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Dear Chancellor

The future of the Job Retention Scheme

Thank you again for your constructive and positive engagement on the Job Retention Scheme (JRS). We know it is playing a vital role in saving jobs and livelihoods across the country and protecting our ability to recover. We were glad that you took the vital step to extend the scheme until the end of June, while we know that strict lockdown measures are likely to remain in place.

We are writing to request a discussion about the future of the scheme beyond June. We understand the reasons why the Treasury took the decision to extend the scheme until June at the last possible minute. However, while of course exact timings still remain unclear, we are keen to be able to provide more certainty to workers and business as we begin to plan for a new period of transition towards a safe return to work in most industries. We note that the period at which notice of consultation around potential redundancies would need to be issued were the scheme to end in June is the 17th May.

As always, alongside the imperative of ensuring safety at work, we want to protect as many jobs and livelihoods as possible. We would welcome the opportunity to discuss how the JRS can support these shared objectives specifically for the new conditions of this anticipated transition period.

We believe that the following measures will be necessary to ensure that the vital work that the scheme has performed is not lost.

- **The scheme should be maintained as long as the current set of lockdown restrictions remain in place.**

Frances O'Grady *General Secretary* Paul Nowak *Deputy General Secretary*



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- **The flexibility of the scheme should be expanded to support short-time working**, to enable a gradual return to work. We would be keen to discuss how best to achieve this in a way that supports businesses to resume trading in a phased way that may allow, for example, for social distancing. Options could include reducing the minimum period of furlough to one week, to allow businesses to run more flexible job rotation schemes, or enabling the scheme to support just half of a furloughed workers wages; for example, if an employee usually works 40 hours, the employer could allow them to return for 20 hours, paid by the employer. The government would then cover the remaining 20 hours not being worked at 80 per cent of usual pay. This is common practice in short-time working schemes currently being used across advanced economies.
- **Ensuring the scheme still protects those who cannot work despite easing of the lockdown**, including those who are shielding or caring for someone shielding, and parents who cannot work while schools are closed. We have hugely welcomed the clear guidance that the scheme can protect the livelihoods of these workers. It will be vital that this support is continued - and this measure will help to mitigate the impact of the virus and economic shock falling disproportionately on certain groups.

I would welcome the chance to discuss these issues with you, and would be happy to discuss further how best we ensure a sustainable economic recovery, that protects workers jobs, pay and rights.

As you know, the TUC has been calling for a tri-partite national council for reconstruction and recovery to be set up to guide us through the next phase of the crisis towards a sustainable recovery. We believe that this would be an ideal forum to discuss difficult issues such as this and would also welcome the opportunity to talk to you about how we might progress this idea.

I look forward to speaking to you,

Yours sincerely,

PD

Frances O'Grady
General Secretary