

The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ  
15 September 2020

Dear Chancellor,

Economic forecasts indicate that the threat of mass unemployment is looming without large scale, urgent action. We are writing to highlight the need to build on the job retention scheme by continuing to support employers with a viable future who can't operate to full capacity because of virus restrictions.

We are particularly concerned about the geographic disparities of unemployment in the Welsh context, given our pre-existing levels of poverty and inequality and sector fragility. This is why we are supporting calls for the introduction of targeted and flexible support which will benefit those areas of the economy which continue to be heavily impacted by the pandemic, including developing a model that combines a shorter working week with continued wage support as a key mechanism to protect jobs in the hardest-hit sectors. This could include businesses which have had to significantly reduce the number of staff they have working on site at any one time, those which continue to face a temporary fall in demand and those which are unable to fully operate because of continued restrictions. This includes sectors such as manufacturing, the creative industries and hospitality.

In Wales we have the Well-being of Future Generations Act, a unique piece of legislation that gives us the ambition, permission and legal obligation to make better decisions for future generations. We want recovery from the pandemic to support new ways of working that improve well-being, such as a shorter working week which would have a range of benefits including enhancing worker's work-life balance, improving health, enabling workers to develop skills fit for the industries of the future, as well as supporting the job market.

At the height of lockdown, almost a third of eligible employments were furloughed. While this has fallen significantly due to lockdown being eased and businesses adapting, two industries (accommodation and food, and arts, entertainment and recreation) have consistently had a much higher proportion of employments furloughed, and these sectors

continue to be heavily impacted by the crisis. Other industries – such as aerospace manufacturing – have seen a significant drop in demand, with many employers announcing redundancies already.

Waiting to see how this crisis continues to unfold and allowing businesses and workers to fall off a cliff edge at the end of October will not help us recover from this crisis. In fact, not taking action now will only make things worse. The Job Retention Scheme showed how effective decisive and active government intervention can be.

During an economic crisis, before recovery begins, [evidence has shown](#) that short-time work schemes protect jobs. We therefore believe the next stage of recovery must see this sort of targeted scheme introduced to support viable businesses and organisations which continue to be impacted by the crisis, with a focus on a shorter working week, facilitated by state-funded wage support, to retain jobs in Wales and other parts of the UK.

Yours sincerely,

Sophie Howe, Future Generations Commissioner for Wales

Shavanah Taj, General Secretary, Wales TUC