

Chancellor's statement on coronavirus (COVID-19): 29 May 2020

Good evening.

I'm joined here in Downing Street by Professor Steve Powis, Medical Director of NHS England.

Let me begin with the latest figures:

- 4,043,686 tests have been carried out in the UK, including 131,458 tests yesterday
- 271,222 people have tested positive, an increase of 2,095 cases since yesterday
- sadly, of those who tested positive for coronavirus, across all settings, 38,161 people have now died
- that's an increase of 324 fatalities since yesterday

Our thoughts, as always, are with the family and friends of those who have lost their lives.

Today's figures confirm what the PM has said:

We are past the peak. We are flattening the curve. We have protected the NHS and the number of deaths is falling.

Over the coming weeks, we can now take careful but deliberate steps to reopen our economy.

Across the country, office lights will be turned on and windows thrown open.

Work clothes and school uniforms will be pulled out of the wardrobe.

Shops and factories will start to hum with activity.

As we enter this new phase, things will change.

Businesses will need to become Covid secure to protect staff and customers.

We will all need to stay alert as we go about our daily lives.

And, as Britain returns to work, we need to adapt the emergency programmes we put in place to bridge through the crisis.

Because of those programmes, our economic prospects are better than they otherwise would have been.

We have provided:

- tens of billions of pounds of tax cuts, tax deferrals, cash grants and discounted loans for businesses.
- income protection for millions of the self-employed
- a strengthened safety net to protect millions of our most vulnerable people

And our job retention scheme has now supported more than 8 million jobs and over a million businesses.

No British Government, Labour or Conservative, has ever done anything like this.

I believe it has made a real difference.

But as we reopen the economy, there is broad consensus across the political and economic spectrum:

The furlough scheme cannot continue indefinitely.

Two weeks ago, I outlined the principles of my approach:

- the furlough scheme will remain open all the way until October
- we will ask employers to start contributing, as we also introduce flexible furloughing
- and employees will see no change to their level of support

As promised, I can provide more details today.

I believe it is right, in the final phase of this eight-month scheme...

...to ask employers to contribute, alongside the taxpayer, towards the wages of their staff.

But I understand, too, that businesses and employers have been through an incredibly difficult time.

So I have decided to ask employers to pay only a modest contribution, introduced slowly over the coming months.

In June and July, the scheme will continue as before, with no employer contribution at all.

In August, the taxpayer contribution to people's wages will stay at 80%.

Employers will only be asked to pay National Insurance and employer pension contributions...

...which, for the average claim, account for just 5% of total employment costs.

By September, employers will have had the opportunity to make any necessary changes to their workplaces and business practices.

Only then, in the final two months of this eight-month scheme, will we ask employers to start paying towards people's wages.

In September, taxpayers will pay 70% of the furlough grant, with employers contributing 10%.

In October, taxpayers will pay 60%, and employers will contribute 20%.

Then, after eight months of this extraordinary intervention...

...of the government stepping in to help pay people's wages, the scheme will close.

The biggest request I've heard from businesses large and small, right across our country, is to have the flexibility to decide what is right for them.

So, to protect jobs, and help businesses decide how quickly to bring their workforce back, we are introducing a new, more flexible furlough.

This is a critical part of our plan to kickstart the economy.

The financial security of the furlough scheme has been a relief for many, but at the same time people want to work.

No one wants to be at home on furlough. No one wants to feel unable to contribute.

So HMRC and the Treasury have worked hard to put the flexible furlough in place not from August 1st, as originally planned, but from July 1st – one month early.

From July 1st, employers will have the maximum possible flexibility to decide on the right arrangements for them and their furloughed staff.

For instance, if you are watching at home and on furlough, your employer could bring you back two days a week.

They would pay you for those two days as normal, while the furlough scheme will continue to cover you for the other three working days.

To allow us to introduce this new, flexible furlough from July 1st, we will

need to close the old scheme to new entrants on June 30th.

Employers wanting to place new employees on the scheme will need to do so by June 10th...

...to allow them time to complete the minimum furlough period before then.

Alongside the furlough scheme for employees, our economic response has also supported the self-employed:

2.3 million people have now applied for our income support scheme.

I know people have been waiting to hear whether the scheme will be extended;

I understand people have been anxious.

I can confirm today:

The self-employment income scheme will be extended, with applications opening in August for a second and final grant.

The final grant will work in the same way as the first did, paid out in a single installment covering three months' worth of average monthly profits.

To maintain the sense of fairness alongside the job retention scheme...

...the value of the final grant will be 70%, up to a total £6,570.

Otherwise, there will be no changes and no further extensions to the schemes, which continue to be some of the most generous in the world.

Our economic response to coronavirus was designed to keep people in work, protect people's incomes, and support businesses.

All to give us the best chance of recovering quickly as the economy reopens.

These measures have been on a scale unmatched by any government in recent history.

But I do want to acknowledge that we haven't been able to support everyone in the exact way they would want.

I understand some people have felt frustrated. But you were not and have not been forgotten.

Even if you don't qualify for the furlough or self-employment schemes, we've provided a wide range of support...

...from discounted loans, to tax cuts, mortgage holidays and enhanced welfare.

Now, our thoughts, our energies, our resources must turn to looking forward, to planning for the recovery.

And we will need the dynamism of our whole economy as we fight our way back

to prosperity.

Not everything will look the same as before.

It won't be the case that we can simply put the key in the lock, open the door, and step into the world as it was in January.

We will develop new measures to grow the economy, to back business, to boost skills, and to help people thrive in the new post-Covid world.

Today, a new national collective effort begins: to reopen our country and kickstart our economy.

Thank you.