

**15<sup>th</sup> October 2020**

**Job Support Scheme expanded for local lockdowns**

The government's Job Support Scheme (JSS) will be expanded to protect jobs and support businesses required to close their doors due to local lockdowns as the number of coronavirus (COVID-19) cases continues to rise in some areas.

Under the JSS extension the government will pay two thirds of employees' salaries to protect jobs over the coming months.

Cash grants for businesses required to close as a result of local lockdowns are being increased to up to £3,000 per month. Under the expansion, firms whose premises are legally required to shut for some period over winter as part of a local or national lockdown will receive grants to pay the wages of employees who cannot work.

The government will support eligible businesses by paying two thirds of each employee's salary, up to a maximum of £2,100 a month.

In response to the expansion, Carolyn Fairbairn, Director General of the Confederation of British Industry (CBI), said: 'The steep rise in infections in some areas means new restrictions to curb numbers feel unavoidable.'

'The Chancellor's more generous job support for those under strict restrictions should cushion the blow for the most affected and keep more people in work.'

'But many firms, including pubs and restaurants, will still be hugely disappointed if they have to close their doors again after doing so much to keep customers and staff safe.'

**NAO warns loan scheme could result in £26 billion in losses**

The National Audit Office (NAO) has warned the government that it faces a potential loss of £15 billion to £26 billion as a result of criminals taking advantage of the coronavirus (COVID-19) Bounce Back Loan Scheme (BBLs).

The BBLs was announced on 27 April 2020 and is designed to quickly provide loans of up to £50,000, or a maximum of 25% of annual turnover, to small businesses to support their financial health during the COVID-19 pandemic.

Over the coming months, the extent of losses due to fraud will become clearer, the NAO said, but the full extent of losses, both credit and fraud, will not emerge until BBLs loans are due to start being repaid from 4 May 2021.

When compared to other COVID-19 support schemes, the BBLs has less strict eligibility criteria in place, the NAO said. It stated that the lower level of checks presents credit risks as it increases the likelihood that loans are made to businesses which will not be able to repay them.

Commenting on the issue, Gareth Davies, Head of the NAO, said: 'With concerns that many small businesses might run out of money as a result of the COVID-19 pandemic, government acted decisively to get cash into their hands as quickly as possible.'

'Unfortunately, the cost to the taxpayer has the potential to be very high, if the estimated losses turn out to be correct.'

'Government will need to ensure that robust debt collection and fraud investigation arrangements are in place to minimise the impact of these potential losses to the public purse.'

### **Government to proceed with plans to create freeports across UK**

The government has confirmed that it will create new freeports across the UK in 2021.

The Treasury has outlined the next steps for the creation of freeports, which it hopes will drive investment and create jobs after the end of the Brexit transition period.

Sea, air and rail ports in England will be invited to bid for freeport status before the end of 2020, the Treasury said. Freeports will benefit from streamlined planning processes to aid brownfield redevelopment; a package of tax reliefs to help drive jobs, growth and innovation; and simplified customs procedures and duty suspensions on goods.

The government is working with the devolved administrations to seek to establish at least one freeport in each nation of the UK.

'Our new freeports will create national hubs for trade, innovation and commerce, regenerating communities across the UK and supporting jobs,' said Chancellor Rishi Sunak.

'They will attract investment from around the world as we embrace new opportunities following our departure from the EU and will be key drivers for economic recovery as we build back better post-coronavirus.'

The first freeports are set to be open by the end of 2021.