



HOUSE OF COMMONS

Treasury Committee

Oral evidence: [Spring Budget 2020](#), HC 214

Wednesday 18 March 2020

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Members present: Mel Stride (Chair); Rushanara Ali; Harriett Baldwin; Anthony Browne; Felicity Buchan; Ms Angela Eagle; Liz Kendall; Alison McGovern; Alison Thewliss.

Questions 1 - 76

Witnesses

I: Rt Hon Rishi Sunak, Chancellor of the Exchequer and Dan York-Smith, Director Strategy, Planning and Budget, HM Treasury.



Examination of witnesses

Witnesses: Rt Hon Rishi Sunak and Dan York-Smith.

Q1 Chair: Welcome to the Committee, Chancellor and Mr York-Smith. As you know, this session was to be focused on the Budget. However, I do not suppose it will surprise you that the vast focus is going to be on the Government, the Treasury and the Bank of England response to the virus crisis. We are very aware of the pressures on your time, Chancellor, and the fact that you were in the House on your feet last night for a couple of hours, with a lot of things going on, so we will be succinct and to the point, and would expect to have you out of here within one and a half hours in total. We will do our best to do that.

Could I start with a very general question? It was not that long ago that the Government were saying, in dealing with the infection, that it was all about suppressing the curve, that we would hit herd immunity at some point and that therefore this thing would probably pass through—my supposition, rather than their statement—by the autumn. We have now moved to a different approach, which is about really pushing down and levelling down on the virus.

As a consequence, it seems to me that the mood music is that this could last rather longer in terms of the measures that we are having to take to keep people safe. Do you have a sense of how long it is going to go on and do you have a sense of whether we are still, hopefully, in the position where, when we come out of it, there is a V-shaped bounce rather than some permanent scarring to the economy that will take longer to recover from?

Rishi Sunak: Thank you, Chair. Can I at the outset thank the Committee for their understanding around timing? I have an update on that. It will be public reasonably soon that there is a meeting I need to be at in an hour and a half, which means I need to leave a bit in advance of that to prepare, so I thank everyone for their understanding in light of the circumstances.

With regard to your question on timing, the Prime Minister was asked the specific question at PMQs and said he would not speculate on the precise timing, so I echo that. You are right in a sense, in that what we are doing now has some impact on the duration of the spread. The scientists are providing updates on a daily basis but we still believe that the virus will be something that passes through. We still believe that we should be able to recover strongly at the other side, and that is why our interventions are targeted at trying to preserve as much of the productive capacity of the economy as we can on the supply side. Obviously, the demand side impact is more difficult to mitigate in the short term, but that is why our approach has been very much to help bridge the period of intervention, so that on the other side, as people are healthy, we can, hopefully, as quickly as possible return to normal.



Q2 Chair: Thank you. I have a very specific question. You are obviously trying to support our public services and the health service, which is going to be under great strain, and individuals and families, many of whom are going to lose their jobs, and businesses that provide that employment. Is there any mileage in looking at some kind of reverse national insurance approach for jobs—in other words, rather than charging 13.8% to employers, pushing money back the other way, which would I know be colossally expensive but equally highly targeted on preserving employment?

Rishi Sunak: We are looking at all potential measures to meet the objectives that we set, which are to provide cash-flow support to businesses and fundamentally to try to preserve employment and productive capacity in the economy. There are a range of different ways to do that and, ultimately, to provide financial security to people as well.

As I said yesterday in the statement, we need to make sure that whatever delivery mechanism we choose will be both able to be used very quickly, because time is of the essence, and as targeted as possible, acknowledging that it is not going to be perfectly targeted in these circumstances. We accept and acknowledge that, but it would still be better for it to be targeted where possible. The benefit of the tax levers that you mentioned is obviously scale, and you can move at scale, for better or worse, and at speed, but it is slightly more difficult to be targeted. We are looking at every conceivable tool at our disposal, as we speak.

Q3 Chair: Is that targeted in the sense that if you used reverse NICs, as I have just suggested, you would want to go for particular sectors and particular businesses?

Rishi Sunak: Whether it is particular sectors, whether it is potentially the size of the business, whether it is the salary of the person in question or whatever you are trying to target, it might be that a very large company that is not particularly affected, for whatever reason, or has a different employee base, is not one that you would want to target resources on. Then there are others—for example, in the retail and leisure sector—that are smaller companies where you absolutely do, and that is where our interventions have been strongest thus far. It is thinking about what we are trying to do. As the scale of what we are grappling with increases, you are left looking at more macroeconomic, economy-wide solutions than targeted solutions anyway.

Q4 Chair: In the sectors you are looking at, I think you implied that you might be having some roundtables with Departments looking at which sectors might be impacted and need more support. Outside leisure, retail and hospitality, do you have a sense at this stage of where you might go with that targeting?

Rishi Sunak: I charged Secretaries of State earlier in the week to engage urgently with all the sectors they are responsible for, not just



traditional businesses—for example, social care would be a slightly different business that is not traditionally what people might think of as a business, but there are businesses in that sector—to make sure that we are understanding if there are particular specific issues that any of those industries are facing. For reasons of sensitivity, it might not be worth necessarily going over all of them at the moment, but that work is going on. Airlines and airports are an obvious one, given the travel advice that has changed.

Q5 Chair: How quickly do you think that work will be completed?

Rishi Sunak: It is already happening, and we are getting realtime feedback from Secretaries of State as those meetings are happening. The most prevalent this week has been leisure, hospitality and travel, for all the obvious reasons. That is the part of the consumption economy that is most impacted by the new medical advice and by the new travel advice, so that sector is very much on the frontline of what is happening.

Q6 Ms Eagle: Chancellor, in Prime Minister's questions, in answer to a question from Jeremy Corbyn, the Prime Minister said: "Whatever their circumstances, workers should get the support they need." They are not getting it at the moment, are they?

Rishi Sunak: We took steps last week in the Budget to ensure that the safety net for people was strengthened, and we put an extra £1 billion into the system, both through local authorities and through making some changes to ESA, SSP and universal credit, to ensure that all the people who are going to be in hardship during this period have extra support. For workers in particular, as the Prime Minister also said, the reason we target support on businesses is ultimately to help businesses preserve cash flow and therefore preserve employment. It is a way of protecting people's jobs; ultimately the best long-term way to help people is to keep them in work.

Q7 Ms Eagle: I understand that. Are you, therefore, happy with the scale of support for individual workers, whether they are having to self-isolate or being put on short time, or even losing their jobs because of the requirements that the Government have quite rightly put on our society at the moment to prevent the spread of coronavirus? You are happy that you have done enough.

Rishi Sunak: We outlined a very comprehensive set of packages yesterday on top of the ones that were done the week before, but I said very clearly that there is more to do and we are working at pace urgently to see what further support we can put in place, particularly around employment support, looking at some models elsewhere and seeing what model might work best for workers here.

Q8 Ms Eagle: Could we explore that? I am glad that you are not happy with the amount of support there is at the moment; it is nowhere near enough. We already know that statutory sick pay is far too low—20% of average wages—and that it does not include millions of people who work,



either because they are self-employed or because they are on zero-hours contracts. It does not include reasonable support for them. Could you tell us a bit about what you are going to do to improve that? Otherwise, people may not self-isolate when they should, and therefore more people will die as a result of coronavirus spreading because we are being parsimonious with support. That is an important area.

The other area has to be about wage subsidy, surely, to persuade employers that they have to keep people on over this period when there is an extreme response to stop the spread of coronavirus. We have to try to stop jobs being lost in that period and people having catastrophic loss of income. Could you tell us a little bit about what your thoughts are on how you would deal with those two big gaps?

Rishi Sunak: Yes. On the first one, we took steps to strengthen the security net, particularly to deal with self-isolation. Regulations have been laid already that extend SSP to those who are self-isolating, which was not the case previously, so those measures have been taken. We also made sure that SSP was payable from day one rather than day four, and similarly for those who are going to be on ESA, that that support would start from day one rather than day eight in recognition of the circumstances. The third change—

Ms Eagle: We accept that you have done that.

Rishi Sunak: The third change made was to remove the minimum income floor in universal credit, again to adjust for the fact that people should not be penalised for time off work due to sickness or self-isolation. Those measures addressed that particular point specifically.

With regard to your second question, that is the work we are actively looking at, as I said very clearly yesterday.

Q9 **Ms Eagle:** Can you give us some idea about what you are thinking of? For example, Jim O'Neill, who used to be a Conservative Treasury Minister, has suggested a people's quantitative easing, compensating all businesses and all income earners, and having a direct income transfer. The TUC is arguing for similar things. Some kind of big approach to individual income, over a short space of time, surely has to be the way to give reassurance to people in this very difficult crisis. Why are you so reluctant to start talking about what you are thinking about?

Rishi Sunak: I am not reluctant to talk about it. I have said very clearly what we are doing.

Q10 **Ms Eagle:** Tell us then.

Rishi Sunak: Indeed, I am speaking to the trade unions as soon as I finish here and am back in the office. We are working on a range of things. I want to make sure that we can come up with something that is both effective and can be delivered. That is the work we are doing. As



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soon as we have more details on it that we hope will command broad support, we will talk about them.

- Q11 **Ms Eagle:** But you do realise that people are being laid off now, and people are losing money now. The weekend might be a time to think about these things in a Treasury kind of way, but what we need is action now to reassure people that they will not be losing their income and they can keep their family eating and a roof over their heads during the most acute phase of this crisis if they do the right thing.

Rishi Sunak: I am absolutely alive to the urgency. You talk about the Treasury way. Everyone inside the Treasury—not just myself—is working around the clock to ensure that we can deliver these things and ensure that support gets to people. It is all very well to stand up and make an announcement; but, given the pace of what is happening, we need to make sure that it can be followed up by actual delivery and people can get the support they need.

Rest assured that no one is resting on their laurels; everyone is working around the clock to deliver something that we think will make a difference. That is what we have done, not just yesterday but last week and in between as well, and are doing as we speak. As I said, as soon as I am finished here, I will be right back at it.

- Q12 **Ms Eagle:** Chancellor, do you accept that £74 a week, which is the employment support allowance, and £94 a week, which is the statutory sick pay level, is clearly not enough to reassure people, if they are doing the right thing, or if they lose their job, that they can keep their families eating and safe during this crisis, and that we have to have an increase in the levels of that support?

Rishi Sunak: We have a safety net that I think works well. It is one part of various things. Compared with other countries, the way people access healthcare here is very different. People compare SSP, but that is one element of the security net. Free access to the NHS is a very important part of it, particularly at a time like now.

- Q13 **Ms Eagle:** Right, so you are happy with those levels of benefit support.

Rishi Sunak: As I said, we improved both the generosity and accessibility of those benefits last week.

- Q14 **Ms Eagle:** I understand that you have made them payable earlier, but I am talking about the level of them at the moment.

Rishi Sunak: Yes, those are the levels we have. As I said, we took steps last week to strengthen them. We are looking at everything in the round to see where support is required, but, as I said, we are looking at that at pace.

- Q15 **Ms Eagle:** I want to ask another quick question, Chair, if I might, about the difference between loans and grants. When I talk to businesses that have had a catastrophic fall-off of demand because of what the



Government have rightly asked people to do at the moment, many of them say that they cannot have more loans on their books because they are already indebted enough; they are not convinced that they would be able to pay them back even if the loans were actually very generous in terms of their cost. Why not just give them grants?

Rishi Sunak: We are giving them grants. If you look at what countries around the world are doing, most are doing something similar to what we have done, which is a combination of things. You can obviously do loans in considerably more scale than you can do grants. They are also, as in 2008-09, very effective at helping otherwise healthy, solvent businesses through what will be a temporary period of disruption, especially if the loans are provided on very attractive terms, which these loans are, because they come with a Government-backed guarantee. That means that the credit risk that the banks are taking is considerably lower, which is an extra incentive for them to lend. There is no fee that we charge for that guarantee.

We are changing the portfolio cap that is provided, and in the case of the larger facility, which we created in conjunction with the Bank of England, which has not been done elsewhere, that will be funded by the Bank of England with our guarantee, and will provide very cheap, very accessible financing to slightly larger companies. I have already been hearing from companies today that that is very welcome; lots of companies feel that they will be able to bridge this temporary period because they have confidence in their future, and this will help them do that.

Q16 **Ms Eagle:** Are you worried that the extra burden of some of these loans in circumstances as we come out of this particularly acute period might drive more companies to the wall, whereas grants would not have, and you actually might see more scarring in the economy as a result of relying on loans rather than giving grants?

Rishi Sunak: The scarring effect comes from the employment side of things because what you want to do is keep people in the labour market rather than have them out of the labour market and then permanently removed from the labour market. If a loan, as well as a grant—we are doing both, depending on the size of the company—provides cash-flow relief to the business in the short term that enables them to retain employment, and, as I said, we are looking at doing more in that area, that is how you protect scarring and hysteresis from happening in the economy long term.

Chair: I am sorry to interrupt. I am going to move over to Felicity.

Q17 **Felicity Buchan:** First, I commend you for moving quickly yesterday, Chancellor, and moving in size, but I think the success of the package is going to depend on the ease and speed of businesses being able to access money. Can you reassure the Committee that businesses will be able to access the money quickly and easily?



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Rishi Sunak: Yes. I think you are absolutely right, as I was saying before, that there is no point announcing things if they cannot be followed up very quickly by delivery so that they actually start making a difference.

There are two separate loan programmes. One is with the Bank of England and is being worked up at pace. It is novel and has not been done in exactly this form before, which is why we think it will be very powerful, and it should be operational by the beginning of next week.

Secondly, there is the business interruption loan scheme that we are also guaranteeing. That will be provided through banks and financial institutions, the vast majority of whom are already on board and ready to offer it, because they do similar guarantees. We are working at pace with them to make sure that they have all the details of the new loan guarantee scheme. We are simplifying the eligibility criteria, the application process and indeed the speed of approval. Again, that should be up and running at the start of next week so that businesses will be able to walk into a branch and ask for the loan and then, hopefully, go through a pretty swift process in order to get access to the credit they need.

Q18 Felicity Buchan: This is clearly a very major, short-term event and we need to ensure that it stays as a short-term event and does not become a long-term event. Do you think the package is sufficient to keep it as a short-term event?

Rishi Sunak: I am conscious that I did not answer your previous question about grants and delivery, so I will do that in a second.

The duration of what we are dealing with will be fundamentally driven by the epidemiology of the situation in the first instance, so it relates to the question I answered before about the spread of the illness and the duration, and I refer people to the Prime Minister's comments. That will dictate the timing of the impact and the timing of the various intervention measures that have been put in place, which are obviously having an economic impact, and those can change over the duration of the spread of the virus.

Once that is done, we need to look at what we need to do to make sure that the economy is in a strong position to rebound strongly. A lot of the measures that we have put in place are valid for a year—for example, our business rates holidays—so that will provide business with benefit throughout the year, but of course we will look at the situation fresh at that point. Hopefully, the better we have managed this bit, the easier it will be to recover faster on the other side. Academic research would tell you that there tends to be pent-up demand in these situations, so when you emerge from something like this—obviously, this is on an unprecedented scale—but in more localised instances of things like this, you find that there is some catch-up demand naturally, as people have been at home holding back consumption and that can be released.



I should address your previous question on grants, which is a vital point. They are being delivered through local authorities, through the business rates system, and the Local Government Secretary is on this himself personally. It will require local authorities to write to businesses, the smaller businesses, to request their financial information because they do not necessarily keep it online, and then they can swiftly process the payments, and ditto for the larger retail discounts.

They are about to rebill all their businesses. Some have not yet billed them, but most have, so they will have to issue a new bill, but we are talking about days and weeks in order to get new bills out with a discount and any refunds owing made. We have provided local authorities with extra resource funding—or provided the Department with extra resource funding to cascade down to local authorities—to help them with the extra administrative burden, but we are confident they can deliver and deliver at pace.

Q19 **Felicity Buchan:** Grants in the hospitality and retail sector, for instance, are up to £25,000, but they are dependent on having a rateable value of below £51,000. Central London has been very badly affected by coronavirus, but there are very few properties in central London in those sectors with rateable values less than £51,000. What would you say to that?

Rishi Sunak: I very much acknowledge the impact of what is happening on the hospitality sector, and in light of the revised medical guidance we gave a business rates holiday to the entire sector, rather than just businesses with a rateable value of £51,000. In all these cases, what we are trying to do is balance our support where it is most needed, and, in general, smaller and medium-sized companies are probably less financially resilient through something like this. Maybe very large companies—you could name lots of brand names—can weather the storms slightly more easily. They have the resilience to do that, with access to debt markets and so on, so the initial target was on smaller businesses. Given the scale of what is happening, we extended the business rate discount at a cost of close to £11 billion, from memory.

Dan York-Smith: Yes. That is the cost for the entire sector. It is £9.5 billion in—

Rishi Sunak: Yes, so it would benefit businesses beyond that. The grants, which obviously have a significant cost, we kept targeted on the slightly smaller and medium-sized businesses in that way.

Q20 **Felicity Buchan:** There are implications outside the sector. I have had lots of calls from nurseries and dental practices and from the self-employed, so I think the rateable value of £51,000 is important, as are the sectors you want to focus on.

Rishi Sunak: There is a question of where we target support in a situation like this. It is trying to figure out, with the capacity we have,



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which is not limitless—it is significant but not limitless—where we should be targeting our support. As I said, because of the particular impact on retail, leisure and hospitality, we did not apply the £51,000 cap; we took the entire sector out of paying any business rates whatsoever, which I know was a significant ask of the industry and has been welcomed.

Q21 **Felicity Buchan:** But I understand that nurseries and dental practices are under particular pressure too, along with the self-employed.

Rishi Sunak: Yes. There is already significant pressure, and there will continue to be significant pressure across the economy. Some of the more macro interventions we have done, and will look at doing further, will help in that regard.

Dan York-Smith: Business rates in England are about £25 billion, so, in a sense, this is considerably more than a third, getting towards half of all business rates that will now be due in 2021.

Q22 **Felicity Buchan:** Can I ask one final question? The pound has clearly had a very bad day today, even though this is a global pandemic. What do you think is the reason for that?

Rishi Sunak: It is not right for me to speculate on the pound and what it is doing on a daily basis, if you will forgive me.

Felicity Buchan: Understood.

Q23 **Alison McGovern:** I want to follow up briefly the issue of business loans versus grants. So far, we have had £330 billion loan capacity versus £20 billion in grants. Do you commit to redressing that balance, more in grants and less focus on loans?

Rishi Sunak: No, I think it is more a focus on what we are trying to achieve and the best way to achieve it. If by giving a grant to a business what you are actually trying to do is help them preserve jobs, there might be different ways to do that, as we heard from the Chair earlier, through the tax system, for example, that would ultimately arrive at the objective you want, which is to preserve employment.

With a cash grant, helpful and good as it is, we do not have control over how the money is spent. People might say, "That's all very well, but how do you know someone is going to use that cash grant for something you would actually want them to do and help pay people's wages through the difficult period, rather than doing something else with it?"

Alison McGovern: I will come back to that in a second because there are some important practical points about how we achieve it. I want to quote Peter Kinsella, who runs Lunya restaurant in Liverpool, which you will have never heard of but is a wonderful restaurant local to me and Angela.

Ms Eagle: Hear, hear.

Q24 **Alison McGovern:** Peter Kinsella, who employs over 100 people working



for Lunya, says that if they get a loan they will never be able to repay it no matter what, because there will be lost income to them that they will not be able to make up. They know that they will be closed for months and months, and at the moment they are not sure whether they will be able to open again. This is the most serious point for business owners like Peter Kinsella, so could I ask you to respond to the issue that loans are for deferred income, but this is a loss of income. People like Peter need grants, not loans. That is right, isn't it?

Rishi Sunak: It depends what you are trying to achieve. Peter is saying that he will not be able to pay the loan back ever. These are not short-term loans; they are long-term loans with no interest payable for the first six months to start with, in the instance of the business interruption loans. If the idea is, "We will get through this," and it sounds like it is a very successful, popular restaurant, it will get back to health and, like any other loan over a long period of time, the business will generate the profits to pay it back. That would be the hope and expectation I would have.

Q25 **Alison McGovern:** Can you keep the situation under review?

Rishi Sunak: Of course, and we are actively doing that.

Q26 **Alison McGovern:** Let me run through some quick practical things, issues that we have in addition to that one. On the position of freelancers and the self-employed, obviously everybody is worrying about statutory sick pay, but is there more that the Treasury and similar or associated institutions could do? What about deadlines for self-assessment and that sort of thing? Are you looking at ways in which HMRC can be flexible in this situation?

Rishi Sunak: Yes. That is an excellent point, and we actively are doing so. We have already initiated something called Time to Pay, which achieves exactly that aim, particularly for the self-employed, who would be able to benefit from that as well. There is a dedicated hotline for HMRC, and we have moved 2,000 HMRC staff, as of last week, to man that hotline. The calls are coming in as we speak. It allows people to talk to someone at the other end of the phone and do exactly what you suggested, which is to look at what deadlines they have, look at what tax bills they have and look to agree a deferment of those.

Q27 **Alison McGovern:** HMRC has maximum flexibility to help people through this?

Rishi Sunak: HMRC is already doing it. In the first day, they took 745 calls, with I think 1,000 on the second day. I get a breakdown regularly of what is happening with those calls and who is agreeing what. The process is up and running and working as we speak.

Q28 **Alison McGovern:** Then presumably in the right way, in the appropriate way, you could make that data available to this Committee.

Rishi Sunak: I cannot make individuals' tax data available.



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Q29 **Alison McGovern:** No, but in whatever way is appropriate, so that we can see the broad picture of what is going on.

Rishi Sunak: I have to check what I am allowed to disclose, but in general I do not think there would be any issue about disclosing call volumes and things like that.

Dan York-Smith: I cannot quite remember what we did in the financial crisis, but we had a similar thing available. Partly it is about HMRC commissioners taking a judgment about deferring tax payments. Normally when you agree to pay your tax later, you are liable to interest and penalties, but they have the power to waive those where appropriate. I think, therefore, that there are some requirements for us to report some of it certainly, so we can definitely look at what realtime data we can provide.

Q30 **Alison McGovern:** I think we would find that helpful. Great.

As you have mentioned civil servants, could I ask about DWP and HMRC? They are going to be absolutely crucial in this situation. We need all DWP, HMRC and other officials, like the Valuation Office and others, to be healthy, safe and able to be at work. Have you asked the chief executives, directors and others responsible to take extra measures to ensure that we can allow people to self-isolate when they need to but have business continuity for those civil servants?

Rishi Sunak: That is an excellent point. For DWP, the Work and Pensions Secretary will be responsible, and certainly inside the Treasury I have had conversations with the permanent secretary about making sure that we are resilient to deliver what we need to deliver. You are right more generally: to deliver all the packages that we are talking about, we need people on the ground in various agencies, and we need the capability do it.

If the models are right, a significant chunk of them will not be in the workforce in a short period of time, which we are cognisant of as we design things with that in mind; it cannot rely on the assumption that we will have full capacity for DWP and everything else. In that knowledge, we are designing schemes that can work, which is why things that we can do very quickly in the next few days and weeks have a premium.

Dan York-Smith: Every Department has updated its business continuity planning for exactly that reason, and the Treasury similarly has completely updated its business continuity plan in order that we can continue to provide the necessary service to Ministers, and in the case of frontline delivery departments, to the public.

Q31 **Alison McGovern:** Yes. We did that through the global financial crisis as well and upscaled the DWP.

My final question underpins all those things. Obviously, we have problems right across the economy now. I was pleased, Chancellor, to hear you say



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that you would be prepared do whatever it takes and that you would be working with business and trade unions to do so. I hope that is meaningful contact, and I think that means not just having one meeting now to hear people's ideas but actually involving, in the form of a social partnership, trade unions, business and civil society over the long term, and you taking a lead on that.

Will you be setting out the structure of how you are going to do that? What worries me is that we will have proposals, schemes or initiatives that may not work, so we need a constant feedback loop from people on the frontline directly to yourself and to other people in the Cabinet. What sort of national taskforce, economic Cobra or other structure do you have in mind to make sure this works? We all want it to work, so how are we going to put in place now, today, a structure to make sure that in a month's time, if it is not working, we can put it right and do something else that works?

Rishi Sunak: I would like to think that in general our dialogue with all the key people involved is strong. As I said, I am speaking to unions today to start the process that I talked about. We are working up ideas, we want to discuss ideas and we want to get people's feedback. That is already happening and will continue to happen.

To the earlier question about pace, we need to move at pace, so I am cognisant of that. We want to be inclusive and that is very much my aim. I want to get people's ideas and try to arrive at a situation that has broad support, but I also need to move at pace. To your point about the longer term, and whether there should be a process of engagement, there absolutely should be and I would be very happy to go away and think about the right structure for that.

Q32 **Alison McGovern:** Once you have spoken to colleagues later today, perhaps you might drop us a note saying how you expect to engage with business, trade unions and civil society. We do not know what is going to happen. We have a country full of food banks now; we do not know what is going to happen with that activity through this or what is going to happen with destitution. If you could let us know how you are going to engage with people, that would be great.

Rishi Sunak: Fine. There is already a process in place, but I can flesh it out in writing to you. A new business and economic response committee, which I chair, has been set up specifically with Secretaries of State, and they do engagement individually with all their stakeholders, including the unions, BEIS and so on. That feeds into me so that we can collectively get that input. That is already in place; it has already met once this week and will meet regularly from this point.

Q33 **Chair:** I think we are agreed, Chancellor, that you are happy to write to us.



Rishi Sunak: I will write to you and explain the details of how that works and is envisaged to work. I think it will address the honourable Member's questions and give you comfort that that feedback is happening.

Q34 **Chair:** Thank you. On the hotline and the Time to Pay arrangements, can I clarify the taxes that are covered? Does that include VAT?

Rishi Sunak: It includes all the corporate taxes or individual taxes that—

Dan York-Smith: I think it includes VAT.

Rishi Sunak: Yes, I am fairly certain it does, but we will check.

Q35 **Chair:** Presumably it is clear on the gov.uk website, or wherever you put information out, exactly what businesses can discuss.

Rishi Sunak: Yes. It is a pretty flexible process. It is exactly the same thing we did in the financial crisis in 2008-09. It is generally perceived to have worked well. It was deployed, I think, in foot and mouth and then in some more regional cases of flooding, so it is a tried and tested system. HMRC knows how to operate it; the track record on it is good.

Chair: Great.

Q36 **Anthony Browne:** I congratulate you on such a bold, big and timely package. I have a couple of very specific questions and then a high-level one.

My specific question is on the grants. The companies that might be in line for grants in hospitality, or the smaller businesses, will be wondering how much they can get and whether they are eligible. Can you give any detail on the eligibility criteria and what the scale might be, whether they get £5,000, £10,000, £15,000 or £25,000?

Rishi Sunak: Again, this is a great example of where we decided to do something simple because it is easy to execute. It is less targeted as a result, but it is simple and easy to explain. Anyone in receipt of small business rate relief currently will get a grant of £10,000.

Q37 **Anthony Browne:** That is irrespective of whether they have had a downturn in business.

Rishi Sunak: Exactly. It is exactly that point. If you started targeting it by people's revenue decline, it would add a degree of complexity. If you wanted to target it and say that it covers people all the way from £1,000 of rateable value up to £15,000 at the end of the taper, it is a flat £10,000. You could have done something that was more tranching, but again it would have added complexity to the system, so we just went with flat, generous grants—£10,000 if you are in receipt of small business rate relief; and if you are in receipt of the retail, leisure or hospitality discount, all the way up to £51,000 of rateable value, you will receive £25,000.

Q38 **Anthony Browne:** As a flat rate.



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Rishi Sunak: As a flat rate.

Q39 **Anthony Browne:** The wording used was “up to £25,000”.

Rishi Sunak: Yes. There is a slight nuance if people have double reliefs and things, which we are working through the operation of, but in general it will be a flat rate, simple thing.

Q40 **Anthony Browne:** That answers my next question, which was going to be, who is actually going to assess the size of the grants? You can do it through the business rates system very simply, but if it was variable grants you would need staff to do that.

Rishi Sunak: Exactly. That is why we made that conscious decision, in the interests of speed.

Q41 **Anthony Browne:** I get that; it is deliverable.

Rishi Sunak: It is a more expensive system, as a result, fiscally.

Q42 **Anthony Browne:** But you can deliver it immediately.

Rishi Sunak: We can deliver it and it is straightforward.

Q43 **Anthony Browne:** My second detailed question is on the sectors. Obviously you have the hospitality sector; you outlined pubs, restaurants, theatres, and so on. There are some associated sectors, some in my constituency—events management in particular and exhibition companies. I have one that has lost 96% of income in the last month. They have gone from £150,000 billing last month to £6,000 this month, but they are not covered by this. What would you offer them, and what is the process for thinking about associated sectors that are very much directly affected by the instructions not to congregate?

Rishi Sunak: We are cognisant of that and are thinking about whether there is anything that can be done to address it. Some in the exhibition industry have property; they might have physical property because they are an exhibitor.

Q44 **Anthony Browne:** My company is an events organiser.

Rishi Sunak: The exhibition companies would benefit if they have physical property. Those that do not would not benefit from the grants to the same extent. The issue is where you would want to draw the line between someone who is directly or indirectly affected. Ultimately, we are talking about something that is having a broad macroeconomic impact, which is why we are now looking at more economy-wide intervention measures with regard to helping people’s incomes and trying to support employment. That is a different question from providing revenue support to businesses that are facing a difficult time.

Q45 **Anthony Browne:** Are you saying, with regard to the boundary for the interventions you have on hospitality, that you are not going to change that boundary so that other related sectors come within it?



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Rishi Sunak: We are looking at it because it has been raised with me, and I can see very much what the issue is.

Q46 **Anthony Browne:** They are directly tied to the whole hospitality industry—for example, catering companies.

Rishi Sunak: Yes, but then you could very quickly go to cleaning companies, music companies and lots of other companies that may do some event things and may do some other discretionary things. Quite quickly it becomes very broad. It is a question of what to do, and you are entering something different there.

There is a kind of economic rationale for providing cash support for people with property because they typically have the fixed cost of rent to deal with. The thing about a business's fixed costs—we have been talking about bridging and getting through—is that generally their two big fixed costs are rent and people. Targeting cash support on people with rateable value makes sense, because by definition they have property and are likely therefore to have rent. They can then use that cash to help offset the fixed cost.

Of course your businesses have been impacted and I appreciate that, but if you do not have rental payments you do not have that fixed cost, so you are adjusting in the short term to that. That has an impact on people, but it might be that we can help to do something different on that. At the moment, those are the kinds of things we are looking at.

Dan York-Smith: There is a relationship between the delivery mechanisms, so in a sense the business rate system allows us to deliver the support relatively quickly because businesses have a rateable value. Local authorities have a list of businesses with rateable values. They already collect or exempt—

Q47 **Anthony Browne:** I get that. When you want to do it at pace, you have to use the existing mechanisms.

The high-level question I want to ask is this. You mentioned yesterday that, if you needed to use extra powers, you would use them for financial intervention. What sort of powers were you referring to? What is the range of things you were thinking about?

Rishi Sunak: Very specifically, there are some clauses in the Industrial Development Act 1984—Dan will correct me if I am wrong—and one other piece of legislation as well, which allow me to provide loan guarantees, particularly for infrastructure and other loans. They have an existing set of headroom in those schemes already, but I wanted to make sure that should I need more or should I want to do something different, particularly when it comes to bespoke company, larger company intervention, should that become necessary, I have the tools at my disposal to do that, given the scale of what we are looking at.

Q48 **Anthony Browne:** Presumably those would be the sort of powers you



would use for airlines and airports, for example.

Rishi Sunak: Not to talk about individual companies, but there are powers within the Industrial Development Act that allow me to make loans, grants and guarantees. They have a certain cap on them at the moment, but I wanted to have that future flexibility while the legislation was in place.

Q49 **Anthony Browne:** My last question is on bail-outs. The bank industry was bailed out quite extensively by the taxpayer during the financial crisis. Can you imagine similar sorts of bail-outs, like the Government actually buying stakes in companies to keep them going?

Rishi Sunak: You will be speaking to the Bank of England. I have been checking, and have been consistently reassured by the regulators and the Bank about banks in particular.

Q50 **Anthony Browne:** My question was not about banks.

Rishi Sunak: No, but it is probably worth emphasising that the resilience of the banking system is very strong because of the actions taken over the past several years, which is why the Governor was able to release the countercyclical buffer last week. All the stress tests the Bank has run are significantly more severe than what we are contemplating now. I think the health of the banking system is good. That is important because it is the lubrication for so many other things, as we found last time around.

We stand ready to do what it takes. As I said, there are some very large companies in particular sectors that might need bespoke support, but you are absolutely right that it is not my money; it is taxpayers' money, so when we enter those conversations I will be very cognisant of that. There may well be an argument for the taxpayer, through the state, to step in and provide some short-term liquidity or other financing support to a private business.

I will always be conscious that that is something the taxpayer needs to be compensated properly for when the time is right. That support will be there for a particular purpose, whether it is to help preserve employment or something else. It is to make sure that the support delivers an objective that is in the taxpayer's interest, and then financially that the taxpayer is not in a situation where it is, "Heads they win, tails we lose." I am very aware of that.

Q51 **Alison Thewliss:** Rebecca Evans, the Minister for Finance in the Welsh Government, said, "We would have worked with UK Treasury to announce a package at the same time but we were not offered the opportunity to do so." Why?

Rishi Sunak: The Chief Secretary has, I think, spoken to Rebecca today or is due to speak to her very shortly. Obviously, we are moving at extreme pace. I think that is the right thing to do. With the devolved Administrations, as well as publicising the Barnett numbers, we actually



released the Barnett funding last week, earlier than it normally would have been released, to all devolved authorities, so that they could make use of that cash straightaway to help them with their planning. I imagine that is something that has been welcomed. It is not something that we would typically have done, but given the situation we thought it was the right thing to do.

We are of course happy to work in partnership with everybody, but, cognisant of urging from colleagues, we are trying to move at pace as well. In some instances, when there are devolved competences, we can provide funding for devolved areas so that they can design packages and support themselves.

Q52 Alison Thewliss: The difficulty is that my constituents are now confused. They heard you announce something yesterday. They are now waiting for the Scottish Government to catch up, but because the Scottish Government did not know in advance what you were going to announce yesterday they are now catching up. They would like to be able to do this at the same time so that people can get the same type of advice at the same time. Why can't that be done?

Rishi Sunak: Where it can be done, it will be done, but we are working at pace. We all see what is happening in front of our eyes. As I said before, we are working round the clock to design packages and to engage with everyone who is relevant to figure out what support might work and how best we can deliver it. These things are all happening in realtime, and then as soon as we have done them, and coming to announce them, there is no delay. It is just a question of speed of action.

Obviously, devolved authorities have the autonomy to do what they want with the funding they are given in most cases. What we are doing is providing that funding in advance, which is welcome. Devolved authorities are participating in Cobra calls and everything else with regard to the public health intervention, and I think that co-ordination has been very good.

Q53 Alison Thewliss: Yes. Co-ordination at that level has been really good. What is difficult at the moment is that there is not the same feed-over into the financials. It would be useful if we could have, for example, phone calls on a regular basis, not necessarily every day but regular phone calls to update on the measures you are taking, so that the Scottish Government, the Welsh Assembly and Stormont can do what they need to do to put things in place, rather than being left behind. Everybody needs to move together. I appreciate that you are moving at pace, but everybody has to be able to move at that pace, because our businesses and our individuals matter too.

Rishi Sunak: I am happy to see if there is more we can do. The Chief Secretary was speaking to the Scottish Finance Minister today and all the other devolved authorities. I will make sure that there is regular dialogue as the situation evolves.



Q54 Alison Thewliss: Replicating the measures in Scotland that you announced is more expensive than the Barnett consequentials might necessarily allow for, because our business base is different. There are more rural and small businesses. Are you willing to work with the Scottish Government to understand what those needs might be, because they might be different from what you are working with here?

Rishi Sunak: I am always happy to hear that. That dialogue happens all the time anyway, and I imagine that the Chief Secretary discussed it with the Finance Minister. I think there was some conversation about it. There wasn't the analysis to show exactly what the situation was. I am happy to have that conversation.

I am cognisant that Barnett is our general off-the-shelf thing, for better or worse. Again, we are all moving at pace. There will be things where maybe Barnett is more generous than it otherwise would be. We are trying not to reinvent the wheel as we all move at pace. It is the established precedent for what we are doing. We are working with that, but we are also trying to be proactive and constructive by releasing funding in advance of when it would otherwise be due so that the Scottish Government, the Welsh Government and others can make plans and execute them at pace themselves.

Q55 Alison Thewliss: Have the Scottish Government, the Welsh Assembly and Stormont been told how much they will get from your announcement yesterday?

Rishi Sunak: Yes. As I said, we are working at pace. I said £3.5 billion for all of them. I think the Chief Secretary will have had that information for his calls.

Q56 Alison Thewliss: Lastly, on a slightly different matter, I asked you yesterday about statutory maternity pay. Have you any further details on that?

Rishi Sunak: No, I do not, but the team are looking into it as we speak. I spoke to them this morning and they are doing that. As soon as I have more information, I will be able to write to you.

Q57 Harriett Baldwin: Thank you for working so quickly and, as I said yesterday, we thank the team as well for the very rapid response that you are delivering for the British economy at the moment. In terms of the feedback from my constituency today in the leisure, hospitality and retail sector, there is a range of different things I am going to raise.

On the top-level macro number—the £330 billion—I know it is only a week since we had the Budget and I want to try to link together the £330 billion with what the Bank of England announced on the day, which was the £190 billion that they thought would be freed up by the countercyclical buffer change and the £100 billion in the term lending facility. Are those two numbers additional to the £330 billion or part of the £330 billion?



Rishi Sunak: It is a fair question. There are lots of big numbers flying around. There are a few to keep in your head, which are probably the most relevant. The number to take away from the Budget is probably, on the fiscal side, £30 billion of loosening and targeted interventions. That is a combination of—

Q58 **Harriett Baldwin:** Business rates.

Rishi Sunak: Exactly.

Dan York-Smith: It is £12 billion in the COVID response package and then £18 billion as part of the wider agenda.

Rishi Sunak: As part of the wider fiscal loosening. It is £12 billion plus £18 billion; that is £30 billion of fiscal intervention at Budget that will go into the system. On the same day the Bank of England, as you said, did a few things. Their countercyclical buffer will release, as you said, £175 billion of additional lending into the banking system. They also created a new term lending facility. You have the amounts for that.

What we announced yesterday was different. That was the Government loan guarantees. Of the two things they do, one is purely a relationship between them and the banks, where they just say, "You can release your capital reserves," so that frees up theoretical lending capacity for the banks. The second thing they do hits our balance sheet. They deploy the funding, but that funding will hit our balance sheet and hit our net debt aggregates. That is something to bear in mind.

The interventions I announced yesterday are all Government-backed loan schemes, direct Government guarantees of loans. They are incremental to those and will be different. They might ultimately use some of that lending capacity on the small business loans side. One of the guarantee schemes we have set up is a small business loan scheme. The quantum I talked about is a volume that I am prepared to guarantee on our balance sheet and take risk for. The banks might be providing 20% of those loans because I am taking 80% of the risk. That 20% might come from some of the capacity freed up by these monetary measures. The Governors and I called the banks in last week, the day after the Budget, to have a conversation with them. As a result of those conversations, they committed to unlocking about £21 billion in new SME lending as well, as a result of the interventions both on my side and the monetary policy side.

Dan York-Smith: There is one bit that the Chancellor did not add. Yesterday, the equivalent to the £30 billion from last week was £20 billion. It is the combination of the business rates, exemption for retail, leisure and hospitality, whatever the size, and the increase in the grant for businesses in receipt of small business rate relief and the addition of the grant for the mid-sized retail properties. That was a further £20 billion of fiscal action.



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Rishi Sunak: Yes, £50 billion so far of total fiscal action. That is a very important point.

Q59 **Harriett Baldwin:** I now want to draw it from the macro down to how it seems to be landing on the ground. I was quite surprised to hear that one of my leading hotels/restaurants today was very pleased about the package. Switching to home delivery, in terms of the regulations that were relaxed—

Rishi Sunak: Yes, we changed that yesterday as well.

Q60 **Harriett Baldwin:** That is another thing that is open to restaurants to do. They were going to keep their staff on because they had confidence from the measures that were announced, so that was very good to hear. But they had had their bank manager come in yesterday to say, “£200,000 increase in your overdraft and we’re going to charge you only 5%.” I said, “I think the Chancellor would be surprised to hear that a bank is charging you 5% because my understanding of what he intends is for that to be free.”

Rishi Sunak: Yes. That might be an existing product that the bank has with them.

Q61 **Harriett Baldwin:** But if they are looking at it as a chance to go in and—

Rishi Sunak: From next week, that company should be able to walk into a bank and ask for the new business interruption loan that we are guaranteeing, where the interest will be free for six months because we are paying it. It should be more attractive than a 5% rate on the loan. There will be up to £5 million available specifically for a working capital facility. That should be available, as I said, from early next week. Hopefully, that will be a good source of credit for that particular business.

Q62 **Harriett Baldwin:** It is very helpful to be able to say, “The Chancellor says this should be at a lower rate,” so if you could repeat that clearly now it would be great.

Rishi Sunak: Before I start setting prices in the economy, the new scheme that we are setting up, because it is subsidised and because you should use the new Bank of England funding as well, should be at an attractive rate. In any case, it should be interest free for six months.

Q63 **Harriett Baldwin:** I would not want the banks to be seen as profiteering from this situation. Similarly, on the grants themselves, which you just alluded to, Chancellor, you said that once we give someone a grant we cannot be sure that they will do the right thing, as this employer had done, and keep the staff on. They may just bank it and close up anyway. I wondered if it would be possible for you to make a stronger set of statements on what you are expecting to have as a result in the employment sphere with those grants.

Rishi Sunak: That is a fair point. Each business will be different, which is why it is difficult to be completely prescriptive. It may be that the grant



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money is used to offset the fixed costs of rent, which will help some to keep people on. It might be that indirectly that is what is helping, but hopefully the steer from me is clear. We are trying to provide cash-flow support, liquidity support and Time to Pay support to businesses in order to help them preserve employment through what will be a difficult period. That is very much the objective of the interventions we are undertaking.

Q64 Harriett Baldwin: That is very helpful. Could you also commit to asking the Economic Secretary to sit down again with the insurance industry? The feedback from the frontline is that businesses that have policies that pay out—for example, if there is a pandemic—are being told, “Oh, but it has to be a pandemic listed on the 2008 list.”

Rishi Sunak: Let me address that because it is an important point. What we did yesterday was to agree with the insurance companies as regards anyone who had a policy that would have paid out had we said, “The restaurant is shut,” rather than, “It is best if people do not go to restaurants.” That is the instance, rightly, about which there was the most uncertainty, and that is what we cleared up. We ensured that the insurance company would do the right thing, and they have said that they would. I appreciate that.

What we cannot do is retrospectively change insurance policies. If an insurance policy was not designed to cover something and the premiums were paid on that basis, if you were to make a retrospective change it would most likely cause solvency issues for the insurance sector as a whole, and for particular individual companies. That is the risk of changing insurance policies retrospectively. If they have collected premiums on the basis of a particular set of cover, as you would expect, and then you suddenly say, “You should have been collecting bigger premiums for a different set of cover,” that will have significant issues.

Q65 Harriett Baldwin: It seemed to me a bit unfair if you bought coverage against a pandemic, and it was not on the 2008 list because it wasn’t anything that was known. You are saying there would be actual solvency issues for the whole industry if they were required to pay out.

Rishi Sunak: Retrospectively changing policies would have a significant impact. We have to be cognisant of that because the knock-on impact it might then have on everyone else’s insurance policies, whether for travel or anything else, would be significant. That is why, as much as we can, we are providing business support directly to businesses anyway, to help with some of those costs.

Q66 Harriett Baldwin: I want to pick up on the supermarkets point raised yesterday. If there is a business that seems to be experiencing a massive surge in demand to counteract some of the decline in demand in other sectors, it is the supermarket and grocery industry. They are clearly really stretched. Is there anything else we could be doing on the deregulation or supply side that would make it easier for labour to shift from one sector to another sector for this short-term national crisis?



Rishi Sunak: That is an excellent point. When I charged all Secretaries of State with having their industry engagement, I specifically tasked them with looking at where there ought to be regulatory forbearance. You saw an example of that yesterday with takeaways; you have seen it already with flights and people not losing slots as a result of not flying empty planes. Another example is curfews for delivery. These are all examples of things where we can show regulatory flexibility, and should, to help to achieve the outcomes we want. As those things come back through the committee that I chair we will look at more measures. We have taken steps already in those three particular areas to do that. If there is more to do, we will absolutely do it.

Chair, I am conscious of the time.

Chair: Yes, we will go to Rushanara Ali now and then Liz Kendall.

Q67 **Rushanara Ali:** Chancellor, this situation is likely to last not a couple of weeks but a lot longer. Huge numbers of our constituents live in overcrowded conditions with high-risk factors. There are a number of issues that were not addressed in your statement yesterday that are actually about the people, the taxpayers. It seems lopsided in not doing enough to support our constituents. Can I ask whether you can give local authorities a guarantee of the funding they need so that they are not stuck trying to make things work in what is increasingly a crisis, particularly in London, given that we are at the head of the curve?

You talked about mortgage holidays yesterday. We have social housing tenants and private tenants who will not be able to afford to pay their rent. Can you say something about what will happen to support them and also temporarily replace incomes when people are not going to have a source of income? There are fixed costs that need to be covered in the event that this goes on for some period.

Lastly, I would ask that you prioritise the need for getting support to families who are living below the poverty line. Half the children in my constituency live below poverty. We need food for those families. If they are self-isolating for weeks, it could have a devastating consequence. Could you take those issues away please? You do not have to respond to all of them, but could you take them away and act on them as a matter of urgency? People are likely to die because of poverty, as well as the risk factors we have talked about.

Rishi Sunak: Thank you. I will give you some quick responses because we are thinking about many of those issues. In terms of families and support for the most vulnerable, one thing we are keen to do is to get extra support to those people. Half a billion pounds is going to local authorities, particularly to help on local welfare assistance and local council tax support schemes. Again, we are going with something that is off the shelf and ready to go. We are cognisant that capacity for everyone is going to diminish over time. There are schemes that exist. About 5 million of our most vulnerable people are on those schemes, so it is a good way to target extra support for them.



We covered fixed costs a bit with businesses, and ditto on income support. On renters, as I said yesterday, and the Prime Minister reiterated, the Housing Secretary is bringing forward measures to address the issues that you rightly raise; and indeed around mortgages as well, as they relate to buy-to-let landlords. I can tell you that we were actively talking to the Local Government Secretary just this morning about what extra support local authorities might need, particularly with regard to social care, which they have responsibility for. We obviously want to free up capacity in the NHS. That might have an impact on social care, which will have a cost implication for local authorities.

Q68 Rushanara Ali: On hardship funds, there is only half a billion across the country. We need a much higher number to deal with the need for hardship funds now. I was with my local authority this morning. It is a question of days, not weeks. We need urgent action. Could you say something about how much extra you are going to put into hardship funds for local authorities?

Rishi Sunak: As I said, half a billion pounds is being delivered quickly to them, to deploy themselves through their existing schemes. It represents a 15% overall top-up to the budget they have for those particular schemes.

Perhaps I could take the last question now, as I need to prepare for a meeting that is in 25 minutes.

Q69 Liz Kendall: My main question, Chancellor, is that, while you say you will consider all potential measures to give financial security to people, the truth is that other countries are already doing it and doing more. Norway is giving the self-employed 80% of their average income over the last three years. Sweden is giving people who have been laid off 90%. You have not even said that you will consider raising universal credit, and, however much we try to preserve employment, more people are going to be unemployed. Are you considering helping people with their outgoings, like paying their council tax or their utility bills? Isn't the truth that we have not done enough, and we are way behind what other countries are doing? My question to you is, why?

Rishi Sunak: You mention two things specifically about bills and council tax. The money we have deployed is specifically to councils for local council tax support schemes.

Q70 Liz Kendall: You just said that was a hardship fund.

Rishi Sunak: Deployed through local council tax support. That is the existing off-the-shelf mechanism that we have to get money to vulnerable people. The reason council tax is important is that for most families it is one of their single largest bills. It is one of the single largest fixed costs that most families have. It is an average of about £1,800.

Q71 Liz Kendall: But, Chancellor, isn't that £500 million less than the amount that was cut from council tax benefit when it was devolved to local



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councils? You are not even giving them what you cut when it was devolved.

Rishi Sunak: Relative to what it is today, it is a significant increase. You talked about bills. We have talked about a mortgage holiday, which we have talked to the banks about. Other conversations are going on in other parts of the sector.

With regard to other countries, as I said yesterday in the House, you have to look at things in the round. You have to look at the totality of the fiscal interventions.

Q72 **Liz Kendall:** I would just say to you, Chancellor, Macron did all of this at the same time. This Government are way behind.

Rishi Sunak: Factually, the numbers would not support that. What he announced was a loan guarantee scheme of €300 billion. We announced a loan guarantee scheme of £330 billion, which is a lot more than that.

Q73 **Liz Kendall:** And measures on gas and utility bills.

Rishi Sunak: He is also only giving €1,000 grants to small businesses, not 10,000 and not 25,000. It is worth looking at it—

Q74 **Liz Kendall:** That is individuals.

Rishi Sunak: It is for micro businesses. It is worth looking at it in the totality of the fiscal intervention and adding the £30 billion and the £20 billion together, which is £50 billion. Then we need to look at that as a percentage of GDP, for example. You can benchmark it to most large economies and you would see that the totality of what we are doing, relative to almost any other large economy thus far, is very significant. I think that is the right way to look at it. People are all targeting their support in slightly different ways, but if you want to say, "Are you doing enough or what is the quantum of what you are doing?" you should look at the quantum of everything we are doing.

You can have a separate debate with me about whether we should have done more of this and less of that, but in the overall quantum, on a benchmark basis, as we have done it, it looks like a very comprehensive package.

Q75 **Liz Kendall:** When will we hear your further measures for individuals and families?

Rishi Sunak: As soon as they are developed, and hopefully we can have broad support for them.

Q76 **Chair:** Chancellor, thank you very much. You have a huge amount to do. I know you have to rush off and do an awful lot more now. We are grateful to you for your appearance. We wish you luck in these very difficult times. You have heard a number of concerns that the Committee has, and we will be keeping in touch with the Treasury on those. Thank you very much indeed for joining us.



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Rishi Sunak: Thank you, Chair, and thank you all for your understanding of the circumstances and the timing.

Chair: That is the end of the session. Thank you.