

Reinstatement of the Coronavirus Job Retention Scheme (Flexible Furlough)
1st November

The Government announced on Saturday 31 October that the country now faces further restrictions in light of the ongoing COVID-19 pandemic, with a full lockdown coming into place on 5th November 2020 until 2nd December 2020. These restrictions are over and above the local and national restrictions already in force.

There were outlines of the economic support available during this initial further lockdown period released and this is an overview of what is coming into action. Full details will be sent you once they have been released by the government. Until then, here are the main points:

The 'flexible' furlough scheme which came into force on 1 July 2020 was due to expire yesterday, 31 October, however this has now been extended to cover the entire month of November.

Whilst the new lockdown measures do not come into force until 5 November 2020, employers will be able to claim for furlough from 1 November 2020.

No specific end date for November's furlough has been confirmed but we are assuming that this will be 2nd December 2020, as that is when these new restrictions conclude.

A reminder that this is a return to the 'flexible' furlough, meaning that employers can bring furloughed employees back to work on a part time basis, and pay for the hours worked, or can choose to furlough employees on a full time basis.

How much will employers have to contribute to furlough?

The furlough support reverts to the level of support provided in August, with employers being asked to cover National Insurance and employer pension contributions. Employers should continue to pay employees only for their hours worked. Employers can elect to top up employees' wages above the scheme grant, at their own cost, should they wish to do so.

How much support will employers receive under the furlough scheme?

For hours not worked by the employee, the government will pay 80% of wages to a maximum of £2,500 per month.

When can we submit a claim for November furlough support?

The government have confirmed that there will be no gap in eligibility for furlough support after the original expiry date of 31 October 2020 and this new November extension. Further details are awaited whilst administrative updates are made to the scheme to accommodate yesterday's announcement, and there may be a short period where businesses are paid furlough support in arrears. We will keep you updated on this point.

Who is eligible for the furlough scheme?

In order for employers to be eligible for support under the scheme they must have a UK bank account, and a UK PAYE scheme. They do not need to have used the furlough scheme previously.

In order for an employee to be eligible, they must have been on an employer's PAYE payroll by 23:59:59 on Friday 30 October 2020, meaning that an RTI submission notifying payment for that employee to HMRC must have been submitted on or before 30 October 2020. Employees can be on any type of contract.

What about the Job Support Scheme?

The intention as it stands is that the Job Support Schemes (Open and Closed) will be introduced once the November CJRS scheme has ended.

Business Grants

Local Restrictions Support Grants

The grants available to businesses who legally must close in November are as follows:

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

Businesses should apply directly to their Local Authority who will administer the grants.

Local Authority Discretionary Fund Grant

There was a mention of this in the Government's announcement however it is unclear at this moment in time if this is additional funding above that previously announced under the 'tiered' system. We will provide further information on this point when it is known.

Which businesses should close?

Non-essential shops, leisure and entertainment venues must close, essential shops and those offering click and collect services, including supermarkets, will remain open. Pubs, bars and restaurants must close with the exception of takeaway and delivery services (excluding for the sale of takeaway alcohol). Workplaces should remain open where people cannot work from home, i.e. construction and manufacturing. A full list of affected businesses can be found [here](#).

Saturday's announcements are set to be debated and voted upon by parliament on Wednesday 4th November, which if passed, will come into force on Thursday 5th November.

We will send you more information once the specifics of the above schemes have been released.

A handwritten signature in black ink that reads "Clarity Accountants". The signature is written in a cursive, flowing style.