

30 SEPTEMBER 2021: THE END OF FURLOUGH



With the furlough scheme having come to end on 30th September 2021, and 6% of businesses' workforces reported to have still been on full or partial furlough leave (suggesting that approximately 1.4 - 1.8 million people were still furloughed), we look at the options available for businesses still struggling due to the pandemic.

So, what happens after 30 September? Hopefully, most employers will have already considered this and will have a plan in place.

The options really boil down to two – retain employees who have been on furlough and bring them back to work, or consult about making furloughed roles redundant or consult about other changes to avoid redundancy.

Within that first option of bringing employees back to work however, there are also other considerations.

FLEXIBLE/HYBRID WORKING

Where employees have been furloughed or flexi-furloughed and either they or their colleagues have had the opportunity to work from home/flexibly, employers should anticipate an increase in the

number of employees who will be interested in keeping some level of home or flexible working.

To make sure organisations are prepared for this, there are things to consider and plan for. For example, are you going to set the scene in advance and offer a hybrid and/or more flexible way of working or wait for a potential flurry of flexible working requests? Will hybrid/flexible working be suitable for all employees or just some?

If employers do decide to adopt a new way of working, employment contracts and policies will likely need amending, employees will ideally need to buy-in to the plans, managers may benefit from training on the new way of working, especially if managing some or all of a team remotely.

EMPLOYEE WELLBEING

If employees have been away from the work on furlough for a significant amount of time, there is the potential for some people to feel anxious about returning. Physical and mental wellbeing for returning employees requires significant consideration. It's essential for employers to ask the right questions and to ensure that their people feel heard before welcoming them back to work.

SHORT-TIME WORKING

Where firms wish to see their employees return but do not have the workload to occupy them at this time, they may elect to consider short-time working. This is a reduced working schedule and could take several different forms. Firms may ask employees to work fewer days per week, reduced hours or even

some form of rotation, such as working one week on and one week off. This could be assessed at regular intervals that suit the employer. Given the circumstances that businesses have faced in the last 18 months, short-time working has proven to be a helpful way to save costs and still retain employees.

PAY CUTS

This is an option that some businesses are hesitant to consider but it is a good way to help with cash flow and still retain employees. The severity of the proposed pay cut would depend on the level of saving that the business requires. An example could be, asking all employees to continue working full time and reduce their pay by 5%, this is going to be much easier to influence than asking employees to accept a 25% reduction. Additionally, 5% for one employee may be a relatively small amount, but if this is implemented across the whole workforce, then this could provide valuable savings for the company. The length of the pay cut is also a factor to consider. If employees see it is only for a few months, they are more likely to agree, whereas more permanent arrangements may be less favourable.

REDUNDANCIES

If the company not able to run with any of these options, then redundancies may be the only choice. We would advise that employers consider the timing for this, as there is a consultation period to factor in.

One thing to bear in mind though is that if there are vacancies in some parts of the business and the organisation is looking to make redundancies in other parts, with the state of the current job market, employers may well see the advantages of retraining and retaining any valued talent in they have, if at all possible.

For further advice, please contact your usual Moore adviser or get in touch with the team at [Moore Kingston Smith HR Consultancy](#).



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