



SCHOOL REPORT

CLASS: CONSERVATIVE GOVERNMENT

YEAR: 2020

DATE	EVENT	COMMENT	GRADE
Thursday 13 February, 2020	Rishi Sunak appointed as Chancellor of the Exchequer, having been in the role of Chief Secretary to the Treasury since July 2019	<i>The critics argued that Rishi Sunak was inexperienced and nothing more than a 'yes' man to the Prime Minister; however, he had a background and confidence which made him a credible selection for a completely new start for the new majority Conservative Government.</i>	A for potential
Wednesday 11 March, 2020	First Budget and first Conservative Government Budget following majority election win - £30 billion of additional spending, £12 billion specifically allocated to manage the economic impact of the COVID-19 pandemic <ul style="list-style-type: none"> • Extension of statutory sick pay (SSP) for all those who are advised to self-isolate • Government will cover costs for SSP for businesses with fewer than 250 people for those employees unable to work because of COVID-19 • Business rates suspended for shops, cinemas, restaurants and music venues in England • £500 million hardship fund for local authorities to help vulnerable people • A "temporary coronavirus business interruption loan scheme" for banks to offer loans of up to £1.2m to support small and medium-sized businesses • Reduction of the entrepreneurs' relief lifetime limit to £1 million, costing an affected individual an additional £900,000 in capital gains tax 	<i>A very early first test, less than a month into the job, under the backdrop of a concerning COVID-19 situation beginning to unfold. Rishi Sunak spoke to reassure the country that he would do everything to support businesses and the economy. The Chancellor announced several limited measures and modest funding, but like the rest of the Government, he was completely in the dark about the seriousness of the situation. The new Chancellor moved to show his early authority by reducing the entrepreneurs relief lifetime limit to £1 million - possibly a short-sighted move, influenced by internal political pressure, leaving an uneasy sense with the UK's entrepreneurial community.</i>	B+ solid but unspectacular
Tuesday 17 March, 2020	Chancellor announcement providing a £350 billion package of support for the economy, including Government backed loans and small business grants <ul style="list-style-type: none"> • Coronavirus business interruption loan scheme expanded from £1.2 million to £5 million, with an interest waiver for the first 6 months • Small business grants increased from £3,000 to £10,000; additional grants of £25,000 for retail, hospitality and leisure businesses 	<i>The announcement that should have happened a week earlier - the Chancellor made the biggest move in peacetime history by announcing a staggering level of financial support. However, businesses were left with a number of questions unanswered feeling nervous about the future.</i>	A- a bold headline but lacking in the finer details
Friday 20 March, 2020	Announcement of the Coronavirus Job Retention (furlough) scheme, VAT deferral and limited support for the self-employed <ul style="list-style-type: none"> • Government will cover 80% of the wages of a retained worker up to £2,500 per month for three months until the end of May 2020 • Self-assessment tax payments automatically deferred until 31 January 2021 • Self-employed made eligible for SSP at the same rate as for employees • £7 billion support package to increase Universal Credit standard allowance and working tax credit by £1,000 for 12 months, providing support for 4 million people • VAT payments will be deferred until the end of June; businesses will be given until 31 March 2021 to pay the deferred VAT • Coronavirus business interruption loan scheme extended to provide interest waiver for the first 12 months 	<i>A standout move and the flagship support package of the pandemic - the furlough scheme provided the financial support that businesses and workers were looking for and the Chancellor delivered even more than expected. The Chancellor acted with vigour, announcing a universal scheme recognising that all businesses would be impacted to some degree. Tax deferrals, enhanced credits and expansion of the business loan schemes made it an almost perfect performance. The self-employed were largely excluded, wondering what they had done wrong to miss out so greatly.</i>	A+
Wednesday 25 March, 2020	Business rates holiday extended to estate agents, lettings businesses and bingo halls, aligning these businesses to those that were included at the Budget	<i>A small piece of work to address the imbalance for these sectors that were as adversely impacted by the pandemic.</i>	B
Thursday 26 March, 2020	Announcement of the Self-employed Income Support Scheme (SEISS) <ul style="list-style-type: none"> • SEISS will pay 80% of a self-employed worker's average monthly profit over the last three years up to a maximum of £2,500 per month for three months covering March, April and May 2020 	<i>An afterthought to the blockbuster announcement from the previous week, but a generous package delivered nevertheless. However, the good news came with a warning that the self-employed would need to pay for the cost of the scheme through possible future tax increases. Self-employed individuals operating through limited companies and those starting their businesses in 2019/20 missed out completely.</i>	B+ late with delivery but a better than expected result

Friday 3 April, 2020	Coronavirus business interruption loan scheme amended <ul style="list-style-type: none"> Preventing lenders from requesting personal guarantees for loans under £250,000 For loans over £250,000, personal guarantees limited to 20% of outstanding loans amounts New Coronavirus large business interruption loan scheme which will provide a government guarantee of 80% to enable banks to make loans of up to £25m, for businesses with an annual turnover of between £45 million and £500 million 	<i>The details overlooked in the first version are now addressed, but questions remain about whether the schemes are working in practice and go wide enough.</i>	B+
Thursday 9 April, 2020	£750 million extra emergency support for frontline charities <ul style="list-style-type: none"> Support for hospices and those supporting domestic abuse victims, so that they can continue their work during the pandemic £360m allocated directly from Government departments to charities providing key services and supporting vulnerable people 	<i>A timely move, following the extensive support provided to businesses, that the UK's charities are not overlooked for their positive work during the pandemic.</i>	A
Friday 17 April, 2020	Government extends the furlough scheme until 30 June 2020	<i>A positive move but there are questions around whether the scheme should be extended until the end of 2020.</i>	B+
Monday 20 April, 2020	Chancellor announces Future Fund for 'innovative' companies with matched state funding <ul style="list-style-type: none"> Government loans ranging from £125,000 to £5m, subject to at least equal match funding from private investors, to UK-based innovative companies 	<i>Recognising that start-up businesses have been largely overlooked, a novel scheme to encourage private investment. There were concerns about how accessible the scheme would be in practice. Why were the existing venture capital schemes (such as the Enterprise Investment Scheme) simply not expanded to achieve the same?</i>	B
Monday 20 April, 2020	Coronavirus large business interruption loan scheme extended to provide loans up to £50 million for businesses with turnover of more than £250 million	<i>The fifth version of the scheme since it was announced at the Budget on 11 March, as businesses start to question the Chancellor's foresight.</i>	B-
Sunday 26 April, 2020	Chancellor announces £50,000 'bounce back' loans for small businesses <ul style="list-style-type: none"> 100% government backed loan scheme for small businesses offering up to £50,000 of fast-track finance Interest on loans waived for the first 12 months 	<i>Too late in its introduction after realising that the original loan schemes weren't working quickly enough, but a very welcome measure for small businesses.</i>	B
Tuesday 12 May, 2020	Chancellor announces furlough scheme will run until October <ul style="list-style-type: none"> Furlough payments will remain the same until the end of July 2020 Furlough scheme will be revised to make it more flexible and tapered down for August, September and October 	<i>A helpful statement from the Chancellor to provide a medium term outlook on the future of the furlough scheme, which businesses had become quickly and heavily reliant on. However, the tapering of the scheme during the summer and confirmation that the scheme would close at the end of October with no replacement presented concern. Businesses had already been calling for the furlough scheme to run until the end of the year. No comments on the equivalent support for the self-employed.</i>	B+
Tuesday 19 May, 2020	Coronavirus business interruption loan scheme extended from £50 million to £200 million	<i>Yet another version announced - businesses are struggling to keep up</i>	B-
Monday 1 June, 2020	Furlough and SEIS schemes amended <ul style="list-style-type: none"> From 1 July, a new flexible furlough will be available to bring furloughed workers back part-time For August, employers will need to cover employer NIC and pension contributions; for September, the Government contribution will reduce to 70% and further reduce to 60% for October A second a final SEISS grant will pay 70% of average monthly profits for three months covering June, July and August 2020, up to a maximum of £6,570 	<i>The finer details of the Chancellor's announcement in May and relief for the self-employed. In response to the improving COVID-19 situation, the flexible furlough scheme was novel, offered businesses a restart as well as reducing the financial burden for the Government. However, there are still concerns within business about what will happen during the winter months. Questions are raised as to why the flexible furlough wasn't available at the outset.</i>	A-
Monday 6 July, 2020	£1.57bn support package for arts and culture	<i>Later than expected but a more than generous package of financial support</i>	B+
Wednesday 8 July, 2020	Chancellor's Summer Statement <ul style="list-style-type: none"> Job Retention Bonus of £1,000 for each returned furloughed worker Kickstart scheme - government will pay 6 months wages and an amount for overheads for a 16-24 year old worker at risk of unemployment Grants of up to £2,000 for trainees and apprentices Stamp duty cut for transactions up to £500,000 until 31 March 2021 6 month VAT cut for the hospitality sector to 5% until 12 January 2021 'Eat out to help out' scheme for August, providing a 50% Government discount on meals eaten out 	<i>A possible exit mechanism and the real start to the road to recovery? The proposals were innovative and there was a renewed optimism, but there were growing calls from business that the winter months would be challenging and further support was needed. Critics would argue that the stamp duty cut and 'Eat out to help out' schemes were unnecessary and nothing but vanity projects.</i>	A-

Monday 13 July, 2020	Rishi Sunak writes to the Office of Tax Simplification to undertake a review of capital gains tax	<i>The first real mistake by the Chancellor - set an immediate alarm and front page headlines that tax increases would follow at the next Budget; the timing was questionable and why did he make this move when there was still considerable work ahead to deliver the economic recovery?</i>	C
Thursday 24 September, 2020	Chancellor cancels November Budget and announces new Job Support Scheme (JSS) <ul style="list-style-type: none"> 6 month scheme to protect jobs replacing the furlough scheme from 1 November 2020 Applies to employees working a minimum of 33%, the Government will pay a third of the wages capped at £698 per month, with the employer contributing the balance A third SEISS grant will pay 20% of average monthly profits for three months covering November 2020, December 2020 and January 2021, up to a maximum of £1,875 Additional Treasury support for lenders so that they can offer borrowers more time to make repayments of business interruption loans; businesses can apply for interest only payments or suspend payments for up to 6 months Bounce back loans will be repayable over 10 years and interest-only periods of up to 6 months and and payment holidays offered to businesses 15% VAT reduction for te hospitality sector extended until 31 March 2021 Extended terms to pay deferred VAT over 11 months Self-assessment tax payments (up to £30,000) due by 31 January 2021 can be deferred to 31 January 2022 	<i>The JSS was a major fail - it was costly for business and complicated, but the Chancellor was insistent that the furlough scheme had to end. The other measures were merely extensions or small refinements, and was far removed from the assurances shown in the spring. The support given to the self-employed was hugely underwhelming and there continued to be large numbers who had not received any support.</i>	C-
Monday 12 October, 2020	JSS expanded <ul style="list-style-type: none"> Government will pay two thirds of each employees' salary up to a maximum of £2,100 a month for those businesses who have to close because of local and national restrictions Cash grants for businesses required to close in local lockdowns increased to up to £3,000 per month 	<i>The Chancellor had to react to futher local restrictions by expanding the JSS (before it's introduction). Businesses were left wondering why the furlough scheme wasn't simply extended, but the Chancellor seemed wedded to the JSS.</i>	B-
Thursday 22 October, 2020	JSS enhanced in light of new restrictions <ul style="list-style-type: none"> Additional funding for local authorities in tier 2 to distribute grants to the worst affected businesses Grants of up to £2,100 per month for businesses under tier 2 restrictions Minimum working requirement under the Job Support Scheme reduced to 20% and the business contribution is reduced from 33% to 5%, meaning the Government paying up to £1,542 per month SEISS grant doubled to 40% of average monthly profits for three months covering November 2020, December 2020 and January 2021, up to a maximum of £3,750; a fourth SEISS grant covering the period February, March and April 2021 (level to be confirmed) 	<i>The JSS was expanded for a second time and it was beginning to align itself more to the furlough scheme. Again, the Chancellor was demonstrating a stubbornness with his insistence to see an end to the furlough scheme. In a separate u-turn, the support for the self-employed was doubled, recognising that it wasn't fit for purpose in the first place.</i>	C
Saturday 31 October, 2020	Furlough scheme extended for November <ul style="list-style-type: none"> Furloughed workers will receive 80% of their salary for hours not worked, up to a maximum of £2,500; employers are only required to cover NIC and employer pension contributions The November SEISS grant would be uplifted to 80%, with the amounts for December and January remaining at 40%, up to a maximum of £5,160. Grants of up to £3,000 per month for businesses required to close due to restrictions 	<i>On the day the furlough scheme was due to end, the Chancellor concedes it should be extended, but only for the month of the November national lockdown. The self-employed are not an afterthought this time as the SEISS grant is enhanced as well. In the Chancellor's credit, he moved quickly to confirm the extension shortly after the Prime Minister's announcement of the national lockdown.</i>	B
Thursday 5 November, 2020	Furlough scheme extended to end of March 2021 <ul style="list-style-type: none"> Furloughed workers will receive 80% of their salary for hours not worked, up to a maximum of £2,500; employers are only required to cover NIC and employer pension contributions Job Retention Bonus scheme mothballed SEISS grant increased to 80% of average monthly profits for three months covering November 2020, December 2020 and January 2021, up to a maximum of £7,500; a fourth SEISS grant covering the period February, March and April 2021 (level to be confirmed) 	<i>On the first day of the national lockdown, the Chancellor accepts that the furlough scheme must run for a full year until 31 March 2021. The JSS and Job Retention Bonus are scrapped even before they had started. The extension to the furlough scheme should have happened much sooner as businesses had originally called for.</i>	B
Wednesday 25 November, 2020	Spending Review <ul style="list-style-type: none"> Economy is set to contract by 11.3%, the largest fall in over 300 years Government borrowing in 2020 totalled £394 billion, which £280 billion used against the COVID-19 pandemic 	<i>A subdued Chancellor statement painting a dark picture of the country's finances - there is not much the Chancellor can do at this stage, but was a Budget the missed opportunity to present a roadmap on future policy and support for businesses?</i>	B-

Thursday 17 December, 2020	Chancellor extends furlough to end April 2021 <ul style="list-style-type: none"> Furlough scheme extended to 30 April 2021 Business interruption loans available until 31 March 2021 	<i>The end of the year and it is almost back to where it began, with the furlough scheme extended for another month, as well as additional time to apply for business interruption loans. An unspectacular end to a spectacular first year for the Chancellor.</i>	B
Tuesday 5 January, 2021	Chancellor provides £4.6 billion for new lockdown grants <ul style="list-style-type: none"> One-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property £594 million discretionary fund also made available to support other impacted businesses 	<i>A solid start to the new year; following a third national lockdown, the Chancellor reacted quickly to announce further support for the retail, hospitality and leisure businesses who have been worst hit by the pandemic. The critics would argue this level of support was needed earlier when the tiers system was introduced, but it represents a generous handout nevertheless. Businesses still remain concerned about the future and are demanding a clear exit strategy with a roadmap outlining the support they will be given to help recovery.</i>	B+
Monday 11 January, 2021	Economic update speech	<i>A sombre message from the Chancellor comes with the warning that economy will get worse before it gets better. There was little in the way of new information and questions continue to remain unanswered around those groups who have been excluded from support. The Chancellor reinforces his own desire that the furlough scheme will not be extended again and the same goes for business rates and VAT relief. People are left wondering why the Chancellor made this speech with no meaningful updates. The former Chief Secretary to the Treasury has certainly lost his spark after a gruelling first 12 months as Chancellor or maybe his attentions are focussed on his next job.</i>	C