



Rt Hon Rishi Sunak
Chancellor of the Exchequer
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16 October 2020

Dear Chancellor

JOB SUPPORT SCHEME EXPANDED

I am writing to you as the Welsh Government is actively considering introducing a Wales-wide “circuit breaker” intervention to help bring the spread of coronavirus cases in under control.

This intervention would run from October 23 to November 9 and require people to stay at home, except for a defined, narrow range of reasons, and entail closing by statutory instrument a significant proportion of customer-facing businesses.
I will announce a decision about this on Monday October 19.

I welcomed your assurance at the COBR meeting on Monday that the only criterion determining whether a Wales-based employer was eligible for the new Job Support Scheme (JSS) Expanded would be whether their business had been legally required to close by the Welsh Government. This has been also been confirmed by your officials. We are therefore proceeding on that basis.

I am aware that on current plans, employers will only be able to claim under the JSS Expanded from 1 November. **I am writing to ask you as a matter of urgency to bring this date forward to 23 October**, while preventing an employer claiming for the same employee under both the JRS and the JSS for the week in which both would be running in parallel.

The reasons for this request are as follows:

- It is essential we start our circuit breaker from 23 October to minimise the disruption to the education of children as school half term in almost all Welsh local authorities

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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.

begins on that day. This also reflects the urgency of the public health emergency we are facing in Wales.

- It is unreasonable to expect employers – even if they theoretically can still access the JRS from that date to 1 November – to do so:
 - In the worst-affected sectors, leisure and hospitality, it is likely that many staff will only have been employed since we lifted restrictions on indoor hospitality on 25 July. It will be impossible to claim for these staff under JRS because the rules of the scheme require an employee to have been furloughed before 30 June to access it.
 - Under JSS Expanded, employers are not required to make any financial contribution to core wage costs, which is reasonable given that the businesses cannot operate and cannot generate an income. However, the JRS requires for staff furloughed in October that the employer pays a minimum of 20% of the wage costs.
 - It is unreasonable to expect employers to apply for two different schemes for the same employees, each for (potentially) one week only.
- The additional costs to the Exchequer would be small in respect of employees covered by both schemes, the difference between paying 60% and 67% of wage costs (up to the limit of £2,100 per month).
- Only HMRC can administer a scheme of this sort, given the systems it has already put in place.
- We assume that similar issues are being faced by businesses, which are required to close in tier three areas in England and this would help resolve them.

The Welsh Government would be willing to reimburse HMRC for the additional costs of paying 67% of the wage costs of eligible employees instead of 60%.

While there are other changes to the schemes you have announced, which I would ideally like to see, this change is one, which is critically important to support businesses and safeguard jobs. A decision on this issue is needed extremely urgently.

I would be very grateful if you could confirm within the next few days if this is possible.

I am copying this letter to the Chancellor of the Duchy of Lancaster, the Secretary of State for Wales, the First Minister of Scotland and the First and deputy First Ministers of Northern Ireland.

Best Wishes

Personal Data

MARK DRAKEFORD