

Additional Government Support Announced 5th November 2020

The government has announced a host of measures to assist households and businesses in light of the new nationwide lockdown that came into effect on 5th November 2020.

Furlough Scheme

- Furlough scheme is to remain open until the end of March 2021, with employees receiving 80% of their current salary for hours not worked, up to a maximum of £2,500.
- Under the extended scheme, the cost for employers of retaining workers will be reduced compared to the previous scheme, which ended on 31 Oct. This means the extended furlough scheme is more generous for employers than it was in October.
- The government has widened the furlough scheme so that, to be eligible under this extension, employees must simply have been on an employer's PAYE payroll before midnight on 30 October 2020.
- HMRC has subsequently confirmed (although it is not included in the published announcement as of 4th Nov) that, if employees were on your payroll on 23 September 2020 (i.e. notified to HMRC on an RTI submission on or before 23 September) and were made redundant or stopped working for you afterwards, they can also qualify for the scheme if you re-employ them. Even if re-hiring is allowed, however, employers will not be under any obligation to re-hire and should take legal advice before doing so.
- Businesses will have flexibility to bring furloughed employees back to work on a part time basis or furlough them full-time, and will only be asked to cover National Insurance and employer pension contributions which, for the average claim, accounts for just 5% of total employment costs.
- Job Support Scheme, which was scheduled to come in on Sunday 1st November, has been postponed until the furlough scheme ends.

Mortgage Holidays

- Mortgage payment holidays will continue.
- Borrowers who have been impacted by coronavirus and have not yet had a mortgage payment holiday will be entitled to a six month holiday, and those that have already started a mortgage payment holiday will be able to top up to six months without this being recorded on their credit file.

Business Grants

Businesses required to close in England due to local or national restrictions will be eligible for the following:

- For properties with a rateable value of £15k or under, grants to be £1,334 per month, or £667 per two weeks;
- For properties with a rateable value of between £15k-£51k grants to be £2,000 per month, or £1,000 per two weeks;
- For properties with a rateable value of £51k or over grants to be £3,000 per month, or £1,500 per two weeks.

Business Loans

The government has extended the deadline to apply for government-backed loan schemes until 31 January 2021. These include bounce back loans, coronavirus business interruption loans and the Future Fund for start-ups. Businesses who have already accessed the loans may request top-ups if required.