



09th July 2020

JIB-PMES employer update

1. Chancellor's Summer Statement

Yesterday the Chancellor of the Exchequer, Rishi Sunak, introduced a number of new measures designed to stimulate the economy as the country strives to recover from the Covid-19 crisis. The following list summarises the points most relevant to the Plumbing and Mechanical Engineering Services Sector:

- **Job Retention Bonus – The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021.** Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021. Further detail about the scheme will be announced by the end of July.
- **High quality traineeships for young people – The government will provide an additional £111 million this year for traineeships in England, to fund high quality work placements and training for 16-24 year olds.** This funding is enough to triple participation in traineeships. For the first time ever, the government will fund employers who provide trainees with work experience, at a rate of £1,000 per trainee. The government will improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.
- **Payments for employers who hire new apprentices – The government will introduce a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021.** These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan – where that applies.
- **Green Homes Grant – The government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household.** In total this could support over **100,000 green jobs** and help strengthen a supply chain that will be vital for meeting our target of net zero greenhouse gas emissions by 2050. The scheme aims to upgrade over **600,000 homes across England**, saving households hundreds of pounds per year on their energy bills.
- **Construction Talent Retention Scheme – The government is funding a Construction Talent Retention Scheme to support the redeployment of workers at risk of redundancy.** This will help retain construction skills and match talented workers to opportunities across the UK.

- **Public Sector Decarbonisation Scheme** – The Clean Growth Strategy set out the government’s ambition to halve greenhouse gas emissions from the public sector by 2032. To help achieve this and support economic recovery, **the government will invest £1 billion over the next year in a Public Sector Decarbonisation Scheme that will offer grants to public sector bodies, including schools and hospitals, to fund both energy efficiency and low carbon heat upgrades**
- **Social Housing Decarbonisation Fund** – The government will establish a new **Social Housing Decarbonisation Fund to help social landlords improve the least energy-efficient social rented homes, starting with a £50 million demonstrator project in 2020-21 to decarbonise social housing. This will mean warmer homes and lower annual energy bills for some of the lowest income households.**
- **Affordable Homes Programme** – The government has confirmed that the **£12.2 billion Affordable Homes Programme announced at Budget will support up to 180,000 new affordable homes** for ownership and rent in England. The £12.2 billion will be spent over five years, with the majority of homes built by 2025-26 and the rest by 2028-29. The Affordable Homes Programme will also include a 1,500 unit pilot of First Homes.
- **Short-Term Home Building Fund extension** – The government will support small- and medium-sized housebuilders that are unable to access private finance by **boosting the Short-Term Home Building Fund, providing an additional £450 million in development finance to smaller firms.** This is expected to support around 7,200 new homes in England, boosting housing supply and adding resilience to the market. **A proportion of this fund will be reserved for firms using innovative approaches to housebuilding such as ‘Modern Methods of Construction’.**
- **Brownfield Housing Fund** – The government will allocate a **£400 million Brownfield Housing Fund to seven Mayoral Combined Authorities to bring forward land for development and unlock 24,000 homes in England.** To allow authorities to begin delivering projects quickly, **90% of the fund will be allocated immediately on a per capita basis, with 10% to be allocated through a competitive process.**
- **£1.5 billion for hospital maintenance and upgrades. £100 million for our local roads network; over £1 billion to start to rebuild schools in the worst condition in England, plus £760 million this year for key maintenance work on schools and FE colleges; £1 billion for local projects to boost local economic recovery in the places that need it most; £142 million for court maintenance to repair around 100 courts across England.**

2. The Coronavirus Job Retention Scheme (CJRS)

Update on the scheme

The scheme will continue in its current form until the end of July. From 01 August 2020, the scheme will start to change:

- From August 01st 2020 – Government will continue to provide up to 80% of furloughed workers wages (up to a maximum of £2,500 per month); Employers will take over responsibility for paying NI and pension contributions
- From September 01st 2020 – Government will provide up to 70% of furloughed workers wages (up to a maximum of £2,187.50 per month); Employers will continue to pay NI and pension contributions and will contribute 10% towards furloughed workers wages (up to a maximum of £312.50 per month. The total maximum wage for those on furlough leave remains £2,500 per month)

- From October 01st 2020 – Government will provide up to 60% of furloughed workers wages (up to a maximum of £1,875 per month); Employers will continue to pay NI and pension contributions and will contribute 20% towards furloughed workers wages (up to a maximum of £625 per month. The total maximum wage for those on furlough leave remains £2,500 per month)
- The Scheme is due to close on 31st October 2020.

The latest information on guidance on the Coronavirus Job Retention Scheme is available on the Gov.UK website via the following link: <https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>

Wishing you all the best, and hoping you stay safe.

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