

Briefing Document: Chancellor of the Exchequer's Economic Recovery Announcement

Developed by Coast Communications – 8th July 2020

Context

Following the Prime Minister's key note speech on 30th June announcing the first phase of the UK's economic recovery strategy, the Chancellor of the Exchequer has announced a supplement package of measures concerning the support of job creation and retention, boosting the housing market, as well as initiatives to incentivise the UK public to start visiting hospitality and tourism venues. During his address, the Chancellor stated that a full budget announcement would be made in the autumn.

This document outlines the key aspects of the Chancellor's announcement.

The Chancellor's economic announcement

Job Retention Scheme:

- Job retention scheme will end in October
- Job retention bonus for returning employees: £1000 per employee returning to work from October. The employee must be paid a minimum of £520 per month, from Nov – Jan, to qualify

Job creation:

- Kick Start Scheme for those aged 16 – 24: the Government will pay employers to create new roles for young people. Employer must prove the role is new and the role must be paid at least minimum wage
- Government will pay new employees on Universal Credit for the first six months of the role
- The scheme comes in to effect during the autumn
- No cap for the number of new roles included in the Kick Starter Scheme

Traineeships:

- Provide 30,000 new traineeships
- £1000 for employers hiring new trainees
- £100m to create more places in L2/L3 education
- New career advisers
- Universal skills offer tripled

Apprenticeships:

- The Government will pay employers to create apprenticeships, £2K per apprentice

- £1500 for employers hiring apprentices 25+ years of age
- Doubling number of work coaches in job centres
- £1bn in DWP to support the unemployed

Infrastructure investment:

- £88bn in capital funding
- £5bn in additional investment projects: roads, schools, hospitals and high streets

Green initiatives:

- £2bn green homes grant: From September homeowners can apply for vouchers worth £5000 per household to make homes more energy efficient
- Low income households will receive vouchers covering full cost, at £10,000
- £1bn funding for measures to make public sector buildings more energy efficient
- De-carbonise social housing

Housing:

- No stamp duty on properties worth up to £500,000 until 31 March 2021, effective immediately

Hospitality & Tourism:

- A six-month reduction on VAT for food, accommodation and attractions to 5%. Will come in to effect from 15th July – 12th Jan 2021
- “Eat Out to Help Out”: 50% off eating out, to a maximum of £10 per head, from Mon-Wed throughout August. Businesses must register by Monday 13th July