

New National Restrictions – Economic Support

I have received this update from the Chancellor:

I wrote to you in September highlighting the positive impact of the comprehensive and generous £200 billion package of support we have brought in since March to protect jobs, livelihoods and businesses.

In response to the new national restrictions announced by the Prime Minister to help tackle the spread of coronavirus, we are today confirming what support the Government will offer to help support businesses and individuals during this period.

Coronavirus Job Retention Scheme

I am confirming today that the Coronavirus Job Retention Scheme (CJRS) will be extended until 2 December 2020.

The scheme will operate on the same terms as the previous scheme and mirror the levels of support available under the scheme in August – this means that the government will pay 80 per cent of wages up to a cap of £2,500 for hours not worked.

Employers will not have to make any contribution to their employees' wages for the hours not worked – they will only be asked to cover National Insurance and Employer pension contributions, which for the average claim accounts for just 5 per cent of total employment costs (or £70 per employee per month). Claims can be made from next week and as previously, paid within 6 working days.

The extended scheme will be open to new entrants; specifically, employees must have been employed and on an employer's PAYE payroll on or before 30 October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30 October 2020.

Neither the employer nor the employee needs to have previously used the CJRS to make a claim. Employees employed as of 23 September (day of the Job Support Scheme announcement) and notified to HMRC by RTI on or before that date, who have since been made redundant can be rehired and placed on the Scheme.

Support for the self-employed

Today, the Government is also announcing that we will provide more generous support to the self-employed and will pay that support more quickly. We are increasing the support to the self-employed from 40 per cent of trading profits to 80 per cent for November. As SEISS grants are calculated over 3 months, this increases the total level of the grant from 40 per cent to 55

per cent of trading profits for November to January and the maximum grant will increase to £5,160.

This provides broadly equivalent support to the self-employed as we are providing to employees through the government contribution in the Coronavirus Job Retention Scheme in November and then the Job Support Scheme in the two subsequent months. HMRC will pay this more generous grant sooner than planned and in good time for Christmas – the window for claiming a grant will open on 30 November, two weeks earlier than previously announced.

Loan extensions

We have announced that we plan to extend our loan schemes – the Bounce Back Loan Scheme, Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme and the Future Fund – to the end of January.

We will also adjust the Bounce Back Loan Scheme rules to allow those businesses who have taken out less than their maximum (i.e. less than 25 per cent of their turnover) to top-up their existing loan giving businesses greater flexibility and support. Businesses will be able to take up this option from next week; they can make use of this option once.

Mortgage payment holidays

Mortgage payment holidays will continue to be available for homeowners. 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 a maximum of six months without this being recorded on their credit file. The FCA will announce further details on the scheme, including how customers can continue to apply for this support.

Support for local businesses in England

Throughout the crisis, we have provided support for businesses. We are today confirming that businesses which are forced to close due to the new restrictions will receive up to £3,000 per month – this is worth over £1 billion a month under the new national restrictions and will benefit over 600,000 businesses.

Businesses in the hospitality, leisure and accommodation sectors that have been suffering from reduced demand for a while due to local restrictions will receive back dated grants at 70 per cent of the value of closed grants (up to £2,100 per month) for this period.

We are also providing one off funding of £1.1 billion to local authorities to support businesses more broadly over the coming months, who are a key part of our local economies.

More funding for English Local Authorities to support their local healthcare response

Up to £500 million will be provided to local councils for local public health initiatives, such as additional contact tracing, testing for hard-to-reach groups and communications.

The Contain Outbreak Management Fund has already supported several English Upper Tier Local Authorities to fund local public health initiatives. Where necessary, they will have this funding topped up to a maximum of £8 per head of population. If they have not received any to date, they will be entitled to the full £8 per head.

We are also providing additional funding to local authorities to support the Clinically Extremely Vulnerable now that revised guidance is in place nationally. Funding will be provided of up to £14.60 per Clinically Extremely Vulnerable person for the 28-day period that the restrictions are in force. We will review this funding after the 28-day period should the strictest guidance remain in place in any one area once the initial 28-day period is over.

Alongside our £200 billion package of support committed since March, these announcements will give businesses the support and flexibility to adjust and plan over the coming months.

RT HON RISHI SUNAK MP