

ST GEORGE'S, UNIVERSITY OF LONDON STAFF FURLOUGH SCHEME

Introduction

At St George's, University of London, we have taken the difficult decision to place a number of our workers on to the Government's Coronavirus Job Retention Scheme, more commonly known as "furlough"¹. Individuals placed on furlough will continue to receive their usual pay and benefits but will not be able to undertake any work for the University for the duration of their furlough. Furlough must last at least three weeks but will be reviewed after this time.

This decision has not been taken lightly, but it is necessary in order to ensure the long-term sustainability of the University and its staff. We recognise that the current situation has created new work challenges for many of our colleagues and, in some cases, staff may also need to assist in other areas, for example marking student assessments. We remain enormously appreciative of these efforts.

It is the people that make St George's, University of London special. This was reiterated in the recent staff survey. We appreciate the commitment and expertise of everybody who works here and feel strongly that if we all pull together we can weather this current crisis.

Why we have to furlough staff

COVID-19 is having a large effect on every aspect of life, including the way we function as a university and on the income streams we would normally expect during this time. For example, students are in the majority working remotely from home and like almost all of the sector, we have not issued the contracts asking them to pay accommodation they are not using, we have losses from other commercial activities, some grant funders are facing financial constraints and we have had to cancel other income generation activities such as the summer school. This is only the beginning and we anticipate more losses, making us, and the university sector more widely, vulnerable.

Some sources of centrally-delivered income will remain, but there are many other sources of income and cash that are essential to the University and its financial sustainability. While we are reviewing non-pay and capital costs and reducing those where possible, the largest part of our expenditure is staff costs.

The Government's Coronavirus Job Retention Scheme (furlough) is available to organisations, including Universities, to support staff costs for workers who are either not required, or are unable to undertake their normal role, during the period when government restrictions and expectations regarding social distancing are in place.

Based on our financial position and the losses related to COVID-19, we believe that we would require approximately 300-400 staff to be placed on furlough in order to recoup the losses we will make this academic year, which we estimate will be in the region of £2 million. While we do not anticipate that this many staff will be placed on furlough, as we require people to continue our core functions, this gives an indication of the extent of the downturn we are experiencing. Nevertheless, we are proposing that we utilise the job retention scheme by placing some employees on to furlough in order to reduce costs in areas where work cannot continue as before.

¹ Furlough refers to a temporary leave of absence.

Determining who will be placed on furlough

Our proposals cover two groups:

1. Work and functions which cannot be undertaken remotely and therefore have become non-operational

We propose to ask those people working in functions that cannot be undertaken during the current restrictions to be placed on furlough. This will include roles that cannot be delivered remotely, for example onsite services that have been closed.

Managers will be asked to consider all functions within the University that cannot be delivered remotely and discuss furlough with the individuals concerned.

Included in this group will be those regular workers, who are paid via timesheets through our payroll and who are unable to undertake roles which they could reasonably have expected to take on over this period (eg anatomy demonstrators). These individuals are also eligible for the furlough scheme and will be paid based on their average earnings for the past 12 months, or since they started with St George's, University of London if their engagement has been less than a year.

2. Functions where some work continues but the workload and demands have reduced

There are some areas where the normal workload has reduced as a result of remote working, to the extent that we don't need the same number of staff. For example, it might be that the work previously undertaken by a team of five has reduced to the extent that three people could now cover the workload. We are asking management colleagues to identify those teams and areas of the University's work. It is important to note that furlough only applies where the workload has diminished and does not require the same number of people undertaking the work.

Managers will discuss furlough with the teams identified as having a reduced workload. Members of these teams are free to offer an expression of interest in furlough to their manager but it will ultimately be up to management teams to determine who to furlough, based on resourcing needs.

In considering who to place on furlough managers will be mindful of an employee's personal circumstances, for example if childcare constrains their ability to work remotely, and equality and diversity considerations, such that the scheme does not disproportionately impact particular groups of staff.

Furlough arrangements will be reviewed at least every three weeks.

Employees hired after 28 February 2020 cannot be furloughed or claimed for in accordance with the government scheme.

Pay while on furlough

The Government's Job Retention Scheme will cover 80% of an employee's staff costs up to a maximum of £2,500 per month (gross, ie before tax). However, we have decided to pay any individual on furlough their full salary without a cap (ie 100%). Therefore, anybody placed on furlough will receive their usual monthly salary, including those who earn more than £2,500 per month (gross).

In addition, we will continue to contribute to individual's pensions, even though only a very small proportion of this will be covered by the government.

Although it is our aim to continue to offer full pay and benefits during furlough, we will be reviewing this situation regularly. Should our financial circumstances worsen we may need to reduce the amount paid, which would only occur after consultation. In consideration of this, we would ask everybody to consider other savings which could be made across the organisation. We will also, with immediate effect, require the recruitment to all new and existing posts, including fixed-term contract renewals, to be approved by the Resourcing Review Committee.

Time spent on furlough

Individuals will be placed on furlough for a minimum of three weeks after which their situation will be reviewed. An employee who is put on furlough will not be expected to undertake any work for the University for the duration they are on furlough. The government scheme requires that this be a minimum of three weeks. At the end of the three weeks an individual will commence another three-week period of furlough or return to work, if required by management. Furlough will only continue until such time as business as usual can resume or until the Government's Coronavirus Job Retention Scheme ends.

Anyone placed on furlough may undertake voluntary work during this time. If an individual wishes to work for another employer while on furlough they must gain agreement from their line manager. However, it is important to note that individuals on furlough must be able to return to work at St George's, University of London, when requested to do so.

Terms and Conditions while on furlough

Other than the requirement not to work, all other terms and conditions will remain unchanged. Your continuity of service will be maintained and you would continue to accrue leave while on furlough. You will also still be bound by the University's requirements for confidentiality.

You should keep in regular contact with your line manager and colleagues during a period on furlough but you must not engage in any university work.

Next Steps

We are consulting with the unions about these proposals and will be maintaining a dialogue with them as the process to identify individuals to be furloughed progresses. In addition, managers will speak to the teams and individuals for whom furlough may apply. You should speak to your manager if you are interested in the scheme.

It is our intention to commence furlough as soon as possible, subject to consultation. In some cases, this may be backdated, eg where it is clear that it has not been possible to undertake the work remotely since the lockdown began. However, in other cases it may take a little longer to determine who will be need to be furloughed. Our financial situation will be improved if we can make decisions and implement furlough sooner rather than later.

The situation with COVID-19 is changing rapidly and, as stated above, the furlough scheme will be reviewed regularly. On review we may find that there are additional functions for which furlough should be considered. Alternatively, there may be redeployment opportunities such that some individuals can be released from furlough.

We appreciate that this is difficult for everyone and regret that this is a further consideration in already testing times. We will, of course, keep all staff informed and remain in touch. In the meantime, you can find out more about the furlough scheme [here](#).

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