
Additional Support For Businesses Affected By Coronavirus Disruption – 22 October 2020

In a welcome announcement today, the Chancellor, Rishi Sunak, revealed a raft of changes to the Job Support Scheme (JSS), the Self Employed Income Support Scheme (SEISS) and the Local Restriction Support Grants (LRSG). The changes will re-establish more realistic support for businesses adversely affected by COVID-19 disruption.

Changes to the Job Support Scheme (JSS Open)

The JSS applies to all nations of the UK. The changes announced to the JSS today – now called the JSS Open - are:

- The minimum hours an employee is required to work is dropping from 33% to 20%. Accordingly, employees working one day a week will now qualify.
- Government will pay 61.67% of hours not worked up to a monthly cap per employee of £1,541.75.
- Employers will need to cover 5% of hours not worked up to a monthly cap of £125.

Benefits for employees

- Employees who are laid off, but still work at least one day a week, will receive two-thirds of their pay for hours not worked – up to the monthly caps set out above.
- Employees receiving the JSS Open grant cannot be made redundant or placed on notice of redundancy if employer is claiming the JSS Open for that employee.

Benefit for employers

- Under the original JSS scheme employers were faced with paying one-third of hours not worked. Under the JSS Open this is now reduced to just 5%.

A word of caution for employers

As with the wider JSS scheme, claims for November will be processed in December via an online portal. Subsequent months' claims will thus be paid one month in arrears. Employers will need to accommodate the cash-flow consequences as wages will need to be paid before any JSS Open grants are received.

The Self Employed Income Support Scheme (SEISS)

From 1 November 2020, the SEISS grant due covering the period from 1 November 2020 to 31 January 2021, is doubled from 20% to 40% of qualifying profits, paid out in a single amount and capped at £3,750 in total.

The amount of the second and final grant – covering the period from 1 February 2021 to 30 April 2021 – will be announced next year.

Cash Grants for businesses severely disrupted by Tier 2 restrictions in England

Additional government funding is being provided to local authorities to support businesses in Tier Two lockdown. These will be businesses which are not legally closed, but which are severely impacted by restrictions on socialising.

The changes will be welcomed by affected concerns in the hospitality sector who will now receive 70% of the grants paid to businesses legally closed.

Benefits for Tier 2 businesses

Grants available will be based on the rateable value (RV) of business premises:

- RV of £15,000 or under, grant of £934 per month
- RV between £15,000 and £51,000, grant of £1,400 per month
- RV above £51,000, grant of £2,100 per month.

Claims can be back-dated to the point at which these restrictions began.

Affected businesses should contact their Local Authority to determine the amount and date that they should start to receive this additional support.

Possible support for businesses not in the business rates system

Local Authorities in England are also being funded – a 5% top-up – to help businesses affected by partial lockdown who may not be registered with rated business premises.

Affected businesses should contact their local authority to see if funding will be made available.

Best regards,