

Changes to the working week and reductions in salary

Thu 30/04/2020 14:25

Dear Colleagues,

The Finance and Administration Committee met again on Friday 24 April 2020 to take further stock of FSC's financial position. With ongoing lockdown and the easing of any restrictions being some time away, we have had to make decisions on how to manage our immediate cash flow. The committee also agreed to a loan application which is now underway, to help us in the medium and longer term.

However, it is the pressure on our immediate cash flow that is our greatest concern. Reducing this now will help us be resilient for longer and ultimately to safeguard as many jobs as possible.

The committee has taken the really difficult decision to ask staff to move to a shorter working week, equivalent to working 80% of their current contracted hours with effect from 1 June 2020 which will result in a 20% reduction in salary.

We are also asking all furloughed staff to agree to a reduction to 80% of their salary in line with the government furlough scheme, therefore, withdrawing the top up we have been able to provide to 31 May 2020. For the purposes of furlough pay calculations, salary will be based on the scale point applicable as at the February 2020 pay date, paid at the April rate of pay for that scale point.

Please note:

- a) These changes will be an interim measure, effective from 1 June 2020 which will be regularly reviewed in line with the needs of the charity.
- b) The SLT has agreed to take a 20% salary reduction but will continue to work full time.

These are unprecedented times requiring exceptional responses, we need all staff to continue to pull together in an effort to safeguard the future of the FSC. We need your help and consent in order to enable the adjustments to hours and salaries as explained above. By consenting to this you will help us to avoid more difficult alternatives such as large scale lay-offs which we would hope to minimise by these actions.

The furlough scheme has helped, but it alone will not be enough to help the immediate cash flow situation. We explored many options including salary cuts to higher paid staff only, or a different approach to the furloughed / non-furloughed staff. None of these provided the immediate and large-scale financial solution that is needed. This option is the best approach until we see the return of our customers.

As a way of recognising the efforts of those who are non-furloughed, FSC has agreed to award the equivalent of an additional 0.5 day of annual leave for every full week worked (pro-rata if part time) whilst the FSC are using the government Furlough Scheme. The allocation of additional annual leave takes effect from 1st April 2020 until FSC discontinues the use of the scheme. This will need to be taken by agreement with line managers and within the government's two-year extended timescale for the taking of annual leave.

What's Next?

The decision last Friday will of course generate lots of questions and we are having to work out the details on both the practicalities (such as whether we close on a particular day) and the impact on staff finances, annual leave and pensions but we thought it essential that everyone had as much notice as possible of these intended changes to enable them, if possible, to take practical steps to mitigate the impact.

Letters and a set of FAQs will be sent to all staff early next week in order to obtain agreement. The SLT will also host a number of zoom sessions over the next couple of weeks to help answer your questions directly.

The committee were also conscious that non-furloughed staff are particularly stretched at the moment and this gives us a month to work out how the workload is managed with a reduced workforce capacity.

Sustainability and planning for the long term has to be our focus. We feel this is the right course of action at this point in time. I know that some staff have concerns over our reputation with external partners, but we are in a very similar position to so many organisations looking to weather the immediate storm but with robust plans in place for the future.

If you have any queries upon receipt of your letter and FAQs then please send these to hr@field-studies-council.org. Can I ask that you do not telephone the Head Office number as it is focussed on dealing with customer queries.

We know that these interim measures will not be welcomed by staff but regret that this action is necessary to ensure the future viability of FSC. It continues to be a tough time and I know that you have had to absorb a lot of change in a short amount of time. I want to reassure you that SLT and trustees are doing everything we can to ensure that we come out of this in the strongest possible position.

The trustees wanted to thank the staff and staff reps for their help during the consideration of these difficult decisions. We also want to place on record our thanks to all of you for remaining positive and professional. Your commitment and resilience will play an important part in getting us through this.

Best regards

Mark Castle and Des Thompson