

Katie Lam  
Prime Minister's Business Adviser  
10 Downing Street  
London  
SW1A 2AA

24 March 2020

Dear Katie,

**RE: CORONAVIRUS JOB RETENTION SCHEME**

Businesses welcomed the announcement of the Job Retention Scheme that will help to ensure we have the skilled people in place to restart activity when the Coronavirus crisis is over. The Government has taken hugely important steps to support businesses of all sizes but we now need absolute clarity in the guidance on how the scheme will work in practice, as well as this delivered at speed.

At present, the guidance contains insufficient detail on how the Job Retention Scheme will operate and the actions that employers need to take. This is creating significant difficulties and concern for businesses and may lead to job losses and business closures. Employers need urgent clarification to enable them to make critical decisions about their business and workforce in the days ahead.

Below we have highlighted the key problems and solutions we believe the government needs to address urgently.

1. Flexibility is needed in the scheme to enable businesses to furlough some workers for part of their contracted hours as long as this is done safely within public health guidelines. This would enable businesses to maintain a core staff team to deliver essential services in cases where the Coronavirus crisis has meant there is insufficient income to continue to pay the full salary of these staff.

For business support membership organisations, for example, greater flexibility would ensure the continuing provision of essential business support services to help employers manage the impacts of the Coronavirus and to recover and rebuild operations when the crisis is over. With drastically reduced levels of income, many Chambers of Commerce will soon be forced to furlough staff who are currently providing critical support to hundreds of thousands of businesses.

Many employers are now evaluating the stark options available to them as they endeavour to balance the needs of the business, employees and public health guidelines. For many, the choice is to either mothball the firm or continue with severe cash flow risks.

As the scheme is finalised, building in some greater flexibility for different employment outcomes would be helpful. This would enable businesses to operationalise quickly as soon as possible following the Coronavirus, reducing cost to government and supporting the economy.

2. Detailed guidance is needed around the process of furloughing employees and the impact it will have on employment contracts, pensions, training, holiday entitlement, benefits and a wide range of other issues. Most SMEs will not have access to inhouse HR expertise to guide them through the process. Equally, many larger employers are also seeking clarification on a wide range of unanswered questions. We have attached a list of FAQs and would be grateful for clarity on these issues as a matter of urgency.

3. Businesses would welcome confirmation of the timeframe in which they will be reimbursed for furloughed workers and the evidence they will be required to submit. It is vital that employers are able to access the funding quickly to avoid business failure and closure.

I would be very happy to discuss the above further and look forward to hearing from you.

Yours sincerely,



Claire Walker  
Co-Executive Director