

Local Lockdowns – Extension to the Furlough Scheme (E-CJRS) Applicable to the Law in England and Wales

As the Government responds to the rising number of COVID-19 cases amid concerns for a serious 'second wave' of the disease, new policies are being introduced.

The statistics for tracking the rate of infections have demonstrated that parts of the country are experiencing a rapid increase in the rate of infections. The Government has responded by developing a 'three tier system' to divide the country into areas depending on the current rate of transmission.

- **Tier one** will comprise areas with 'medium' risk;
- **Tier two** will be areas of 'high' risk; and
- **Tier three** will be areas of 'very high' risk.

The BBC have the tool '[local lockdown rules: Check COVID restrictions in your area](#)' which enables you to check your area using your postcode.

A set of standardised restrictions will be implemented for regions of the country depending on which tier that they currently fall into. The restrictions for tier three locations are likely to include that businesses in certain sectors will be ordered to close, including those in the leisure and hospitality sectors such as pubs, bars and gyms.

The Chancellor has announced a package of measures to assist businesses forced to close due to local restrictions. What we know so far is that this will include an extension to the current furlough scheme (E-CJRS). This will operate in a limited way and will be less generous than the National CJRS, which will still come to an end on 31 October 2020.

The E-CJRS will pay two-thirds (67%) of the wages of workers in businesses that are ordered to close under local lockdown restrictions, subject to a cap of £2,100 per employee. Employers will not have to contribute towards employee pay, but will have to pay National Insurance contributions and Pension contributions.

The new scheme will start on the 1 November 2020, and will be open for six months, until the end of April 2021. The payments will be made in arrears and the earliest that a claim can be made will be 1 December 2020. The scheme will run alongside the Job Support Scheme (JSS) designed to support viable jobs where workers are required to be working at least a third of normal working hours.

We anticipate that it is unlikely that any of our members will fall within the class of businesses ordered to close due to local lockdown restrictions, so won't be able to take advantage of the E-CJRS. However a secondary impact may be further down in terms of work for our members, who may supply business and sectors that are forced to close. There is also the risk that fear and confusion amongst workers will rise up again, dictating that managing employee relations remains as critical as ever doing these ongoing uncertain times. We will update our guidance when full details of the scheme are announced.

Resource History
BPIF Legal
PM Daily