UK Government Job Retention and Loan Schemes

Introduction

New information regarding the application of the UK Government’s Job Retention and Loan Schemes for colleges and universities was published on 17 April 2020 by the Department for Education (DfE). You can find that information on this webpage.

The DfE’s document:

- Draws attention to the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS) and the COVID-19 Corporate Financing Facility (CCFF); and
- Confirms that colleges and universities are eligible to apply to the Coronavirus Job Retention Scheme (CJRS).

Scottish colleges and universities should give full consideration to these schemes and should apply to them, where allowed, to maximise the contribution to their mitigation strategies.

Scottish colleges and universities should refer directly to the DfE’s document since that guidance will be used by the organisations responsible for the individual schemes. The rest of this guidance addresses specific aspects relevant to the Scottish context.

Coronavirus Job Retention Scheme (CJRS)

We expect each college or university to engage at the earliest opportunity with its recognised trade unions where plans are being considered to furlough staff.

The Scottish Government is encouraging colleges and universities to top up the 80% grant from HMRC, where possible, to maintain staff incomes at normal levels.

Although the DfE document states that institutions should not furlough staff whose salaries are paid from continuing public funds, it also recognises the reality of mixed public and private funding sources. It therefore states that where it is difficult to distinguish whether staff are funded through continuing public funding, then the total proportion of staff (based on gross payroll) that are retained (i.e. not furloughed) should, as a minimum, be equivalent to the continuing public income, as a proportion of all income that the institution usually receives. Colleges and universities should therefore not be deterred from applying to the CJRS simply

1
because it is difficult to distinguish how different funding sources relate to individual employees.

In summary, colleges and universities, which are only part-funded from the public purse and which will lose some or all income from other sources as a result of the impact of Coronavirus and may otherwise not have sufficient funding to pay all staff, can consider furloughing staff and claiming a CJRS grant from HMRC.

**Extension of the CJRS**

On 12 May 2020 the UK Government announced that the Coronavirus Job Retention Scheme (CJRS) will be extended to 31 October 2020 with workers continuing to receive 80% of wages (up to £2,500). See the Scottish Government’s Announcement.

The CJRS will continue in its current form until the end of July 2020. From August flexibilities will be introduced to allow furloughed workers to return to work part-time with the possibility of employers being asked to pay a percentage towards the salaries of their furloughed staff. This will ensure that staff continue to receive 80% of their salary, up to £2,500 a month. The UK Government intends to provide more information in relation to these changes by the end of May.

**Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS) and the COVID-19 Corporate Financing Facility (CCFF)**

Due to the public status of incorporated colleges and to considerations of size, it is likely that these schemes will only be relevant to the university sector. If institutions are considering applying for any of these schemes, they should take into account SFC’s requirements in relation to capital finance (as set out in the Financial Memoranda).

**Business rates**


**Statutory Sick Pay relief**

This relief is targeted at organisations with less than 250 employees which are not classified as public sector. It is therefore unlikely to be relevant to all but a very small number of institutions.
Procurement


Careful consideration should be given to what support may be appropriate for individual suppliers, taking into account the supplier’s financial position and any other support from the public purse (e.g. the UK Government’s Job Retention Scheme). Institutions should aim to minimise expenditure as far as possible. Institutions should liaise with Advanced Procurement for Universities and Colleges (APUC) for further guidance.