



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

9 October 2020

Mel Stride MP
Chair
Treasury Committee
House of Commons
London
SW1A 0AA

Dear Mel,

Today I announced the expansion of the Job Support Scheme (JSS) and increased generosity and frequency of Local Restrictions Support Grants, as the next stage of our Winter Economy Plan. Our aim is to provide support for those businesses that may be asked to close this winter. I have written to you and other colleagues, outlining the design of this scheme. I wanted to provide you with further information and background to these schemes.

Job Support Scheme Expansion for closed business premises

In order to protect jobs and UK businesses, we are expanding the JSS for businesses legally required to temporarily close their premises as a direct result of Coronavirus restrictions set by one or more of the four governments of the UK. As a UK-wide scheme, it will protect jobs across the whole of the UK, helping businesses to reopen more quickly once those restrictions are lifted and I look forward to working constructively with the devolved administrations to ensure the scheme operates effectively in all four nations.

This is part of the Job Support Scheme, available to employers from 1 November 2020 for 6 months, with the scheme reviewed in January. Further guidance will be published in the

coming weeks. Employers will be able to make a claim on a monthly basis online through gov.uk from early December 2020.

Eligibility for employers

In line with the rules for the JSS already announced: all employers with a UK bank account and a UK PAYE scheme registered on or before 23 September can claim the scheme. This means a Real Time Information (RTI) submission notifying payment to that employee to HMRC must have been made on or before this date. This scheme will cover businesses that, as a result of restrictions set by one or more of the four governments in the UK, are legally required to close their premises. This includes businesses told to provide, only delivery and/or collection services from their premises. This scheme is open to employers across the UK, and we look forward to working constructively with the devolved administrations to ensure it operates effectively in all four nations.

The scheme will pay a grant to the employer calculated based on the number of eligible employees who cannot work at all at the relevant premises (which has been required to close by the government). Employers will only be able to use the scheme for employees who have been instructed to and cease work (paid or unpaid for that employer).

Eligible employees must have been instructed to and cease work for a minimum of 7 consecutive (or calendar) days. An employee can come off the scheme and return at a later date. Claims must not overlap and must be made monthly in arrears. These payments will be taxable, and employers will be required to cover employer NICs and automatic enrolment pension contributions in full, where applicable, but are not required to make further contribution to wage costs. However, employers can top up employee pay if they wish.

Neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme (CJRS).

Eligibility for employees

In line with JSS payments for hours not worked, the grant per eligible employee available from the UK Government is two-thirds of their normal pay up to a limit of £2100 per month. Further detail on how normal pay is calculated will be set out in guidance. If your employer is closed by Government regulation then they can claim under the applicable rules. When that changes and they are able to re-open they can claim under the wider JSS for firms facing reduced demand under the criteria we outlined in September. Employers will be able to claim the Job Retention Bonus for employees provided they are eligible and previously part of the CJRS. JSS grants can be used by employers to pay an employee's wages and help meet the JRB Minimum Income Threshold.

What does this cover?

The employer must use the scheme to cover their employees' wages and pay relevant payroll taxes. The whole of the grant must be used to meet employee costs. The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer. Payments will be made in arrears, reimbursing the employer for the Government's contribution.

Local Restrictions Support Grant

On 9 September, the Government announced the Local Restrictions Support Grant scheme. This scheme provided businesses which are forced to closed for three weeks or more due to a nationally imposed local lockdown in England with grants of up to £1,500 per three-week closure period.

The Government is now making this scheme more generous so that businesses receive up to £3,000 per month, and are eligible for payment sooner, after only two weeks of closure rather than three. The Government is also extending the scheme to include

businesses which have been forced to close on a national rather than a local basis, or which have not been legally able to reopen since the first lockdown in March.

Businesses will receive the following:

- For properties with an RV of £15k or under, grants to be £1,334 per month, or £667 per two weeks
- For properties with an RV of between £15k-£51k grants to be £2000 per month, or £1000 per two weeks
- For properties with an RV of £51k or over grants to be £3000 per month, or £1500 per two weeks

Local Authorities will continue to receive 5% of the funding which they received for the Local Restrictions Support Grant scheme as a discretionary fund, which the Government will encourage them to use to support business that have been legally mandated to close by the Government but are outside of the business rates system.

Grants will be administered by Local Authorities, and eligible businesses will probably need to provide their details to their Local Authority to access this support.

Our wider economic toolkit

We have developed a toolkit of economic measures, to give people and businesses the right support, at the right time, for their situation. If a business can open, the Government wants their employees to be able to return to work. The Jobs Support Scheme will directly support the wages of people in work, giving businesses the option of keeping employees in a job on shorter hours rather than making them redundant.

Other measures in this toolkit include the now more generous Local Restrictions Support Grant for businesses in England and £1.57 billion to protect Britain's world-class cultural, arts, and heritage institutions. I am extending the access to finance support, including extending four of the temporary loan schemes (CBILS, CLBILS, BBLS and the Future Fund)

and providing flexibility to repay these loans and deferred VAT. Our support for business has, and continues to, reach millions of firms. In addition, businesses can also access business rates holidays, and a moratorium of eviction for commercial tenants.

Early in 2021, for every employee brought back from being on the CJRS, we will also pay businesses a Jobs Retention Bonus (JRB). This bonus will be available for workers brought back on short-hours, as long as they satisfy the requirements of the JRB.

In addition, employers will be able to claim the JRB for employees on the expanded JSS, provided they are eligible and previously part of the CJRS. JSS grants can be used by employers to pay an employee's wages and help meet the JRB Minimum Income Threshold.

The JSS is just one element of a comprehensive package of support for individuals, including, rental support, mortgage holidays, and extra funding for the welfare safety net to help those unable to access other forms of support.

The temporary welfare measures include a £20 per week increase to the Universal Credit standard allowance and Working Tax Credit basic element. We increased the Local Housing Allowance rates for Universal Credit and Housing Benefit claimants and relaxed the Universal Credit minimum income floor. On 8 July, I announced the new Plan for Jobs which will make available up to £30 billion to assist in creating, supporting and protecting jobs.

As for the self-employed, you will be aware of the significant support this Government has provided through the Self-Employment Income Support Scheme (SEISS), government-backed loans and changes to Universal Credit. The UK continues to have one of the most generous self-employed Coronavirus support schemes in the world.

The Government has recently extended the SEISS for those self-employed who continue to trade. Small business owners will benefit from the more generous Local Restrictions Support Grant scheme. Self-employed traders with employees will also be able to claim

the expanded JSS in respect of their employees, under the same terms as any other employer.

Our economic priority is to protect jobs. The way we do that needs to evolve as the crisis, and our health response, evolves. The Winter Economy Plan and the expanded Jobs Support Scheme is the next step in protecting businesses, jobs and the livelihoods of the British people.

A handwritten signature in blue ink, appearing to read 'Rishi Sunak', with a stylized flourish at the end.

RISHI SUNAK