Dear Secretary of State

I am delighted that Douglas Ross has agreed to participate in the forthcoming ICAS webinar on 20 May and we look forward to welcoming him and engaging in discussion.

Further to my letter to you of 24 April 2020, I am writing on behalf of ICAS and its members to request further information in relation to the plans for the withdrawal of the Coronavirus Job Retention Scheme (CJRS).

A matter of immediate concern, however, is that of the phasing out of the CJRS. As I stated in my last letter, while the CJRS is appreciated, there is a danger of businesses having insufficient resources to pay other (non-payroll) costs now or three to four months down the line.

We would now encourage the UK Government to consider clear articulation of the potential options beyond June as a matter of urgency because employers need to be able to make strategic decisions for their organisation. This will include assessing (as best they are able) their staffing needs, their cost base and their terms and conditions of employment.

The furlough scheme is currently in place until the end of June and employers need to know now what, if anything, may be proposed beyond this to support the reopening of their business. With a currently proposed end date for the CJRS of 30 June, on 16 May employers will reach the 45-day deadline by which collective consultations must commence where they are considering redundancy and have over 100 employees in post. Subsequent to that, 31 May is the date by which employers with between 20 and 99 employees must initiate collective redundancy consultations of 30 days.

After the initial lockdown ends, we would also encourage consideration to be given to permitting employees to be able to work for their employer whilst on the furlough scheme so that a gradual build-up of work is encouraged. The CJRS could be simultaneously withdrawn over a number of months, say, with 60/40/20 percent support in the months after lockdown ends.

It may also be necessary to consider regional variances in phasing out due to the diminution of the virus in some areas and ongoing presence in others, rather than taking a UK-wide view. Additional consideration should also be given to sector-based arrangements – for example, the tourism, leisure and hospitality sectors are likely to be hardest hit and yet consumer confidence and goodwill may not reach previous levels for quite some time to come due to the social distancing issues which prevail.
Is it the Government’s intention to advise employers and their professional advisers of how this might play out beyond 30 June before 16 May? Is the Government prepared to set out what form this phasing out might take?

Finally, may I take this opportunity on behalf of ICAS and its members to thank you and your officials for all the immense amount of work that is being undertaken in this time of crisis.

I look forward to hearing from you.

Yours sincerely

[Signature]

J Bruce Cartwright CA
Chief Executive

Cc – Rt Hon Douglas Ross MP – Under Secretary of State for Scotland