

Rt Hon Rishi Sunak,  
Chancellor of the Exchequer,  
HM Treasury,  
1 Horse Guards Road,  
London, SW1A 2HQ.

28<sup>th</sup> May 2020

Dear Chancellor,

Thank you for the work you and the Treasury team have put into helping businesses navigate the economic pause caused by the Covid-19 lockdown. We all know that the time is coming to get Britain back to work in a serious way. We are ready to help – REC members are the engine of the UK's jobs market, placing a million temps every day and finding a million people new permanent roles every year in normal times.

The Job Retention Scheme has been vital in avoiding mass redundancies, and the decision to extend the scheme was a good one. But as we move into the next phase, please don't forget that many people work for weekly and/or variable pay packets, and on temporary contracts. There are already a wide range of issues with the current CJRS that agencies and other employers are having to work through with HMRC. REC data shows that the vast majority of recruitment businesses have furloughed at least some of the temporary workers on their books; please ask your officials to prioritise working with us and other relevant bodies to resolve existing challenges and ensure the second phase of CJRS is clear for all workers, not just salaried staff on open-ended contracts.

As we move into the recovery stage, we should be thinking more about how the battle against the virus and economic activity can run in parallel – how people can work and self-isolate if they need to. With this in mind, reconsidering the extent of SSP that is refundable to all businesses is worthy of consideration, as this will enable self-isolation where necessary and protect labour intensive businesses – such as staffing firms – from bills that could cripple hiring in the short-term.

There is another major challenge out there – tackling unemployment. With the claimant count already above two million and a share of eight million people on furlough not likely to return to their jobs, we face a crisis of a scale not seen for many decades. Active and innovative support measures will be needed in our jobs market, with recruiters and staffing firms ready to help.

In summary, we would like to work with Government to:

- Provide more clarity on existing rules and future enforcement of CJRS and ensure clarity on how the future scheme works (or doesn't work) for those on temporary contracts. It is unlikely that many agency workers could remain furloughed if a contribution was required from agencies at a time when these businesses have so little income from clients. Some form of grant may be required if Government wants furloughing to continue beyond August 1<sup>st</sup> in this sector.

- Extend SSP protection to all businesses. This is essential to maintaining economic recovery alongside a high level of track and trace-driven self-isolation. This is amplified in the recruitment industry where agencies typically have large volumes of temporary workers.
- Work with the business community to develop a new approach for supporting Limited Company Directors, who need support if they are to drive the economic recovery.
- Harness the expertise of our sector to tackle unemployment, including job matching, guidance and coaching for jobseekers. This will build on previous collaboration between REC and DWP and we will use our new Jobs Recovery Tracker to drive a regional as well as sectoral approach.

We look forward to working with you and your officials to tackle the significant jobs issues we face in this next phase.

Yours Aye,



**Neil Carberry**  
**Chief Executive**