

Government extends Furlough to March and increases self-employed support

- businesses and people across the UK given certainty over winter months with further support announced by Chancellor Rishi Sunak
- the furlough scheme will now be extended until the end of March – protecting millions of jobs across all nations
- the next self-employed income support grant will also increase from 55% to 80% of average profits – up to £7,500

Workers across the United Kingdom will benefit from increased support with a five-month extension of the furlough scheme into Spring 2021, the Chancellor announced today, 5 November.

The Coronavirus Job Retention Scheme (CJRS) will now run until the end of March with employees receiving 80% of their current salary for hours not worked.

Similarly, support for millions more workers through the Self-Employment Income Support Scheme (SEISS) will be increased, with the third grant covering November to January calculated at 80% of average trading profits, up to a maximum of £7,500.

The Chancellor of the Exchequer Rishi Sunak said:

I've always said I would do whatever it takes to protect jobs and livelihoods across the UK – and that has meant adapting our support as the path of the virus has changed.

It's clear the economic effects are much longer lasting for businesses than the duration of any restrictions, which is why we have decided to go further with our support.

Extending furlough and increasing our support for the self-employed will protect millions of jobs and give people and businesses the certainty they need over what will be a difficult winter.

The Chancellor also announced today an increase in the upfront guarantee of funding for the devolved administrations from £14 billion to £16 billion. This uplift will continue to support workers, business and individuals in Scotland, Wales and Northern Ireland.

The furlough scheme was initially extended until 2 December. But the government is now going further so that support can be put in place for long enough to help businesses recover and get back on their feet – as well as giving them the certainty they need in coming months. Evidence from the first lockdown showed that the economic effects are much longer lasting for businesses than the duration of restrictions.

There are currently no employer contribution to wages for hours not worked. Employers will only be asked to cover National Insurance and employer pension contributions for hours not worked. For an average claim, this accounts for just 5% of total employment costs or £70 per employee per month. The CJRS extension will be reviewed in January to examine whether the economic circumstances are improving enough for employers to be asked to increase contributions.

Throughout the pandemic, the government has acted with speed to protect lives and safeguard jobs with an unprecedented £200 billion support package. The furlough scheme has protected over nine million jobs across the UK, and self-employed people have already received over £13 billion in support. This is in addition to billions of pounds in tax deferrals and grants for businesses.

On top of this, the government has announced:

- cash grants of up to £3,000 per month for businesses which are closed worth more than £1 billion every month
- £1.1 billion is being given to Local Authorities, distributed on the basis of £20 per head, for one-off payments to enable them to support businesses more broadly
- plans to extend existing government-backed loan schemes and the Future Fund to the end of January, and an ability to top-up Bounce Back Loans
- an extension to the mortgage payment holiday for homeowners
- up to £500 million of funding for councils to support the local public health response.

Further Information

- More information on today's policy announcements can be found here: [economic support factsheet](#) (PDF, 143KB, 5 pages).
- This is just one element of the comprehensive package of support the government has set out for businesses, including more than £65 billion in government-backed loans, which have now been extended until 31 January, deferral of VAT payments, business rates holidays, generous grants for hospitality, leisure and retail businesses, a moratorium on eviction for commercial tenants and the Statutory Sick Pay Rebate Scheme.
- In addition, the Jobs Retention Bonus (JRB) will not be paid in February and the government will redeploy a retention incentive at the appropriate time. The purpose of the JRB was to encourage employers to keep people in work until the end of January. However, as the CJRS is being extended to the end of March 2021, the policy intent of the JRB falls away.

Support for Devolved Administrations

- In July, the UK Government announced an unprecedented upfront guarantee of resource funding for the devolved administrations. This has meant the devolved administrations have funding certainty ahead of UK Government making announcements.
- Today the UK Government is continuing to provide that upfront certainty

by giving the Devolved Administrations an additional £2 billion as part of the guarantee, to at least £16 billion this year above the funding outlined in the Spring Budget 2020.

- This is based on the central forecast for UK Government expenditure in 2020-21 and means an extra £1 billion for the Scottish Government, £600 million for the Welsh Government and £400 million for the Northern Ireland Executive.
- Today's announcement means a total increase of at least £8.2 billion of additional funding for the Scottish Government, £5.0 billion for the Welsh Government and £2.8 billion for the Northern Ireland Executive, on top of their Spring Budget 2020 funding.

Scotland

- We have given the Scottish Government an additional £8.2 billion to cope with the pressures of the pandemic and we are protecting more than 123,000 jobs in Scotland through the furlough scheme, down from a peak of more than 930,000 in June.
- More than 76,000 loans worth more than £2.1 billion have been offered under the Bounce Back Loans Scheme
- More than 3,300 loans worth £758 million have been offered under the Coronavirus Business Interruption Loan Scheme
- 126,000 people in Scotland have benefitted from the Self Employment Income Support Scheme.

Wales

- We have given the Welsh Government an additional £5 billion to cope with the pressures of the pandemic and we are protecting more than 68,000 jobs in Wales through our furlough scheme, down from a peak of 378,400 in June.
- More than 48,000 loans worth more than £1.3 billion have been offered under the Bounce Back Loans Scheme
- More than 1,600 loans worth £373 million have been offered under the Coronavirus Business Interruption Loan Scheme.
- 82,000 people in Wales have benefitted from the Self Employment Income Support Scheme.

Northern Ireland

- We have given the Northern Ireland Executive an additional £2.8 billion to cope with the pressures of the pandemic and we are protecting more than 35,000 jobs in Northern Ireland through our furlough scheme, down from a peak of more than 240,000 in June.
- More than 33,000 loans worth more than £1 billion have been offered under the Bounce Back Loans Scheme
- More than 1,000 loans worth £333 million have been offered under the Coronavirus Business Interruption Loan Scheme
- 56,000 people in Northern Ireland have benefitted from the Self Employment Income Support Scheme.