UK Government Delays Easing of COVID-19 Restrictions in England

15 June 2021

Last night, the UK government confirmed what had been widely mooted in the press over the weekend – that there will be a four-week delay to the easing of COVID-19 restrictions in England and that the Step 3 restrictions will remain in place for now. The government's intention is that England will move to Step 4 (the lifting of all restrictions) on 19 July, but it has promised to review the data again in two weeks in case the risks have reduced. The likelihood of that being the case to such an extent that anything changes earlier than that July date is very small, and if you were in Boris' shoes, why take the risk? The political damage of a delay to the original timetable is now done (though, in fairness to the government, it made it clear from the start that one of the few things which might derail its timetable would be the emergence of a new Variant of Concern, and that is clearly what we have) and there would be few in any sector of industry who would forgive if, having uncorked the lockdown genie to great fanfare, the delta variant then forced the government to try to get it back into the bottle. Some sun and a decent few results for England in the Euros will probably buy him a reasonably easy ride on this. The Devolved Administrations are responsible for setting out their own plans for lifting restrictions.

This means that the guidance to "work from home if you can" will also remain in place for the next four weeks at least. Employers should, therefore, continue to facilitate homeworking as much as possible.

So far, no information has been published on the government's long-promised June review on social distancing, which will help inform future decisions about the timing and circumstances under which the rules on one-metre-plus social distancing, face coverings, physical precautions in the workplace and other measures may be varied or lifted.

A response had been promised prior to 21 June, but this is also likely to slip in light of the latest developments.

There have inevitably now been calls for the chancellor to extend the Coronavirus Job Retention Scheme (CJRS), currently due to expire on 30 September, but press reports suggest that he has ruled out any such extension. We are, therefore, getting closer to the point where employers will have to decide definitively which jobs are viable and which are not. Furthermore, there has been nothing to suggest that the start of the "weaning-off" changes to the CJRS due into force next month will be delayed either. This means that from 1 July, as things currently stand, the level of the CJRS grant will be reduced and employers will have to start contributing towards the cost of their furloughed employees' wages.

This month, the cap is the usual 80% of salary capped at £2,500. For July, CJRS grants will cover 70% of furloughed employees' usual wages for hours not worked, up to a cap of £2,187.50, and in August and September, this will reduce to 60% capped at £1,875.

For those doing reduced hours on flexi-furlough, these wage caps are reduced proportionate to the number of hours not worked, so someone working 75% of their normal hours in September, for example, would receive under the CJRS only 25% of that £1,875. For July to September, employers will be expected to top up the government's contribution so that furloughed staff continue to receive at least 80% of their usual wages for any unworked hours up to the full-time equivalent cap of £2,500 per month. Employers must also continue to pay the associated employer National Insurance contributions and pension contributions.

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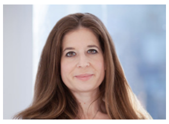

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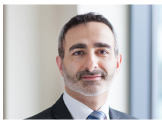

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