

Navigating COVID-19

SMEs and Coronavirus Job Retention Scheme

Agenda

- **What is the impact on SMEs builders and support?** with Brian Berry of FMB.
- **What is the Coronavirus Job Retention Scheme?** with Joanna Lewis of Beale & Co.
- **When should you furlough staff?**
- **Q&As** with special guest Stuart Young of BEIS

Housekeeping

- This is best experienced through headphones which will cut out the background noise.
- To ask questions please go to “**questions**” in your control panel (the sidebar with the controls to the right of your screen). Select the send privately option. We’ll try and answer as many as possible, but don’t worry we’ll also answer any others we haven’t had time to cover after the webinar.
- Don’t worry if you miss anything we will be uploading this to our website in the next few days, so if you want to listen again to us you can!



Brian Berry

Chief Executive Officer

FMB

Impact of COVID-19 on construction SMEs

Brian Berry
Chief Executive



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BUILDERS**

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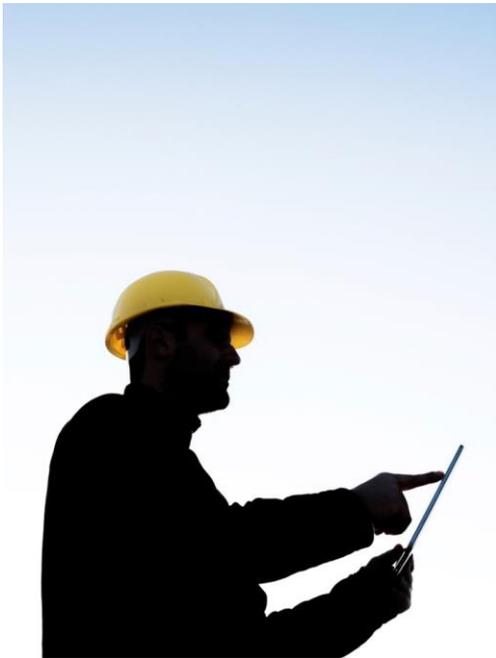
The FMB

- Emerged out of the London Blitz in 1941
- Largest UK construction trade association
- 45% involved in building new homes
- All new members independently inspected by the British Board of Agrément (BBA)
- Provide insurance through FMB Insurance Services Ltd



Construction Industry

A great British industry !



- **Nearly 300,000 companies connected to the construction industry**
- **Employs 2.4 million people**
- **Industry worth £117 billion per annum**
- **Contributes around 7% of UK's GDP**
- **Every £1 invested generates £2.84**
- **92p of every £1 spent on construction is retained in the UK.**



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Impact so far on FMB Members

Builders have reported the following impacts on their businesses:

Impact on work:

- 76% say projects have been delayed or cancelled
- 64% have seen a drop in enquiries
- 60% have already ceased between 76% and 100% of their work, of those, 80% are in the domestic repair, renovation and maintenance sector.

Impact on staff and employment:

- 98% estimate that 25% or fewer of their staff can work from home
- 8% have already had to make redundancies.



Construction Sites Remaining Open

- The Government must provide clarity as to whether it is safe to keep construction sites open
- The Construction Leadership Council has issued Site Operating Procedures information for critical infrastructure sites
- The Government has issued advice for domestic settings, requesting fulfilment of the following criteria:
 - The tradesperson is well AND
 - All Public Health advice including the 2m rule is stuck to at all times AND
 - The household where the work is taking place is not self-isolating
- FMB accepts official advice but has advised its members to close all non-emergency or critical sites in order to protect the welfare of their clients and staff



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Support packages available to SMEs

Financial

- Provided a three-month VAT holiday
- Coronavirus Business Interruption Loan Scheme

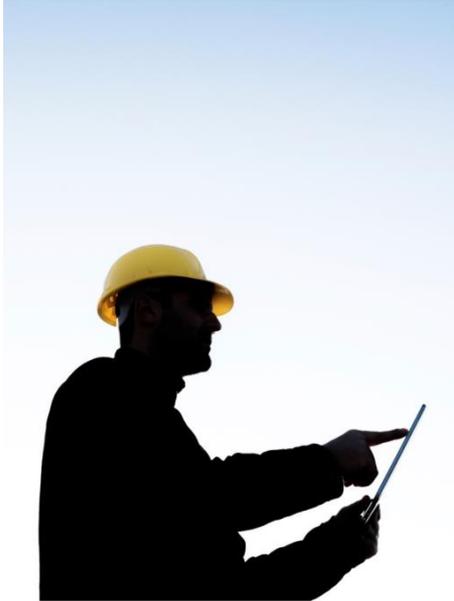
Employment

- Coronavirus Job Retention Scheme
- Support for the self-employed (37% of construction jobs)



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FMB is calling for



- Extension of grants of up to £25,000 for small building companies.
- Help for small house builders building 5 or fewer homes.
- Review of financial help for companies not eligible for self-employed help.



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How is the FMB supporting its members?

Communication:

- Dedicated webpage
- Email bulletins
- Social media

Advice:

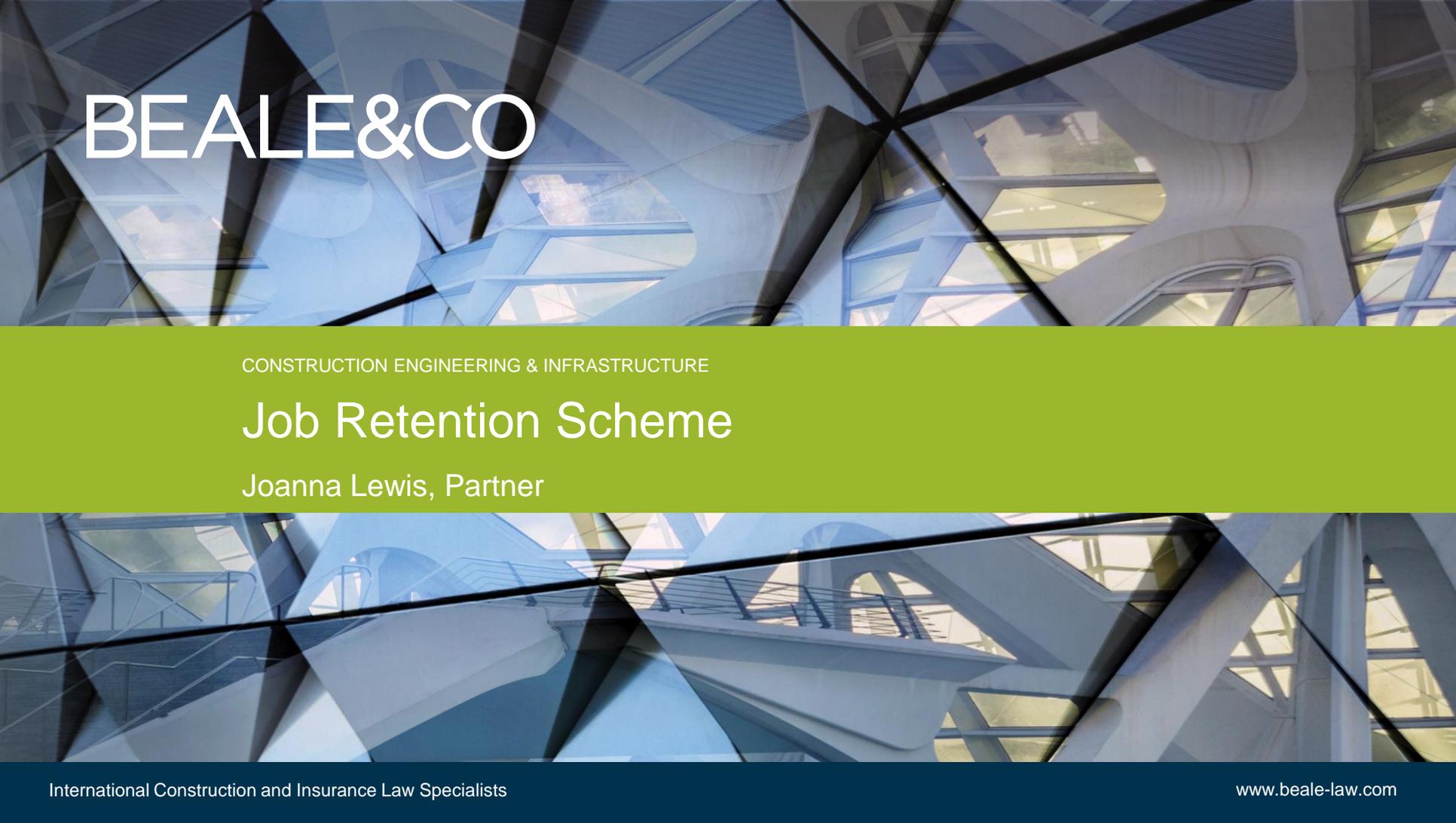
- Business Support numbers
- Guidance and templates
- Lobbying





Joanna Lewis

Partner
Beale & Co



BEALE&CO

CONSTRUCTION ENGINEERING & INFRASTRUCTURE

Job Retention Scheme

Joanna Lewis, Partner

Introduction

- + Overview of the scheme
- + How the scheme works
- + Which employees?
- + Process
- + Points to consider
- + Other measures to investigate

Overview of Scheme

- + Aim of the scheme
- + Furlough Employees
- + Subsidised wages – lower of 80% or £2,500 per month
- + Other wage costs – NIC & Pension contributions
- + Remaining 20%
- + TAX

How the Scheme Works

- + All UK employers
- + PAYE System
 - + Key Date– 28 February 2020
 - + UK Bank Account
- + HMRC Portal
- + 3 Months claims processed from the end of APRIL 2020

Which Employees?

- + On payroll prior to 28 February 2020
- + All types of contracts
- + Furloughed – cannot undertake work or be generating income for the business
- + Who is not covered?
 - Those on unpaid leave
 - Those receiving statutory sick pay?
 - Those already on or who will be entitled to statutory leave e.g maternity, parental, contractual adoption leave during the scheme?

Process

- + Calculate the wage costs to be claimed:
 - Full time/part time
 - Employees where pay varies
 - NIC
 - Pension contributions
- + Information to be provided to the Portal:
 - your details inc paye number, contact details, bank details
 - the number of employees being furloughed
 - the claim period (start and end date)
 - amount claimed (per the minimum length of furloughing of 3 weeks)
- + Only one claim at a time

Points to Consider

- + Protocol for furlough
 - Employees contractual terms -
 - Consent to furlough?
 - Ability to reduce wages?
 - How long to furlough?
 - People Management
 - Risks of Unfair dismissal/discrimination claims

Points to Consider Continued

- + End of furlough period
 - Retain or redundancy? –
 - Full employment rights retained
 - Clear and transparent protocol for process of decision making required
 - Re-familiarisation/training
 - Any additional Support required
- + Managing claims to HMRC
- + Retrospective audits

Other Measures to Investigate

- + Business interruption loan
- + Repayment of statutory sick pay
- + Time to pay

Further Information

- + For further information or assistance please do not hesitate to contact me on j.lewis@beale-law.com or 020 7469 0444
- + Please also listen to our **webinar series on the impact of COVID 19** – details on the Beale & Co website here - <https://beale-law.com/events>
- + Please see attached link to our article '**Risks of Coronavirus for Construction Professionals**' - <https://beale-law.com/publications/964-risks-of-coronavirus-for-construction-professionals.php>
- + Please see attached link to our article on **Workplace Measures in face of the COVID-19 Pandemic** – <https://beale-law.com/publications/977-workplace-measures-in-the-face-of-the-covid-19-pandemic.php>
- + Please also get in contact if you would like more information on our **In-House Lawyer service**, which can be used for any contracts and projects advisory matters which may arise in your business, including in respect of the coronavirus



Questions

When should you furlough staff?

Are your employees either:

- a) Unable to access and work safely on site as per the CLC SOP or
- b) Unable to carry out their day job at their usual workplace e.g. such as canteen staff working in an office and you cannot cover their costs?

Yes

Consider furloughing them.

No

Do you have a **shortfall in workload** which means you are considering making some of your staff **redundant** for business reasons?

Yes

Identify the number and type of **positions at risk**.

No

Do not furlough.

Do you undertake critical work in accordance with the **critical work functions** list which you need to retain or staff who have been designated as Key Workers by clients?

Yes

Identify the level of cover required to **deliver on these activities** and divide positions into 2 groups.

No

Offer voluntary furlough to staff. Is there still a shortfall in making positions at risk?

Yes

Consider working reduced hours or compulsory furlough subject to employment contract.

Staff required to be kept in full time employment.

Staff offered furlough to reduce overall capacity (could be voluntary furlough)

Could there be flexibility between these 2 groups to manage demand e.g. one month on furlough one month off?

Also in this series...

Emergency Response

Thursday 26 March 2020, 11.00am to 12.00pm

Coronavirus Job Retention Scheme & SMEs

Tuesday 31 March 2020, 1.30pm to 2.20pm

Procurement and Government contracts

Thursday 02 April 2020, 12.00pm to 1.00pm

People in a pandemic (HR issues)

Tuesday 7 April 2020, 12.00pm to 1.00pm

Communicating in a crisis

Thursday 9 April 2020, 1.30pm to 2.30pm

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Thank you!