

RMI COVID-19 – Briefing 15.10.2020

****LATEST****

Recent Headlines

New 3-Tier Lockdown System Announced for England

The PM today (12 October) outlined a new local COVID alert system for England, comprised of three categories – ‘medium’, ‘high’ and ‘very high’, depending on local infection rates.

The PM set out the categories as follows:

Medium

Will cover most of the country and will consist of the current national measures, such as the Rule of Six and closure of hospitality at 10pm.

High

Reflects current interventions in many local areas. The PM explained that “this primarily aims to reduce household to household transmission, by preventing all mixing between different households or support bubbles indoors.”

“In these areas, the Rule of Six will continue to apply outdoors, where it is harder for the virus to spread, in public spaces as well as private gardens.”

Very High

“In these areas the government will set a baseline of prohibiting social mixing indoors and in private gardens... in each area, we will work with local government leaders on the additional measures which should be taken.”

“This could lead to further restrictions on the hospitality, leisure, entertainment or personal care sectors.”

“But retail, schools and universities will remain open.”

Local Checker

The gov.uk website will feature a postcode checker so people can check the regulations in their area, with the information also available via the Covid-19 app.

We will inform members of any developments on this announcement.

Job Support Scheme expanded to firms required to close due to Covid Restrictions

The government's Job Support Scheme (JSS) will be expanded to support businesses required to close their doors as a result of coronavirus restrictions, the Chancellor announced today, 9 October.

The scheme will cover businesses that, as a result of restrictions set by one or more of the four governments in the UK, are legally required to close their premises. This includes businesses that are required to provide only delivery and collection services from their premises, or food and drink outdoors from their premises.

The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month. Employers will not be required to contribute towards wages and only asked to cover NICS and pension contributions.

Under the scheme, employees will need to be furloughed for a minimum of seven consecutive days at any given time and the payments to employers will be made monthly in arrears. To be eligible employees must be employed and an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 23 September.

The scheme will begin on 1 November and will be available for six months, with a review point in January.

See further details [here](#):

Increases to Cash Grants (England)

In addition to expansion of the JSS, the government is increasing the cash grants to businesses in England shut in local lockdowns to support with fixed costs.

Small businesses with a rateable value of or below £15,000 can now claim £1,300 per month; medium sized businesses with a rateable value between £15,000 and £51,000 can claim £2,000 per month; and larger businesses can claim £3,000.

Full announcement [here](#):

Chancellor Reveals 'Winter Economy Plan'

The Chancellor today announced steps to support the UK economy through the winter, following the end of the furlough scheme at the end of October. See below for details:

Job Support Scheme ([See factsheet](#))

The scheme is “designed to protect viable jobs in businesses who are facing lower demand over the winter months due to Covid-19.”

The company will continue to pay its employee for time worked, but the burden of hours not worked will be split between the employer and the Government (through wage support) and the employee (through a wage reduction), and the employee will keep their job.

To be eligible to claim grants through the scheme, employees must:

- be working at least 33% of their usual hours.
- must be paid their normal contracted wage for the time worked.
- for time not worked, the employee will be paid up to two-thirds of their usual wage.
- Employees cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant for that employee.

How it works

For every hour not worked by the employee, both the Government and employer will pay a third each of the usual hourly wage¹ for that employee. The Government contribution will be capped at £697.92 a month

- Grant payments will be made in arrears, reimbursing the employer for the Government’s contribution. The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer.

Eligibility

All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme.

Large businesses will have to meet a financial assessment test, so the scheme is only available to those whose turnover is lower now than before experiencing difficulties from Covid-19. There will be no financial assessment test for small and medium enterprises (SMEs).

Bounce Back Loans – ‘Pay as you Grow’

- ‘Bounce Back Loans’ can now be extended from six to ten years
- Businesses who are struggling can now choose to make interest only payments and can apply to suspend payments altogether for up to six months.

Extension to Government Backed Loans

¹ “Usual wages” calculations will follow a similar methodology as for the Coronavirus Job Retention Scheme. Full details will be set out in guidance shortly

- Given Coronavirus Business Interruption Loan (CBILS) lenders the ability to extend the length of loans from a maximum of six years to ten years
- Application deadline for all CBILS schemes extended until the end of November 2020

Changes to VAT Deferral Repayments

- Businesses who deferred their VAT will no longer have to pay a lump sum at the end of March 2021.
- Repayments can now be split it into smaller interest free payments over the course of 11 months.