



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

8 April 2020

Catherine McKinnell MP
Chair, Petitions Committee
House of Commons
London SW1A 0AA

Dear Catherine,

GOVERNMENT RESPONSE TO COVID-19

Thank you for your letter setting out questions which have come through most strongly from the hundreds of petitions you have received in response to the Covid-19 outbreak. I am responding on behalf of the Government.

You asked about delivery of the Coronavirus Self-Employment Income Support Scheme (SEISS). HMRC will contact individuals if they believe they could be eligible and invite them to apply online using a simple form. Delivery of the SEISS is an enormous operational task for HMRC because it requires an entirely new system to be built and tested from scratch. HMRC are working on this urgently and expect the public to be able to use the scheme no later than the beginning of June. In the interim, the self-employed will still be eligible for other government support, including the changes I have made to universal credit and business continuity loans.

You also asked about financial support for individuals. All UK employers can furlough their employees (put them on a temporary leave of absence) and apply for a government grant that covers of 80% of their usual monthly wage costs, up to a cap of £2,500 per month, providing they keep the worker employed. In addition, we have strengthened the welfare system to support those whose hours change including an increase to the UC standard allowance and the working tax credit basic element.

In addition, following discussions with industry, mortgage lenders are offering a three-month payment holiday for borrowers and landlords struggling with their finances as a result of Covid-19, whether they are impacted directly or indirectly by the pandemic. Landlords will also not be able to start proceedings to evict tenants for at least a 3-month period. This applies to both private and social renters. The Government also understands that it is critical that additional financial support is provided to affected people and families at this difficult time. That's why the Government is giving local councils an additional £500 million, on top of the existing £3.4bn for local council tax support schemes (LCTS), to support the most vulnerable people in our society, who may struggle to meet their council tax payments over the coming year. The Government has requested that local authorities use the Hardship Fund grant to provide all recipients of working age LCTS with a further reduction in their annual council tax bill of £150. Existing support mechanisms vary locally,

and so we have given local authorities flexibility to establish their own approaches to using any remaining grant to assist those who are most in need.

As a flat rate Universal Basic Income would not take into account people's circumstances, and the additional needs and costs faced by some individuals, we do not plan to offer this. The government has therefore announced alternative measures to support people's jobs and incomes, which can be delivered relatively quickly and effectively through existing benefits to target support where it is most needed. At a time when DWP and HMRC are experiencing unprecedented demand, the government needs to prioritise the safety and stability of the existing benefit and tax systems.

You also asked about making further advice available to individuals and businesses to clarify what support is available and how they can access it. The government continues to update GOV.UK with additional information for individuals and businesses. On Saturday, further advice was published about the Coronavirus Job Retention Scheme.

You also highlighted the questions of timelines for businesses to plan for, and support for specific sectors. In terms of timelines, the government has committed to review the measures in place at Easter. The government has offered a 12-month business rates holiday to all eligible businesses in the retail, hospitality and leisure sectors in England. We have also set up a grants scheme for small businesses in these sectors, which can receive cash grants of either £10,000 or £25,000 per property, as long as the rateable value of each property is below £51,000.

As you say, these are unprecedented times, which make questions from the public all the more important. Given this, we stand ready to continue answering these questions at regular intervals.

A handwritten signature in blue ink, appearing to read 'Rishi Sunak', with a stylized flourish at the end.

RISHI SUNAK