

31 March 2020

Dear customer,

COVID-19 update on contingent labour pay in the wider public sector

All of the team here at YPO hope that you and your staff are safe and well in light of the current situation that the whole country now finds itself in. As you will undoubtedly have seen, the Government response to the COVID-19 emergency continues to evolve.

There have been many recent changes with respect to how workers who are unable to work as a result of COVID-19 should be paid. We wanted to let you know more specifically how contingent workers guidance has developed over the last week. This guidance has been developed for central government organisations but for workers in other public sector organisations we strongly encourage you to apply the same mechanisms.

You will be aware that the Chancellor's announcement on 20 March stated that the Government will cover 80% of pay (up to a maximum of £2,500 a month) for all employees covered by PAYE arrangements, if they are unable to work as a result of COVID-19. It has been agreed following consultation that contingent workers in the Civil Service will be eligible for the same support. It should also be noted that for workers outside of the Civil Service, working in the health, education, local authority and the wider public sector this is also expected to be implemented.

For clarity this update provides guidance on what these measures are, and to help your organisation make the right arrangements with your contingent workers:

1. Contingent workers who cannot work due to COVID-19, for example, due to sickness, self-isolation, or the temporary closure of offices, should be paid based on 80% of their pay (up to a maximum of £2,500 per month) on a prorated basis. As outlined by the Chancellor, this should be backdated to 1 March, if necessary, and will be available initially for at least 3 months.
2. Contingent workers should work from home if they can and be paid as normal. They should also be extended the same flexibility to work around childcare as permanent members of staff. If contingent workers are unable to work due to childcare responsibilities now that schools have closed, they should continue to be paid on the same basis (80% up to a maximum of £2,500 per month), for up to 7 working days whilst they make alternative arrangements. Again this approach will broadly align workers with substantive equivalents.

These measures aim to protect:

- against the risk that some may attend work when they should be self-isolating, thereby potentially infecting wider teams and the broader general public
- against the risk of losing critical workers to jobs in other sectors because they are not getting paid

- supplier revenue with the intention of keeping them solvent so they remain a part of our ongoing supply chain in the future
- the livelihood of contingent workers and avoiding claims of statutory sick pay from the supply chain.

We are working with all the suppliers on our [Managing Temporary and Permanent Recruitment \(942\)](#), [LGRP \(845\)](#) and [Managing Consultancy and Professionals \(940\)](#) framework to ensure that this information is clear. We are also communicating with our supplier base with the same information.

It should be noted that suppliers are expected to keep accurate records of workers affected by Covid-19, whether they are impacted directly or indirectly. Suppliers will be expected to make monthly management information submissions in the usual way.

Should you have any specific issues or concerns relating to delivery or continuity of services from your provider, I would urge you to make contact and keep an open dialogue with Lizzy Grayson or Lucy Simpson within YPO to discuss what support options are available, or consult the various sources of advice and guidance that are available to businesses and the public at the gov.uk website.

I would like to take this opportunity to thank you on behalf of YPO for your continued support in delivering vital goods and services to our public sector customers at this critical time, and hope you and your teams stay safe and well in the coming weeks and months.

Yours faithfully,

Lizzy Grayson
Category Manager – Corporate Services