

Insights

CORONAVIRUS: HR IMPACT OF THE ECONOMIC STATEMENT BY THE UK CHANCELLOR OF THE EXCHEQUER

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Following catastrophic falls in economic output during quarter 2, the UK Chancellor of the Exchequer has, today, made a ground-breaking economic statement setting out the UK government's second phase of its economic response, which includes a significant effort to "protect, support and retain jobs".

Given that largescale unemployment would be a key factor in creating long term scarring for the economy, a key emphasis has been on reducing the number of unemployed as we emerge from the Coronavirus Job Retention Scheme ("CJRS") at the end of October 2020.

Set out below are the key points for employers:

- **Job Retention Bonus.** To incentivise employers to bring furloughed employees back to work, the government will pay employers a bonus of £1,000 per employee on condition that following the end of the CJRS, they remain employed by their employer until at least January 2021, earning a minimum of £520 per month.
- **Kickstart Scheme.** This scheme will provide new jobs to 16-24 year olds who are on Universal Credit. The government will pay the national minimum wage of young people employed under this scheme for the first 6 months of their employment, subject to the job being a new one; salary being a national minimum wage or above and the role being for at least 25 hours per week. There will be no cap on the number of places available under the scheme and participating employers will also receive £1,000 for administrative costs. It is estimated that this £2 billion scheme will see the creation of 350,000 new jobs.
- **Apprentices and trainees.** Employers will receive £2,000 to take on young apprentices (£1,500 for apprentices aged 25 and over). In addition, employers will receive £1,000 to take on new trainees.
- **Job centres.** There will be a doubling of front line staff at job centres, as well as an extra £32 million for recruiting extra careers advisers.

BCLP has assembled a COVID-19 Employment & Labor taskforce to assist clients with employment law issues across various jurisdictions. You can contact the taskforce at: COVID-19HRLabour&EmploymentIssues@bclplaw.com. You can also view other thought leadership, guidance, and helpful information on our dedicated COVID-19 / Coronavirus resources page at <https://www.bclplaw.com/en-GB/topics/covid-19/coronavirus-covid-19-resources.html>

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