pay the balance of the employer pension contributions for the Local Government Pension Scheme/Teachers' Pension Scheme.

If an application is accepted we would expect the school to top up an employee's salary to ensure that they do not suffer any financial detriment.

Yours sincerely



Cathi Hadley  
Director for Children's Services