

AGENCY FAQ

CJRS – School holiday payments

What specifically has changed regarding making furlough payments during school holidays?

Treasury Directive No2 at para 6.4 has confirmed that no CJRS claim can be made for a period of unpaid leave. As School Holidays are periods of unpaid leave for term time contractors this would mean that the half term week and summer holiday cannot now be paid

Where can I see this update/guidance?

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/886959/CJRS_DIRECTION_No2_20_05_2020.pdf

When was this announced?

Document is dated 20th May 2020 but was not published until Friday 22nd May.

What advice/counsel have People Group taken to be confident in interpretation of the guidance?

We immediately obtained at our own expense advice from counsel which confirmed our opinion and highlighted the substantial risk if we were to pay these weeks as normal. We also contacted the NEU and NASUWT. We have been in communication with NASUWT regularly since, they are seeking clarification through BEIS and also directly with HMRC.

If the guidance were followed exactly what impact would these changes have on furloughed contractors' payments this week?

If we were to follow the updated guidance exactly it would mean that there would be no payments made this week. The week would have been treated as unpaid leave as per the guidance.

What steps have People Group taken to continue to support furloughed workers this week?

Contractors have been given a choice out of the following: (defaults to B)

A- receive a payment designated as holiday pay

B- receive no payment

What is the risk to People Group from these steps?

There is a significant financial risk to People Group in order to support contractors. We are at risk that we will be unable to recover the balance of any holiday payments made from contractors that don't return to work through People Group or who leave without repaying. Also following any HRMC audit we are required to repay any incorrectly claimed CJRS payments.

Where can I refer contractors with questions?

In the first instance please direct them to our latest news item with the update and contractor FAQs. They will get further instruction from there.

What does this mean for the summer school holidays?

Based on current advice no payment would be made for this period. Term time workers only earn during a 39 week period and their daily rate of pay has been uplifted to take account of this at the outset. Term Time workers would not normally be paid for this period in a "non-covid" situation.

Will there be future changes to the guidance around CJRS?

Likely yes. The government regularly updates the guidance and has changed the structure of the scheme a number of times. It is possible that the consequences of the term-time revision may be reviewed and we are in discussion with NASUWT on this matter.