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News story

Chancellor announces workers' support package

Chancellor Rishi Sunak announces package to support workers as government confirms further measures to keep people safe

From:

HM Treasury (<https://www.gov.uk/government/organisations/hm-treasury>), Ministry of Housing, Communities & Local Government (<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government>), Department for Work and Pensions (<https://www.gov.uk/government/organisations/department-for-work-pensions>), Department for Business, Energy & Industrial Strategy (<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>), The Rt Hon Thérèse Coffey MP (<https://www.gov.uk/government/people/therese-coffey>)

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The Rt Hon Robert Jenrick MP (<https://www.gov.uk/government/people/robert-jenrick>), The Rt Hon Alok Sharma MP (<https://www.gov.uk/government/people/alok-sharma>), and The Rt Hon Rishi Sunak MP (<https://www.gov.uk/government/people/rishi-sunak>)

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The Chancellor has today outlined an unprecedented package of measures to protect millions of people's jobs and incomes as part of the national effort in response to coronavirus. This comes as Government instructs entertainment and hospitality premises, like bars and restaurants, to close from tonight to limit spread of coronavirus.

A new Coronavirus Job Retention Scheme will be set up to help pay people's wages. Employers will be able to contact HMRC for a grant to cover most of the wages of their workforce who remain on payroll but are temporarily not working during the coronavirus outbreak. Any employer in the country - small or large, charitable or non-profit will be eligible for the scheme.

Universal Credit and tax credits will also be increased as part of an almost £7 billion welfare boost, as he outlined one of the most generous business and welfare packages by any government so far in response to Covid-19.

To ease cash flow pressures for UK VAT registered businesses, VAT bills from now until the end of June, will be deferred until the end of the tax year.

The Chancellor's workers' support package means:

- UK workers of any employer who is placed on the Coronavirus Job Retention Scheme can keep their job, with the government paying up to 80% of a worker's wages, up to a total of £2,500 per worker each month. These will be backdated to 1st March and will be initially open for 3 months, to be extended if necessary.
- VAT payments due between now and the end of June will be deferred. No VAT registered business will have to make a VAT payment normally due with their VAT return to HMRC in that period. Income tax payments due in July 2020 under the Self Assessment system will be deferred to January 2021, benefitting up to 5.7m self-employed businesses.
- Additionally, the Coronavirus Business Interruption Loan Scheme, launched at Budget, will now be interest free for twelve months.
- The standard rate in Universal credit and Tax Credits will be increased by £20 a week for one year from April 6th, meaning claimants will be up to £1040 better off.
- Nearly £1bn of additional support for renters, through increases in the generosity of housing benefit and Universal Credit. From April, Local Housing Allowance rates will pay for at least 30% of market rents in each area.

HMRC are working night and day to get the unprecedented Coronavirus Job Retention Scheme up and running and we expect the first grants to be paid within weeks.

Chancellor of the Exchequer Rishi Sunak said:

We continue to do everything possible to protect the public from coronavirus. We have been working round the clock so that we can today confirm an unprecedented package of support to protect people's jobs and wages. And we're strengthening our safety net at the same time.

I said we would help individuals, businesses and the most vulnerable through this outbreak and I meant it. We will do whatever it takes in the weeks and months ahead.

Work and Pensions Secretary Therese Coffey said:

We will do whatever it takes to protect the most vulnerable and get them through these unprecedented times, and the changes we are making to Universal Credit will help millions of people in most need.

We are standing by those who rely on the welfare safety net as we work towards turning the tide on this disease and moving on together.

Business Secretary, Alok Sharma, said:

We have committed to doing whatever it takes to support businesses and households through these unprecedented times, and today shows just how far we are willing to go.

This intervention is unheard of in peacetime, but it is crucial we stand behind our businesses and those that rely on them for work and income.

All measures announced today across the business and welfare package are UK-wide.

In order to help delay the spread of Coronavirus, the Government has instructed entertainment and hospitality businesses including pubs, bars and restaurants to close from tonight.

This follows expert advice that more needs to be done in order to tackle the spread of infection - following the call to action to isolate or socially distance. The measure, set to be reviewed on a monthly basis, will not affect supermarkets or retailers that supply fuel, medicines and other vital goods, which will continue to be open as normal for the public.

The following businesses have been asked to close:

- Food and drink venues for consumption on-site, such as restaurants and cafes.
- Drinking establishments, including pubs, bars, nightclubs.
- Entertainment venues, including cinemas, theatres, concert halls, and bingo halls.
- Museums and galleries.
- Spas, wellness centres and massage parlours.
- Casinos and betting shops.
- All indoor leisure and sports facilities, including gyms.

This measure will not impact the relaxation of planning rules announced earlier this week which will allow pubs and restaurants to operate as hot food takeaways during the coronavirus outbreak.

The decision on closures will be reviewed on a monthly basis, and are being implemented across the whole of the UK in agreement with the devolved administrations. If needed, the government will enforce these measures by law.

Communities Secretary Rt Hon Robert Jenrick MP said:

We will do whatever it takes to protect people across this country as we tackle the coronavirus outbreak.

While people have responded well to calls for social distancing and self-isolation, we must go further if we are to be able to stop the spread of the virus and protect the most vulnerable people in our society, and our NHS.

That is why we are now telling entertainment and hospitality premises to close temporarily, and people to only travel if absolutely essential, to help protect each other from the further spread of the virus.

We stand behind businesses and their employees and are offering an unprecedented range of support as we tackle this huge challenge together.

More information about the measures announced for businesses by the Chancellor can be found here (<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>).

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