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Speech

The Chancellor Rishi Sunak provides an updated statement on coronavirus.

The Chancellor unveiled today (20 March) a further series of measures to support people, jobs and businesses.

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From:

HM Treasury (<https://www.gov.uk/government/organisations/hm-treasury>) and The Rt Hon Rishi Sunak MP (<https://www.gov.uk/government/people/rishi-sunak>)

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Good afternoon.

The economic intervention that I'm announcing today is unprecedented in the history of the British state.

Combined with our previous announcements on public services and business support, our planned economic response will be one of the most comprehensive in the world.

Let me speak directly to people's concerns.

I know that people are worried about losing their jobs.

About not being able to pay the rent or the mortgage.

About not having enough set by for food and bills.

I know that some people in the last few days have already lost their jobs.

To all those at home right now, anxious about the days ahead, I say this: you will not face this alone.

But getting through this will require a collective national effort, with a role for everyone to play – people, businesses and government.

It's on all of us.

To meet our commitment to that effort, I am today announcing a combination of measures unprecedented for a government of this nation.

Our Plan for People's Jobs and Incomes, will: * Protect people's jobs; * Offer more generous support to those who are without employment; * Strengthen the safety net for those who work for themselves; * And help people who stay in their homes.

The first part of our plan is to protect people's jobs.

This week, the Government has taken unprecedented steps to fight the coronavirus.

We have closed schools. We have told people to stay at home to prevent the spread of infection. We are now closing restaurants and bars.

Those steps are necessary to save lives.

But we don't do this lightly – we know those measures will have a significant economic impact.

I have a responsibility to make sure we protect, as far as possible, people's jobs and incomes.

Today I can announce that, for the first time in our history, the government is going to step in and help to pay people's wages.

We're setting up a new Coronavirus Job Retention Scheme.

Any employer in the country – small or large, charitable or non-profit - will be eligible for the scheme.

Employers will be able to contact HMRC for a grant to cover most of the wages of people who are not working but are furloughed and kept on payroll, rather than being laid off.

Government grants will cover 80% of the salary of retained workers up to a total of £2,500 a month – that's above the median income.

And, of course, employers can top up salaries further if they choose to.

That means workers in any part of the UK can retain their job, even if their employer cannot afford to pay them, and be paid at least 80% of their salary.

The Coronavirus Job Retention Scheme will cover the cost of wages backdated to March 1st and will be open initially for at least three months - and I will extend the scheme for longer if necessary.

I am placing no limit on the amount of funding available for the scheme. We will pay grants to support as many jobs as necessary.

And can I put on record my thanks to the Trades Union Congress, the CBI and other business groups, for our constructive conversations.

We said we would stand together with the British people – and we meant it.

We have never had a scheme in our country like this before – and we're having to build our systems from scratch.

I can assure you that HMRC are working night and day to get the scheme up and running and we expect the first grants to be paid within weeks – and we're aiming to get it done before the end of April.

But I know that many businesses are hurting now.

I have already taken extraordinary measures to make cash available to businesses, through loans, grants and guarantees.

I can announce today that the Coronavirus Business Interruption Loan Scheme will not be interest free, as previously planned, for 6 months – it will now be interest free for twelve months.

Thanks to the enormous efforts of our critical financial services sector, those loans will now be available starting on Monday.

And I will announce further measures next week, on top of those the Governor and I have already taken to ensure that larger and medium sized companies can also access the credit they need.

I'm also announcing today further cash flow support through the tax system.

To help businesses pay people and keep them in work, I am deferring the next quarter of VAT payments.

That means no business will pay any from now until the end of June; and you will have until the end of the financial year to repay those bills.

That is a direct injection of £30bn of cash to employers, equivalent to 1.5% of GDP.

Let me speak directly to businesses.

I know its tough out there.

We in government are doing everything we can to support you.

We're paying people's wages up to 80% so someone can be furloughed rather than laid off to protect their jobs.

We're deferring £30bn of taxes until the end of the financial year.

We're lending unlimited sums of money interest free for 12 months.

We're abolishing business rates altogether this year if you are in hospitality, retail and leisure.

We're providing cash grants of £25,000 for small business properties.

The Government is doing its best to stand behind you – and I am asking you to do your best, to stand behind our workers.

We're launching in the coming days a major national advertising campaign to communicate the available support for businesses and people.

Please look very carefully at that support before making decisions to lay people off.

It's on all of us.

We are starting a great national effort to protect jobs. But the truth is we are already seeing job losses. And there may be more to come.

I cannot promise you that no one will face hardship in the weeks ahead.

So we will also act to protect you if the worst happens.

To strengthen the safety net, I'm increasing today the Universal Credit standard allowance, for the next 12 months, by £1,000 a year.

For the next twelve months, I'm increasing the Working Tax Credit basic element by the same amount as well.

Together these measures will benefit over 4 million of our most vulnerable households.

And I'm strengthening the safety net for self-employed people too, by suspending the minimum income floor for everyone affected by the economic impacts of coronavirus.

That means every self-employed person can now access, in full, Universal Credit at a rate equivalent to Statutory Sick Pay for employees.

Taken together, I'm announcing nearly £7bn of extra support through the welfare system to strengthen the safety net and protect people's incomes.

And to support the self-employed through the tax system, I'm announcing today that the next self-assessment payments will be deferred until January 2021.

As well as keeping people in work and supporting those who lose their jobs or work for themselves, our Plan for Jobs and Incomes will help keep a roof over your head.

We've acted already to make sure homeowners can get a three-month mortgage holiday if they need it.

I'm announcing today nearly £1bn of support for renters, by increasing the generosity of housing benefit and Universal Credit, so that the Local Housing Allowance will cover at least 30% of market rents in your area.

The actions I have taken today represent an unprecedented economic intervention to support the jobs and incomes of the British people.

A new, comprehensive job retention scheme.

And a significantly strengthened safety net.

Unprecedented measures, for unprecedented times.

Let me close with one final observation.

Now, more than any time in our recent history, we will be judged by our capacity for compassion.

Our ability to come through this, won't just be down to what government or business can do, but by the individual acts of kindness we show one another.

The small business who does everything they can not to lay off their staff.

The student who does a shop for their elderly neighbour.

The retired nurse who volunteers to cover some shifts in their local hospital.

When this is over, and it will be over, we want to look back at this moment and remember the many small acts of kindness done by us and to us.

We want to look back this time and remember how we thought first of others and acted with decency.

We want to look back on this time and remember how, in the face of a generation-defining moment, we undertook a collective national effort - and we stood together.

It's on all of us.

Thank you.

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