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Llywodraeth Cymru
Welsh Government

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Ein cyf/Our ref RE/221/20

Chancellor of the Exchequer
Rt Hon Rishi Sunak MP
H M Treasury
action.chancellors@hmtreasury.gov.uk

04 June 2020

Dear Chancellor,

Job Retention Scheme and Self-Employment Income Support Scheme

We are writing further to your announcement on 29 May about the future of the Job Retention Scheme.

As you know, the Welsh Government is hugely supportive of the fact that the UK Government launched the Job Retention Scheme (JRS) and the Self-Employment Income Support Scheme (SEISS). These two schemes have played a vital role in enabling businesses across Wales (and indeed the UK) to survive the initial shock of the Covid 19 crisis and lockdown.

We therefore welcome your announcement that self-employed people will be able to claim a second quarter of the SEISS, your confirmation that the JRS will continue until the end of October, the early introduction of 'flexible JRS' and the fact that the requirement for an employer contribution will only be phased in relatively gradually.

However, we have a number of questions and concerns.

Firstly, you have made clear that it is your intention that the JRS (and SEISS) will be brought to an end at the end of October. This will inevitably represent a 'cliff-edge' for many businesses, while some may even balk at the first steps to make them contribute from August on. Do you have any estimates or modelling of the likely level of redundancies which will result? How do you propose to mitigate this? What plans, if any, do you have for active labour market measures to support those made redundant with training and into new jobs?

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Secondly, will the decision to end the Schemes definitively be implemented even if there is a second (or further) peak(s) which require a further national lockdown? Or if the response to the pandemic going forward requires regional or local lockdowns with some or all businesses in those areas required to close? In our view, this would seem illogical and would risk very significant job losses which in turn will increase welfare expenditure.

Thirdly, is it your expectation that by the time the Schemes end there will be no businesses which are closed as a result of Covid 19-related public health legislation or which, while legally allowed to operate will in practice not be able to re-open? In Wales, we are not confident that businesses in the hospitality and tourism sector (particularly pubs, cafes and restaurants without outdoor space) and arts and cultural organisations will be able to function normally on this timescale. As you have been clear that you do not wish to differentiate between sectors in access to the JRS, will you consider working with the relevant Whitehall departments (notably DCMS) and the devolved governments to identify and meet specific sectoral needs?

Finally, what is your intention with regard to individuals required to self-isolate as a result of the 'test, trace and isolate' policy which is intrinsic to our Governments efforts to prevent the uncontrolled spread of the virus? It is essential that people advised to stay at home are not pressurised by loss of income to go back to work and we believe this is bound to be the case if all they are offered is the minimal income from Statutory Sick Pay. There is also a strong equalities aspect to this, given the clear evidence that BAME people are disproportionately likely to become ill with the virus.

We are copying this letter to the Chief Secretary to the Treasury, to the Secretary of State for Business, Energy and Industrial Strategy and to our counterparts in the Scottish Government and the Northern Ireland Executive.

Yours sincerely,



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