

Chancellor praises workers as Plan for Jobs enters next stage

- Chancellor hails UK workforce as Government's Plan for Jobs enters the next stage.
- As furlough winds down flagship schemes such as the super-deduction, Kickstart scheme and traineeships continue.
- Rishi Sunak will call on UK firms to take advantage of support during a visit to a Legal and General modular homes factory and housing site in Yorkshire.

The change comes as latest figures show more employees on payrolls than before the pandemic, underlying wages increasing strongly and the OECD predicting the UK to see the fastest growth in the G7 this year and next.

Having protected over 11.6 million jobs during the toughest times of the pandemic, the furlough scheme closes today after gradually winding down as the economy began to recover. With the majority of Covid restrictions removed and the economy open again, the Government is focused on investing in jobs and skills – with the Plan for Jobs continuing to fuel the economy's bounce-back by supporting employers across the UK to create new jobs, and workers to boost their skills.

During a visit to Legal and General's modular factory in Yorkshire, the Chancellor will double-down on his call for firms to make the most of billions in further support on offer, including the super-deduction – the biggest business tax break in modern British history – the Kickstart Scheme, apprenticeships and traineeships.

Chancellor of the Exchequer, Rishi Sunak said:

I am immensely proud of the furlough scheme, and even more proud of UK workers and businesses whose resolve has seen us through an immensely difficult time. With the recovery well underway, and more than 1 million job vacancies, now is the right time for the scheme to draw to a close.

But that in no way means the end of our support. Our Plan for Jobs is helping people into work and making sure they have the skills needed for the jobs of the future.

Whilst some other countries ended their economy-wide support schemes earlier in the year, our Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme continued into the Autumn. Over 18 months on from its launch and with over £68 billion spent on the scheme, today marks the final day of the furlough scheme which has been instrumental in protecting workers and incomes from the worst of the crisis. The Resolution Foundation said this week that the furlough scheme has "prevented catastrophic rises in

unemployment”, and there are now almost 2 million fewer people forecast to be out of work than was feared at the height of the pandemic

While emergency support draws to a close, the Government will continue to maximise employment across the country, create high quality, productive jobs, and deliver the skills that people, businesses and the economy need to thrive.

This includes:

- the £2bn Kickstart Scheme which has so far placed 76,900 young people at risk of long-term unemployment into jobs
- the Sector-Based Work Academy Programme which has helped 65,000 jobseekers to date – exceeding initial targets
- continued support for employers to take on apprentices, with the government offering a newly-improved Apprenticeship Levy transfers system which will help smaller employers to fund their apprenticeship training, and a £7 million fund to support the creation of new flexi-job apprenticeships to unlock more opportunities in freelance and creative sectors
- the Government’s pioneering Lifetime Skills Guarantee will continue to transform the skills system so everyone, no matter their background, can gain the skills needed to progress in work at any stage of their lives through various programmes including ‘skills bootcamps’ and funding for adults to access free Level 3 courses.

That is just one element of support to boost the economy and support living standards. The Recovery Loan scheme, a reduced 12.5% VAT rate in the hospitality and tourism sectors and ongoing business rates relief are helping businesses to bounce back, and the energy price cap, maintaining the recent rise in Local Housing Allowance and increases in the National Living Wage are supporting families.

Today, the Chancellor will visit Legal and General’s modular homes factory and housing development in Yorkshire to see some of the Plan for Jobs in action. The super-deduction has allowed them to expand their factory capacity and has supported over 1900 jobs across the UK, including 400 new jobs. The Chancellor will meet apprentices and an employee who has secured a placement with Legal and General through the Kickstart scheme.

Further information:

- Up to the end of July, a total of 11.6 million jobs have been furloughed and 1.3 million employers have benefitted from the scheme. As the economy has reopened thanks to the success of the government’s vaccine programme, the number of people still using the furlough scheme has fallen consistently – at the end of July, 1.6 million people remained on furlough compared to nearly 9 million at the scheme’s peak.
- Since the start of the scheme a cumulative amount of £68.5 billion has been claimed. This is across all claims submitted to HMRC by 16 August 2021. This does not include claims submitted for August and September and therefore does not represent the final cost of the scheme

- Over £27 billion has been spent on the self-employed through five Self-Employment Income Support Scheme grants, supporting nearly three million self-employed individuals throughout the pandemic.