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Most firms able to restart with three weeks' notice as coronavirus measures lifted, survey shows

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Nine out of ten firms shut down because of **coronavirus** believe they can restart again within three weeks, according to a survey from the British Chambers of Commerce (BCC). Of the 600 firms it questioned, 70 per cent had furloughed staff.

Firms must shoulder part of furloughing costs from August

By Tom Rees

STRUGGLING firms' wage bills could rise by £3.5bn a month from August as the Treasury prepares to wean Britain off emergency jobs support.

Companies face having to cover part of the cost for staff on leave while the taxpayer-funded furlough scheme is wound down. Chancellor Rishi Sunak has vowed to keep furloughed employees' pay at 80pc of their normal earnings up to £2,500 a month – but some of this burden will in future be shouldered by the companies.

Officials are ironing out the details of how the change will work. It is believed a drop in the Treasury's contribution to 60pc has been considered, potentially costing businesses £3.5bn to cover the remaining 20pc of wages.

The furlough scheme has been extended until October, but Mr Sunak warned that businesses will have to share the costs involved from August.

New flexible rules will allow employ-

ees to return to work on a part-time basis without losing support, but some industries may not be ready to bring staff back. On Tuesday, Mr Sunak said that workers will receive the same level of overall support as before, but this would come through the "combined efforts of government and employers".

A tapering of state help would allay fears that it is propping up jobs which will be lost when the scheme ends, by ensuring firms have skin in the game.

More than a third of firms have warned they cannot un-furlough staff as lockdown restrictions are rolled back, according to the British Chambers of Commerce (BCC).

Adam Marshall, BCC director general, said: "Phased support may yet be needed for companies who are unable to operate for an extended period."

Meanwhile, HMRC has said it has received 795 reports of potential fraud after workers reported their employers for abusing the scheme. It said it is now assessing these cases.

More than 70% of companies have placed staff on furlough

Callum Jones Trade Correspondent

More than seven in ten companies have placed workers on furlough to reduce costs and see out the lockdown, according to research.

Ministers have been warned that some businesses could require further, phased support for months to come as they face the prospect of prolonged disruption and muted demand.

Three quarters of companies are confident that they can resume operations while following social distancing rules, the weekly impact tracker by the British Chambers of Commerce (BCC) found, with 89 per cent indicating that they could reopen in three weeks or less.

The survey found that 71 per cent of businesses had furloughed a portion of their workforce. While a little over a third were not confident they would be able to call furloughed staff back to work as the government started to lift

restrictions, 63 per cent said they would be able to do so. This week Rishi Sunak extended the government's job retention scheme, under which the taxpayer provides 80 per cent of furloughed workers' pay up to £2,500 each month, until October.

From August companies will be asked to pay a percentage towards the salaries of their furloughed staff, who will be able to return to work part-time, as the Treasury seeks to scale back the scheme and revive the economy.

Adam Marshall, director-general of the BCC, said: "The job retention scheme has been successful in its aim to protect livelihoods and its extension will come as a huge help and relief for businesses across the UK."

Of the 601 companies which participated in the survey between May 5 and May 8, 36 per cent have either applied for a bounce back loan or intend to. Almost one in five said that they had concerns about repaying the loan.