

Temporary Policy Changes*

**temporary arrangements until further notice and subject to amendment – AAT reserves the right to make unilateral changes to the temporary policy changes as government/legal advice relating to the Coronavirus pandemic is updated. – updated sections as at 29/05/20 are highlighted in blue*

As the current coronavirus (COVID-19) pandemic continues, the firm recognises the need to adapt its ways of working and temporarily amend some of the existing policies and create some new ones in response to government guidance.

As a firm, we want to play our part in helping to reduce the spread of coronavirus and safeguard the welfare of our staff during the coronavirus outbreak, while continuing our operations as normally as possible and ensuring the business is viable when life returns to normal.

This document summarises the temporary changes we have already implemented as well as some new changes that we plan to implement and this document will be updated with any further changes/updates that arise in conjunction with government guidance

Furloughing employees

What is our normal policy for dealing with a downturn in work or temporary reduction in roles due to the office closing?

Under normal circumstances we would explore many options when facing a downturn in business or office closure, such as placing restrictions on recruitment, redeploying people, and the non-renewal of fixed term contracts to name a few, with the final resort being a redundancy situation if job losses were unavoidable.

What is changing temporarily? (please note: the guidance below is due to be updated in the light of the Government's announcement on 29 May 2020 and therefore currently relates to any furlough arrangements up to 30 June 2020. Furlough arrangements post June 2020 are subject to change due to additional flexibility in the scheme, e.g. possible part time furlough arrangements).

Our normal policy remains unchanged. However, as a result of the unprecedented situation that we find ourselves in, and given the significant impact that the coronavirus outbreak is already having on many of our clients, we are having to consider other available measures to safeguard the interests of the business.

In order to mitigate the financial impact associated with the coronavirus pandemic, including the hampering of our business development efforts that are so important to the firm, we plan to utilise the newly created government scheme called the Coronavirus Job Retention Scheme, which is specifically aimed at helping employers to retain their employee's until the crisis has passed. Summary details of the new scheme are given below but is subject to change in line with any further detail and clarification that becomes available as the scheme is implemented.

Furlough

To enable the firm to manage operating costs at this difficult time, we may ask you to:

- "furlough" (temporarily change) your employment; and

- reduce your basic monthly salary.

This means that, even though we are not providing you with work, we can continue to pay you through funding we will receive from the government's Coronavirus Job Retention Scheme. See www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme for further details of the scheme (published on 26 March 2020).

Who can be furloughed?

It is open to the firm to ask to furlough you whether you are on a full-time, part-time or flexible working arrangement and this will depend upon the roles/areas of the business that are most impacted and an assessment of the staff the business needs to continue providing the usual high standard of service to our clients.

If you are currently on maternity or other type of parental leave, you are not eligible to be furloughed.

Pay during furlough (up to 30 June 2020) – beyond 30 June 2020 the furlough pay arrangements are subject to change due to additional flexibility in the scheme, e.g. possible part time furlough arrangements. However pay arrangements for employees already furloughed are outlined in their individual furlough consent letters.

The government's scheme provides a grant to the firm (upon application), which is based on the lower of 80% of your monthly salary or £2,500 per month. However, the firm is keen to support you as far as possible during this time, and will therefore top up/enhance the government's scheme by removing the cap on the £2,500 per month limit and paying you 90% of your basic salary whilst you are furloughed. The expectation is that the reduced salary can be offset by other savings associated with the lockdown situation, e.g. the cost of travelling to work and a general reduction in outgoings during lockdown or supported through other government coronavirus support or tax savings that you may have access to.

You will continue to receive your reduced salary from the firm via the payroll in the usual way and the firm will make a claim for the furloughed section of your salary.

Your pay will be subject to the usual employee tax, pension and national insurance deductions.

Any benefits that are funded by you such as dependent's healthcare and childcare vouchers and additional pension contributions will continue and deductions from salary made in the usual way.

Annual leave can be booked and taken at any time throughout a period of furlough, subject to the usual authorisation, and paid at the applicable full pay rate. Bank holidays that fall within a period of furlough will also be paid at your normal rate of pay. You are encouraged to take some annual leave to avoid accumulating a large amount of leave (please see the annual leave policy changes section below for more information about carry forward leave arrangements).

Statutory pay calculations relating to any maternity, parental leave or redundancy in the future may be affected by you being furloughed due to the reduction in pay, but if this is the case then the firm will discuss this with you and ensure that you are not disadvantaged, subject to any rules of the Scheme.

Your agreement is needed

If we ask to furlough your employment, we will seek your agreement to do so in writing (a letter via email). Your agreement will also be needed if we ask to reduce your pay. It is very important that you sign and return the letter as soon as you can - to access funds under the Coronavirus Job Retention Scheme, we need a record of this communication.

The decision as to whether or not you accept any offer to furlough your employment, on reduced pay, would ultimately be one for you. However, given the circumstances facing the organisation, it is the best option that we are able to offer and therefore, we seek your cooperation during what we appreciate is a very unsettling time.

During your furlough period

If you are placed on furlough, you will need to remain on furlough for a minimum of three consecutive weeks. However you may be placed on furlough more than once, and one period can follow straight after an existing furlough period, while the scheme is open. The scheme is currently open until October 2020, although we await clarity from the government on changes to the scheme from August to October 2020. Subject to the three week minimum furlough period, we have the option of recalling you from furlough, in accordance with the business needs.

During any furlough period, you would:

- continue to be employed by the firm;
- not carry out any work for us; and
- continue to receive your reduced salary, which includes any periods of sickness.

Contact/Communication

While you should not carry out any work for us during your furlough, we may ask you to undertake training, such as completing online compliance courses at home and CPD. However, in order to comply with the rules of the scheme, you should not check AAT emails or access the operational systems. We will speak with you about your out of office message and voice mail message.

Government guidance is that we cannot ask a furloughed employee to do any work that:

- makes money for our organisation or any organisation linked or associated with our organisation
- provides services for our organisation or any organisation linked or associated with our organisation

There are areas of uncertainty as this is a new situation but anything beyond training poses a risk and you should seek input before engaging in any publicly visible activity relating to the firm including, but not limited to, posting online comments or sharing articles published by the firm.

In order to facilitate communications when you are furloughed, e.g. to send you employee updates, agree any changes to your furlough arrangements or to send you training/CEP links, please confirm the best email address and phone number for us to use to reach you. Please do this by updating your personal details on Cezanne or by emailing jlw@aathornton.com prior to starting furlough leave.

If you need to contact the firm at any time during your furlough leave, please contact your line manager / or a member of the People Team, via your personal email address or by phone.

Your other terms and conditions of employment, including accrual of annual leave, your notice period and your continuity of employment would not be affected during this period.

Your rights as an employee would not be affected by being on furlough, including redundancy rights and pay.

Targets

If you have a target, such as a billed hours' target, then the target will be pro-rated to discount the time you are on furlough.

Long-term planning

The scheme is set to run until the end of October 2020, but we are awaiting clarification on proposed amendments to the scheme beyond July 2020 and will consider if/how the amended arrangements may be applicable to the firm.

We are keeping the situation (and this policy information) under review and will keep you updated as the situation regarding coronavirus unfolds.

Sickness Absence Policy - Sickness absence Threshold Levels

What is our normal policy?

Under our sickness absence policy, in order to fulfil the firm's duty of care, we would normally hold an exceeded threshold meeting when an employee's sickness absence **exceeds 4 occurrences OR 6 days** in a twelve month rolling period (or the pro rata equivalent for part-time employees).

What is changing temporarily?

We will continue to hold exceeded threshold meetings in line with the policy, however sickness absence that is directly related to the coronavirus (along with other reasons outlined in the existing policy), will not trigger the exceeded threshold process but will instead be supported through the return to work absence discussion with your line manager and throughout your illness, where appropriate, by a member of the People Group. This may be where:

- you are unwell due to displaying the common symptoms of coronavirus (high temperature or new persistent dry cough)
- you are caring for others in the same household who display coronavirus symptoms and you are subsequently unable to work (as communicated to/agreed with your line manager or a member of the People Group)

If your employment is temporarily 'furloughed' and you are subsequently unwell, you will not need to call in to report your sickness absence in the usual way (although from a duty of care and to enable us to support your wellbeing, if you have any concerns about your sickness absence or it is likely to be a prolonged period of sickness, please email or contact your line manager and/or Jill or Karen to keep us updated/ask for support etc). You will continue to be paid your 'furloughed' salary.

Flexible working / Flexitime Policies

What are our normal policies?

If you wish to change your working pattern or working arrangements, we normally ask you to make a formal request for flexible working and follow the procedure set out in our 'Requesting a Flexible Pattern of Work' policy. In addition, the Flexitime policy outlines the boundaries around core hours and minimum and maximum starting times.

What is changing temporarily?

As we are now required by the government to "work from home unless your work absolutely cannot be done from home", we recognise that there are additional pressures on people with caring responsibilities and restrictions and/or in adapting to a prolonged period of working from home.

We are keen to support everyone as long as the firm's operational needs continue to be met, and so with agreement with your line manager, you are able to, on a temporary basis:

- Informally agree a more flexible approach to work, e.g. earlier start time, later finish time, shorter or longer days, and other combinations that support individual/family needs;
- Shop for basic essentials/collect prescriptions for yourself, family members or others in the community you are supporting, at a convenient/less busy time, aimed at preventing your exposure to the virus and reducing prolonged waiting times;
- Informally agree a temporary reduction in hours (and pay) to support you in e.g. carrying out caring responsibilities or other agreed reasons; and/or
- Adapt your working patterns, for example to allow you to travel on public transport at less crowded times (applicable to the agreed skeleton staff when applicable).

You should speak to your line manager if you wish to take advantage of either of these options, or any other flexible working options that may help you at this time. Please note that any temporarily agreed arrangements will continue until further notice. However, if circumstances change, your manager will discuss with you any adaptations to, or the withdrawal of, the temporary flexibility. The decision as to whether or not to agree to a request or to change it, remains with your line manager but we aim to provide as much flexibility as operationally possible during this difficult time and to discuss/agree any changes with you.

Requirement to work remotely

What is our normal policy?

As you are aware, we do not normally require you to work remotely for an extended period. Working from home is usually in accordance with the Occasional Homeworking Policy or part of a formal flexible working request.

What is changing temporarily?

All staff are currently required to work remotely on a temporary basis. As a result, the key policy aims of the Occasional Homeworking Policy are suspended during this temporary period. However, your responsibilities as an employee in working from home that are outlined in the policy still apply and you should continue to:

- comply with the firm's policies and procedures whilst working from home;
- take reasonable care of equipment of the firm that is supplied for home working;
- ensure that other members of the employee's family do not access/use equipment supplied by the firm;
- report any broken or defective IT equipment supplied by the firm to IT Support;
- during times that the office is accessible (i.e. when not under lockdown but with a skeleton staff in operation), seek prior agreement to remove any paper files for use at home and to keep secure and locked any documents or data that belongs to the firm;
- report any damaged, lost or stolen equipment, including documentation or data belonging to the firm to your line manager; and
- report any work related accident or incident to Office Services, and to your line manager.

We recognise that the current situation of remote working is not ideal for everyone and that, for some staff, your home working environment does not replicate the office environment in which you normally work. If you need additional equipment or support please ask your line manager.

As a result of the shortened timescales involved in transitioning to full remote working, we have not been in a position to support you with DSE health and safety in the usual way, but our aim is to support you as much as we can during this time and take any practical steps to support your health and wellbeing. Temporary guidance for Home Working and desk/computer set up has been provided and it is important that you read the guidance and raise any significant concerns that you are unable to resolve yourself with your line manager in the first instance so that we can help you to find solutions where possible.

Insurance

Your current arrangement of working from home as instructed by the government, is covered by the firm's extended insurance arrangements that have been put in place as a result of COVID-19. This extended cover will be in place whilst working from home is based on government advice. In respect of your own household insurance, the FCA have advised that insurers should be reasonable and assume that people are working from home, however, it may be prudent to advise your insurer of the change in your circumstances, albeit on a temporary basis.

Out of Pocket Expenses

The firm is keen to ensure that no-one is out of pocket as a result of the practicalities of working from home using equipment, lighting, phones during any prolonged but temporary ongoing homeworking. Many of you will be able to offset any such expenditure as described, against your reduced travel costs. However, if you do believe you have incurred additional costs of this nature over the course of a month which are not offset by other savings, please provide/email details of that with the relevant bills/receipts/statements to accounts@aathornton.com

Annual leave / Changing your holiday plans

What is our normal policy?

We encourage you to use your entitlement of annual leave each year to enable you to get a well-earned break from work to support a good work-life balance/overall wellbeing. There is also an option to carry forward up to 5 days of annual leave into the next calendar year.

What is changing temporarily?

2020 Annual Leave Entitlement / new carry forward leave legislation (please note this information is based on current information and may be subject to change in the coming weeks)

For those of you who were planning holidays away in the coming few months, and who now cannot go away because of the coronavirus outbreak, you may wish to cancel or change booked annual leave. This is, of course, understandable. However, we would still encourage you to take some annual leave if you can and to get some well-earned rest or a break from time to time.

To assist with a potential large build-up of holiday entitlement that this situation is likely to generate (particularly across the key worker population), the government has stepped in to introduce new temporary rules to relax the carrying over of holiday entitlement where it is not reasonably practicable for an employee to take some or all annual leave entitlement this year, by allowing it to be carried forward into the next two holiday years. This relates to basic statutory leave entitlement, which is 4 weeks each year including the 8 bank holidays (or pro rata for part-timers), and not additional statutory leave of 1.6 days or contractual annual leave that each of us receives. Therefore, as we understand the legislation thus far, up to 12 days of annual leave (4 weeks minus 8 bank holidays) can potentially be carried forward over a two year period, if it is not reasonably practical to take it during the 2020 leave year.

Having said that, we would encourage you to take your holiday entitlement in 2020 if you are able to, or speak to your line manager if you think that you will be unable to do so. As long as your line manager agrees, the annual leave can be taken later. The timing is a matter for discussion between you and your line manager and departmental partners in conjunction with People Group.

End of Year Appraisal, Salary Review/Bonus and Promotion Processes

What is our normal policy?

The end of year appraisal discussions take place in May and June each year and are summarised/documentated on an online appraisal form, along with a proposed appraisal rating. Once the appraisal form content is reviewed and the ratings moderated for consistency, the information is then used to support and inform other decisions/processes such as promotions/career development, objective setting, salary review and learning and development planning.

What is changing temporarily?

Due to the sudden interruption in our daily working lives and unprecedented situation we are facing due to the COVID-19 pandemic, the business priorities have temporarily shifted. We are now finding a 'new normal' and adjusting to the challenges of homeworking, home schooling, technology or being furloughed due to the impact on workloads. The ongoing need to manage costs very carefully in the short/medium term is paramount, therefore there are no plans to conduct a firm wide review of salaries in July 2020. The

salaries of anyone promoted will be considered to ensure salary levels are fair, but even there the need for cost control may take precedence over the desire to reward an increase. We plan to keep this decision under review in line with all the other financial considerations whilst we work to ensure that the business remains stable in the coming months. We will also consider the viability of paying fee earner and business services performance bonuses later in the year.

Although the appraisal and promotion process in part informs the reward processes, it is primarily designed to provide an opportunity to take stock of performance over the year, acknowledge successes and learning and consider the year ahead. Therefore those discussions and the opportunity to collect feedback on performance, remains an important part of the line management/direct report interaction. For furloughed employees, appraisal discussions will in any case be delayed until a return to work. For others, given the current circumstances, it seems appropriate to enable line managers and their direct reports to take a flexible and tailored approach to the end of year appraisal process and therefore the extent/nature of appraisal discussions will largely depend up differing individual situations and needs, such as:

- The extent to which objectives/learning goals have been affected by the COVID-19 crisis, e.g. projects, exams, workloads
- Stage in career - e.g. more discussion may be needed for those less experienced team members or those who are in the early stages of their career with AAT
- The extent to which the interim appraisal discussion/paperwork in December/January has been completed and provides an already accurate picture of performance for the year
- Current business priorities/workload
- Career development discussion needs / promotion aims
- Individual preference for a full appraisal discussion/review of the CDF or for a shorter tailored discussion (or something in between) – given the virtual communication or individual circumstances

Line Managers will therefore initiate a discussion with each line report by mid-June 2020 (unless he/she or their line report is furloughed) and discuss the preferred approach, considering the factors above and any other considerations/personal circumstances. The online appraisal forms remain available for use and/or a form will be provided for line manager to comment on the approach taken. The situation will be reviewed in the coming weeks and months and further guidance provided.

Objective Setting 20/21

What is our normal policy?

Objectives would normally be set in conjunction with the firm/department/team plans for the coming year as well as any individual performance/development/learning needs.

What is changing temporarily?

It is important that everyone is clear on their goals/expectations as far as possible, although planning long term objectives may be more problematic during the COVID-19 crisis due to changing priorities and needs. Therefore, over and above the already agreed FE financial targets, it is advisable to take a pragmatic approach to agreeing some objectives, which may be shorter term objectives that can be easily reviewed, updated and managed during this period of change and uncertainty. The online appraisal forms are currently reviewed to take account of this and further information will follow in June once this work is complete.

Please treat all the information in this document as confidential and do not share outside the firm