

# Rishi's Plan for Jobs will help Britain bounce back

Delivering his Summer Economic Update in Parliament, the Chancellor announced a package of measures to support jobs in every part of the country, give businesses the confidence to retain and hire, and provide people with the tools they need to get better jobs.

The plan for jobs is the second part of a three-phase plan to secure the UK's economic recovery from coronavirus. Throughout the pandemic, the UK Government has acted with speed to protect lives and safeguard jobs.

The first stage was a £160 billion support package, which included £49 billion of extra funding for the country's vital public services including the NHS, paying the wages of nearly 12 million people and supporting over a million businesses through grants, loans and rates cuts.

As the UK enters the second phase in its recovery, the Chancellor's plan is designed to support jobs by focussing on skills and young people, create jobs with investment in shovel-ready projects and greening our infrastructure, and protect jobs through a VAT cut for the hospitality sector and a landmark Eat Out to Help Out discount scheme for diners.

The Chancellor of the Exchequer Rishi Sunak said:

Throughout this crisis I have never been the prisoner of ideology. For me, this has never just been a question of economics, but of values.

We believe in the nobility of work. We believe in the inspiring power of opportunity. We believe in the British people's fortitude and endurance.

Our plan has a clear goal: to protect, support and create jobs. It will give businesses the confidence to retain and hire. To create jobs in every part of our country. To give young people a better start. To give people everywhere the opportunity of a fresh start.

The Chancellor said that following this second phase focusing on jobs, there will be a third phase focusing on rebuilding, with a Budget and Spending Review in the autumn.

## **Supporting jobs**

As part of the plan to support jobs, a Job Retention Bonus will be introduced to help firms keep furloughed workers. UK Employers will receive a one-off bonus of £1,000 for each furloughed employee who is still employed as of 31 January 2021.

A new £2 billion Kickstart Scheme will also be launched to create hundreds of thousands of new, fully subsidised jobs for young people across the country. Those aged 16-24, claiming Universal Credit and at risk of long-term unemployment, will be eligible. Funding available for each six-month job placement will cover 100% of the National Minimum Wage for 25 hours a week – and employers will be able to top this wage up.

A total of £1.6 billion will be invested in scaling up employment support schemes, training and apprenticeships to help people looking for a job. Young people, who are amongst the worst hit by the crisis, will benefit from this. This includes:

- Businesses will be given £2,000 for each new apprentice they hire under the age of 25. This is in addition to the existing £1,000 payment the Government already provides for new 16-18-year-old apprentices and those aged under 25 with an Education, Health and Care Plan.
- A £111 million investment to triple the scale of traineeships in 2020-21 ensuring more young people have access to high quality training.
- £17 million of funding to triple the number of sector-based work academy placements in 2020-21
- Nearly £900 million to double the number of work coaches to 27,000;
- Over a quarter of a million more young people to benefit from an extra £32 million investment in the National Careers Service.

## **Creating jobs**

The plan will also create tens of thousands of jobs through bringing forward work on £8.8 billion of new infrastructure, decarbonisation and maintenance projects.

This includes a £3 billion green investment package that could help support around 140,000 green jobs and upgrade buildings and reduce emissions.

As part of this package homeowners and landlords in England will be able to apply for vouchers from a £2 billion Green Homes Grant scheme this year to pay for green improvements such as loft, wall and floor insulation that could save some households hundreds of pounds a year on their energy bills while creating thousands of jobs for tradespeople.

And a £1 billion programme will make public buildings, including schools and hospitals, greener, helping the country meet its ambitions of achieving Net Zero by 2050, whilst investing in our future prosperity.

In addition, £5.8 billion will be spent on shovel-ready construction projects to get Britain building. This includes:

- £1.5 billion for hospital maintenance and upgrades
- £100 million for our local roads network
- over £1 billion to start to rebuild schools in the worst condition in England, plus £760 million this year for key maintenance work on schools and FE colleges
- £1 billion for local projects to boost local economic recovery in the

places that need it most

- £142 million for court maintenance to repair around 100 courts across England.

## **Protecting jobs**

The plan will also protect jobs. The tourism and hospitality sectors are massive employers in the UK and have been severely impacted by the pandemic due to necessary closures to protect public health. 80% of hospitality firms stopped trading in April and 1.4 million hospitality workers have been furloughed – the highest proportions of any sector.

Ensuring there is enough demand as businesses reopen is key to helping these businesses recover and have the confidence to protect jobs and rehire. Therefore, to encourage people to safely return to eating out at restaurants the Government's new Eat Out to Help Out discount scheme will provide a 50% reduction for sit-down meals in cafes, restaurants and pubs across the UK from Monday to Wednesday every week throughout August 2020.

The rate of VAT applied on most tourism and hospitality-related activities will also be cut from 20% to 5%. This will save households around £160 per year on average and, together with the Eat Out to Help Out Scheme, will support over 2.4 million staff at over 150,000 businesses, helping them recover and reopen after the Covid-19 lockdown. This will give these businesses the confidence to maintain their staff, as more people get through the door and business activity kick-starts again.

We want people to feel confident to move, to buy, to sell, to renovate, and to improve their homes. So we're introducing a temporary increase to the Nil Rate Band of Residential SDLT (Stamp Duty) from £125,000 to £500,000 until 31 March 2021. In England and Northern Ireland nearly 9 out of 10 people getting on or moving up the property ladder will pay no Stamp Duty at all. This will drive growth and support jobs across the housebuilding and property sectors.