

Half way through furlough and this week the mass redund..

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Amazingly, today we are half way through the government's furlough scheme. This technically began on 1 March, and is as currently announced a three month arrangement.

Best estimates now suggest that maybe 9 million people are on this scheme. That is three times more than the government expected. The cost may be £24 billion, at present.

And now comes my 'but'. And this is a very big 'but'. But because the government has not announced any extension to this scheme, and nor has it given any indication that lockdown will cease by the end of May, well advised large employers who know that they have to undertake a statutory consultancy period with their staff on redundancy arrangements will begin issuing redundancy notices to maybe millions of people tomorrow, because if staff cannot be paid after 1 June when the furlough scheme ends that's when notice has to be given and the consultations need to begin. For smaller companies (employing less than 100 people) the date when notice is required is later: they will need to issue the redundancy notices at the end of the month.

Of course, not all employers might do this. But I expect that many will. And the moment they do three things will happen.

First, this will hit the headlines.

Second, the government will have to decide on an exit plan, about which it seems extraordinarily ill-prepared, not least because its own gross misinformation on Covid-19 deaths gives it no wriggle room to announce any such plan as yet.

And third, it's going to have to either admit that the proverbial and the fan are really going to meet for millions more people on 1 June, or it is going to have to finally step up to the mark and actually do something real about planning for the economic impact of coronavirus very, very soon, which to date, this scheme apart, it has almost wholly failed to deliver upon.

What do I actually suspect? First, a look of alarmed surprise. Everything else about this crisis has, after all, caught the government out. I think this will too.

Thereafter, there will be panicky reassurance.

That will be followed by a period of inaction, during which promises of 'action soon' will be made.

After that an inadequate plan will be produced. Expect smaller percentage support, or a cap on the percentage of a workforce that may be covered, and maybe it will cease to be a grant and become a loan. All of these will open the floodgates of redundancies, by the way. But the only people who will be surprised by that will be in the government.

What will not happen, yet, is any announcement on ending the lockdown. The Messiah Johnson has to return before that good news can be pronounced.

In summary, we ain't seen nothing yet, including on the scale of this government's incompetence.