

Medium, High or Very High – What are the chances that the new Job Support Scheme will do what it says on the tin?

On 24 September 2020, the Chancellor, Rishi Sunak, announced the introduction of his new Job Support Scheme with effect from 1 November. See our briefing [here](#).

Last Friday, Mr Sunak confirmed that the Government will be expanding the Job Support Scheme (which will sit alongside the original Job Support Scheme and the Job Retention Bonus) to assist any employers who are legally forced to close their doors due to further restrictions imposed across the UK as a result of the rising number of coronavirus infections. See government factsheet [here](#).

And on Monday, the Prime Minister announced the introduction of a three-tiered system of local Covid alert levels in England – set at “medium”, “high” and “very high” – each with varying degrees of restriction in an attempt to quell the rising infection rate of coronavirus.

A significant number of cities and counties in the North of England are now categorised as “high” risk and face tighter restrictions. Although most businesses can remain open in these regions for the time being, the prohibition on households mixing indoors may, particularly for many parts of the hospitality sector, mean that staying open is not a viable option. These businesses will not however be covered under the new Job Support Scheme if they close as they are not “legally” required to do so.

Liverpool City Region is the only area currently in the “very high” risk category, which means that pubs and bars (unless serving meals), restaurants, gyms, betting shops and casinos must close. These businesses will therefore qualify for the new Job Support Scheme grant.



The new Job Support Scheme Grant

In what is essentially an extension of the Coronavirus Job Retention Scheme (or “furlough scheme”), from 1st November 2020, the Government will support businesses in the UK that have to close as a result of local or national coronavirus restrictions by paying 67% of the wages of any employees who cannot work (up to a maximum of £2,100 a month).

Under this new scheme, employers will not be required to contribute towards employees’ wages and will only be asked to cover employer national insurance and pension contributions.

To be eligible to benefit from the expansion of the Job Support Scheme:

- the business must be subject to local or national restrictions – this will include businesses that are still permitted to provide only delivery and collection services from their premises, or food and drink outdoors from their premises;
- the employer must have a UK bank account and a UK PAYE scheme which was registered on or before 23 September 2020;
- the employer must have made an RTI submission notifying payment in respect of the employees it is claiming for to HMRC on or before 23 September; and

— the relevant employees must be fully furloughed for a minimum of seven consecutive days.

Businesses that have been forced to close by local public health authorities as a result of an outbreak of coronavirus in the workplace are not eligible under the new Job Support Scheme.

Employees of businesses that have been legally closed in the period before 1 November remain eligible for the Coronavirus Job Retention Scheme.

However, neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme to benefit from the new **Job Support Scheme grant**.



Other grants

In addition, the Government will increase the cash grants available to businesses which are required to legally close as part of local or national restrictions. The level of grant available will be linked to the rateable values of the affected business premises. 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. Eligible businesses will also be able to take advantage of the grant after only two weeks of closure rather than three weeks.



Payment

Eligible businesses will be paid monthly in arrears via a HMRC claims service which will be available from early December.

As with the original Job Support Scheme, there are still a number of unanswered questions as to how exactly this new part of the Scheme will work. We will update this briefing when further guidance is published.



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