Official figures show that the furlough scheme has worked: saving jobs and helping more than half of employees back to work already

At the schemes peak in May, 30% of the workforce across the UK was furloughed. The share of the workforce furloughed fell by more than half to 11% by mid-August — and will likely have fallen further since.

To tackle the impact that the coronavirus pandemic had on people's jobs, businesses and livelihoods, the government introduced one of the most generous and comprehensive packages of support in the world, including the Coronavirus Job Retention Scheme.

The data comes as the Chancellor visited pottery firm Emma Bridgewater, who have recently returned nearly all of their furloughed staff to work. During the visit, he raised awareness of the Job Retention Bonus that will support companies returning staff to work and reward them for keeping them in their jobs.

The Chancellor of the Exchequer, Rishi Sunak, said:

As today's official employment figures today show, the furlough scheme has done what it was designed to do — save jobs and help people back to work, where they want to be.

We were clear at the start of the pandemic that we couldn't save every job, but the furlough scheme has supported millions of workers and we want to help employers keep people on. Our Job Retention Bonus will do exactly that, supporting businesses to do the right thing.

Over the summer, ONS data shows that less than 1% of the workforce was made redundant in every 2 week survey period, showing that the scheme is delivering on its aim of saving jobs and retaining the connection between employees and their workplace.

The ONS Business Impact of Coronavirus Survey also shows that the flow of employees off furlough has been steady, falling by 6% in late July and a further 6% in early August.

By the time the scheme closes, it will have been open for eight months, with support continuing in the form of the Job Retention Bonus which kicks in from November and supports the wages of staff brought back to work.

The £1,000 Job Retention Bonus is equal to a 20% wage subsidy for the

employment costs of the average person previously furloughed, but for those on lower incomes, it's 40% of wage costs over the 3-month period to the end of January 2021.

The government is also creating new roles for young people through the £2 billion Kickstart scheme, creating incentives for training and apprenticeships.

Notes

- the total value of all CJRS claims made up to 31 August is £37.5 billion
- the £1,000 bonus is equivalent to 20% of the median employment costs for furloughed employees
- the figures also show the impact of Eat Out to Help Out and the cut to VAT for jobs in the hospitality and leisure sectors in August, as data shows the proportion of workers furloughed in these sectors fell from over 80% in May to less than 30% in mid-August
- almost 1 in 3 eligible employments have been supported by the scheme in each country and region within the UK at some point during the scheme
- the 30% is from Wave 6 of ONS's survey
- the 11% is from Wave 12 of the survey
- HMRC statistics show that the number of employments furloughed peaked at 8.9 million on 8 May, with 9.6 million employments in total furloughed for at least part of the period between March to June. Further information can be found at <u>'Coronavirus Job Retention Scheme</u> <u>statistics: August 2020'</u>