

Chancellor statement to the House – Plan For Jobs

Thank you, Mr Speaker,

And let me speak first to the people of Liverpool, Lancashire, South Yorkshire, and Greater Manchester, and indeed other areas moving into, or already living under, heightened health restrictions.

I understand your frustration. People need to know this is not forever.

These are temporary restrictions to help control the spread of virus.

There are difficult days and weeks ahead, but we will get through this, together.

People are not on their own.

We have an economic plan that will protect the jobs and livelihoods of the British people wherever they live and whatever their situation.

And just as we have throughout this crisis, we will listen and respond to people's concerns as the situation demands.

And I make no apology for responding to changing circumstances.

And so today we go further.

Mr Speaker,

The Prime Minister was right to outline a balanced approach to tackling coronavirus:

Taking the difficult decisions to save lives and keep the R rate down, while doing everything in our power to protect the jobs and livelihoods of the British people.

The evidence is clear: a regional, tiered approach is the right way to control the spread of the virus.

My Right Honourable Friend the Chief Secretary yesterday set out for the House our economic support for businesses who are legally required to close under those new restrictions.

We're providing billions of pounds of support for local authorities; a grant scheme for affected businesses worth up to half a billion pounds every month;

And, of course, we expanded the Job Support Scheme – with the government covering the cost of paying two thirds of peoples' normal wages if their employer had been legally required to close.

And for areas in local alert level 3 we have made available over a billion pounds of generous up-front grants so that local authorities can support businesses, protect jobs and aid economic recovery, in a fair and transparent way.

That is our plan to support closed businesses.

But it is clear that even businesses who can stay open are facing profound economic uncertainty.

This morning, I met with business and union representatives, including those from the hospitality industry, to discuss the new restrictions.

Their message was clear: the impact of the health restrictions on their businesses is worse than they hoped.

They recognise the importance of the tiered restrictions in controlling the spread of the virus.

But a significant fall in consumer demand is causing profound economic harm to their industry.

It is clear that they, and other open-but-struggling businesses, require further support.

So, Mr Speaker, I am taking three further steps today.

First, I'm introducing a new grants scheme for businesses impacted by Tier 2 restrictions, even if they aren't legally closed.

We will fund local authorities to provide businesses in their area with direct cash grants.

It will be up to local authorities to decide how best to distribute the grants giving them the necessary flexibility to respond to local economic circumstances.

But I'm providing enough funding to give every business premise in the hospitality, leisure and accommodation sectors a direct grant worth up to £2,100 – for every month Tier 2 restrictions apply.

And that's equivalent to 70% of the value of the grants available for closed businesses in Tier 3. And crucially, I am pleased to confirm these grants will be retrospective.

Businesses in any area which has been under enhanced restrictions can backdate their grants to August.

I have been listening and engaging with colleagues around the House including but not only my Honourable Friends for Heywood and Middleton, Hyndburn, Penistone and Stockbridge, South Ribble, Burnley, Keighley, Cheadle, Leigh and Southport.

I'm pleased to confirm the backdating of the new grants means we are being more generous to businesses and places which have been under higher restrictions for longer.

Let no one say Mr Speaker this Government is not committed to supporting the people and businesses in every region and nation of the United Kingdom.

Second, to protect jobs, we are making the Job Support Scheme more generous for employers. If businesses are legally required to close, as we've already outlined, the Government will cover the full cost of employers paying people two thirds of their salary, where they can't work for a week or more.

For businesses who can open, it is now clear that the impact of restrictions on them, particularly in the hospitality sector, is more significant than they had hoped.

So I am making two changes to the short time work scheme to make it easier for those businesses to keep staff on, rather than make them redundant.

First, under the original scheme, employees had to work for 33% of their normal hours.

Now, we will ask them to work only 20% of their hours.

Second, the employer contribution for the hours not worked will not be 33%, as originally planned, or even 20% as it is in the October furlough scheme – it will reduce to 5%.

And the scheme will apply to eligible businesses in all alert levels, so businesses that are not closed but face higher restrictions in places like Liverpool, Lancashire, South Yorkshire and Greater Manchester, as well as the devolved nations, will be able to access greater support.

These changes mean more employers can access the scheme and more jobs will be protected.

We have made this one of the most generous versions of a short time work scheme anywhere in the world.

It is better for businesses, better for jobs, and better for the economy.

Third, as we increase the contribution we're making towards employees' wages, I'm increasing our contribution to the incomes of the self-employed as well.

Today, we are doubling the next round of the self-employed income support from 20% to 40% of people's incomes, increasing the maximum grant to £3,750.

So far, through this crisis, we have now provided over £13 billion of support to self-employed people.

Sole traders, small businesses and self-employed people are the dynamic entrepreneurial heart of our economy – and this government is on their side.

In conclusion, Mr Speaker,

A wage subsidy for closed businesses.

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Cash grants of over £2,000 a month for Tier 2 businesses and up to £3,000 for closed businesses.

Support for local authorities.

Support for the self-employed.

Support for people's jobs and incomes.

All on top of over £200 billion of support since March.

This is our plan: a plan for jobs, for businesses, for the regions, for the economy, for the country; a plan to support the British people.

And I commend this statement to the House.