

Manufacturing update 14: New 'Job Support Scheme' a victory for Unite's campaign



Today's announcement by the Chancellor to introduce a **new Job Support Scheme (JSS)** to replace the Job Retention Scheme from November, represents a **huge victory for our #SOS4Jobs campaign and the collective work of our officers, shop stewards and members in contacting their MPs and leading the argument for job protection and short-time working.** This is a significant moment given an on-going collapse in demand across much of UK manufacturing and the threat of further mass redundancies with the ending of the current scheme at the end of October. **EMPLOYERS MUST NOW HOLD OFF ON PRESSING THAT BUTTON ON FURTHER REDUNDANCIES AND WORK WITH US TO FIND SOLUTIONS.**

Despite many of our members working throughout the pandemic, for many more furlough has supported their jobs, families and communities and while questions remain and of course more needs to be done following today's announcement, the JSS provides us with an opportunity to halt large scale redundancies, share available work and protect workers' livelihoods beyond October. **We can be very proud of the role we've played in securing this outcome in the face of mass unemployment and the human misery, poverty and devastation that would be inflicted on our communities.** Today's announcement comes on the back of months of lobbying of the Treasury and other government departments in conjunction with the TUC, coupled with on-going discussions with industry federations and MPs from across political parties in an effort to secure their support and join us in the fight for continued pay protection.

HEADLINES

- ⇒ **The scheme is open to all employers whether they have previously used the JRS scheme or not and is in place for six months from 1st November 2020**
- ⇒ Large employers must demonstrate an adverse impact on their business due to COVID-19 in order to qualify
- ⇒ **Employees must work at least one third of their normal hours of work to qualify**
- ⇒ The employer will pay for the worked hours with the government and employer paying two thirds of the remaining unpaid hours on a split 50/50 basis. This means workers will receive up to 77 percent of normal earnings for working 33 percent of normal hours
- ⇒ **The government's contribution will be capped at £700 a month (£161 pw) meaning anyone earning more than approx. £38,000 pa will receive less than 77 percent**
- ⇒ A JSS scheme equivalent will be made available to the self employed
- ⇒ **Employers will continue to qualify for the one-off job retention bonus of £1000 for every employee retained in employment to 31st January**

For example: Working a 40-hour week; workers will be required to work and be paid for a minimum of 13 hours (rounded). The government and employer will pay an additional 18 hours pay at 9 hours each (rounded) equalling two thirds of the unworked 27 hours and leaving the worker with 31 hours pay (77 percent).

However, In the face of redundancies and the fight of our lives to protect jobs and skills, the argument to job share and protect as many jobs as we can is strengthened by the scheme. **For employers with both furloughed and working employees current costs total 100 percent for the worker and 20 percent for those on furlough (plus employer costs) - bringing both into work on 50 percent hours and paying each 33.3 hours under the scheme leaves the workers with 83 percent pay for an increase in overall labour costs of approximately 13 percent.**

While it's clearly a difficult discussion to have about our responsibilities to each other in a crisis, sharing the available work between us and protecting jobs and skills, ultimately protecting the future of us all by ensuring that as demand picks up we are in the best position to grow with it is a necessary one to have.

MANY ISSUES REMAIN

- ⇒ Those unable to work at least a third of their normal hours will not be eligible for the scheme and unless arrangements can be agreed with their employers to work fewer hours and remain in work, they are likely to be made redundant at the end of October with the ending of the JRS
- ⇒ **While we have campaigned for downtime to be used to up-skill and retrain workers this is not part of today's announcement and we will continue to argue is a lost opportunity to address a chronic UK skills shortage**
- ⇒ Employers will have to find a greater proportion of wages under the new scheme than the JRS – approximately 55 percent of a workers wage. Some employers will have difficulty meeting this

MANY CHALLENGES LIE AHEAD

Clearly many employers will find it difficult to match the financial costs of the new scheme. A greater proportion of wages is being loaded onto the employer than was the case under the JRS. **For some, even meeting the requirement to provide a third of a workers normal working week will be problematic given the collapse in demand and confidence in the market for many products and services.** In all of these cases we will have to scrutinise the employer's books carefully and argue the case to retain jobs, but also skills and knowledge, as we come through this unprecedented crisis.

- ⇒ *Where employers raise genuine difficulties in accessing the scheme we will continue to look at other ways to negotiate arrangements to protect jobs in those specific circumstances we find ourselves in.*

COLLEAGUES, OF COURSE WE CONTINUE TO FIGHT FOR EVERY ONE OF OUR MEMBERS JOBS AND FOR THE WIDER PROTECTIONS DEMANDED BY COMMUNITIES ACROSS OUR NATIONS.

- ⇒ We will continue to press government to increase its stake in the JSS, reducing the costs on employers with genuine difficulties in meeting the criteria
- ⇒ **We will continue to fight for those who cannot work the minimum 33 percent of hours required under the scheme to be included as we will fight on to protect those already facing an anxious future having been made redundant**
- ⇒ We continue to fight for that world class test track and isolate operation we were promised but that is failing us daily, the improvements to statutory sick pay that enable workers to self-isolate without fear of growing debt and the Personal Protective Equipment so many still lack
- ⇒ **We fight for significant uplifts and improvement to unemployment and other benefits to address growing poverty in our communities**

Schemes such as the Job Support Scheme can only offer us the opportunity to do more for our members and our class and as always, it's our officers, shop stewards and members who know how best to address the challenges they face. We will always offer you the fullest support in meeting those challenges head on.

Our #SOS4Jobs campaign will now continue with a revised set of demands to address the short-comings of the JSS as it is. **It's our duty to shape our future and ensure working people are at its heart. Right now we have an opportunity to save many thousands of good unionised jobs and we're going to do just that!**

In solidarity



Steve Turner
Assistant General Secretary