HOUSE OF COMMONS

Business, Energy and Industrial Strategy Committee

Oral evidence: The impact of coronavirus on business and workers, HC 219

Tuesday 17 March 2020

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Watch the meeting

Members present: Rachel Reeves (Chair); Alan Brown; Richard Fuller; Paul Howell; Peter Kyle; Pat McFadden; Anna McMorrin; Mark Pawsey.

Questions 1 - 56

Witnesses

I: Rain Newton-Smith, Chief Economist, CBI; Martin McTague, Policy and Advocacy Chair, FSB; Alasdair Hutchison, Policy Development Manager, IPSE; Paul Nowak, Deputy General Secretary, TUC.

Examination of witnesses

Witnesses: Rain Newton-Smith, Martin McTague, Alasdair Hutchison and Paul Nowak.

Q1 **Chair:** Thank you very much to the four of you for coming to give evidence this morning. We appreciate you sparing the time and making the effort to come here. We have tried to put as much distance between you this morning as possible; we do appreciate you coming into Parliament, not working from home and being here with us this morning to answer some really important questions, on behalf of the people who you represent, about what support is needed. We are expecting some sort of package from the Chancellor later today, which I am sure that many of your members will very much welcome and will look forward to seeing. We are keen to explore this morning what sorts of things that should include and what support your members and the people you represent are looking for.

Can I just start by asking something to you, Paul Nowak? The Chancellor said at the time that the measures were announced in last week's Budget that he would come back if more was necessary, and the Government have now acknowledged that, as things have progressed, more will be necessary. On the issue around statutory sick pay, has enough happened so far? If not, what more is needed?

Paul Nowak: No, not enough has happened. Thanks for the opportunity to say a few words. Just on statutory sick pay, it is important to acknowledge the Government did make some positive steps forward, so moving to paying SSP from day one rather than after three days and providing the rebate for smaller businesses, but we said at the time that more was needed. It is a fact that there are still 1.9 million people who do not earn enough to meet the threshold for statutory sick pay, which is £118 a week. Where it is paid, it is not paid at a sufficient level. It is just £94.25 a week. We polled 2,000 of our members, and 48% of them said that that would mean that they could not pay their basic bills, so their rent, their mortgage and their basic household costs. We have been asking the Chancellor to urgently address that and, actually, even in the Government's own consultation on SSP last year, it talked about the need, for example, to remove the lower earnings threshold.

Practically, as we move forward, there is lots more that I want to say about other measures the Government need to take, but they will have to look to put that rebate in place for all employers and not just small employers. This is something where employers, unions and Government are going to have to work together. We can start with SSP, but that alone will not be enough.

Q2 **Chair:** When you say a rebate is needed for all employers, what would you be looking for there in terms of the rebate?

Paul Nowak: A similar sort of package of support to the one that has been offered to smaller employers now. There is lots more that needs to be done. Not to go too far off the territory of SSP, but if you look at the announcement yesterday and, for example, the advice for people not to visit pubs and restaurants but not mandating pubs and restaurants and other businesses to close down, that is having a real, immediate and pressing impact on employers now.

Q3 **Chair:** We will definitely come on to that. Could I ask you, Alasdair, about statutory sick pay? You represent the self-employed. What are you looking for in terms of further measures on statutory sick pay?

Alasdair Hutchison: When the Budget came out, we gave it a cautious welcome. We recognised the Government were trying to do two things: first, make it quicker and easier for self-employed people to access the welfare and benefits system; secondly, there was that package of business support measures.

As time has gone on and as we have thought about it and as we have got feedback from our members and self-employed freelancers in particular sectors more generally, although the statutory sick pay question is an important one, and extending that to the self-employed would be helpful, we have really realised the key issue here is that this is not just a health crisis. It is going to become an income crisis for millions of people. If you get this virus or you are advised to self-isolate, it is one question as to how you can then access funds to cover the two weeks that you will have to recover, but if you are facing no income for the next three or potentially four months as a result of projects being cancelled and events not happening, and you have rent to pay, food costs, childcare and all the rest of it, we need to be moving very quickly to something that IPSE is beginning to push, which is more of a temporary income protection fund, so that people can basically keep their businesses alive and, at the same time, cover basic living costs. We might want to come on to this in a bit more detail, but Norway yesterday announced a measure along those lines, which we might want to talk a bit more about later.

Q4 **Chair:** Norway yesterday announced full pay for those laid off for 20 days. The self-employed would get 80% of their average income over the last three years with a ceiling of 600 Norwegian krone. In Sweden it is 90% of income guaranteed, paid half by the Government and half by the employer, and in Denmark 75% of salaries would be paid, again with a cap of how much you can get a month. Are those the sorts of measures that you are looking for?

Alasdair Hutchison: Those seem very sensible. If you just look at the raw numbers, I know that because of universal credit and ESA, there are means-tested elements in there, but, broadly speaking, you have sick pay at around £95 a week, UC at just under £80 and ESA at £74 or £75. We have to be pretty clear here that this is not going to compensate for what people would typically be earning. It is going to mean that there is a big shortfall between what is coming in and what their outgoing expenditures are.

Q5 **Chair:** From your perspective, you would like to see measures go beyond statutory sick pay, so it would be for people for whom there is no work available, particularly your members who are self-employed, but also others who may be full-time employed, on an employment contract, but there might not be the work available because there is no custom. It would be beyond statutory sick pay. It would be for people who were made redundant or for people for whom there is no work available currently. Is that right, Alasdair?

Alasdair Hutchison: I think so. In terms of IPSE and what we are saying, we are really just trying to flag the self-employed aspect of this.

Q6 **Chair:** Can I ask you, Rain Newton-Smith, from the CBI's perspective, whether that is the sort of thing that you are calling for, or is it not quite as broad?

Rain Newton-Smith: There are a few things. First of all, we are trying to provide as much advice to all businesses as possible, in line with some of the Government advice through our website. That is really important. Absolutely, businesses' priority is around people at the moment. We need to come on to the wider economic issues that are unfolding as well, but if I just focus on sick pay at the moment, there are quite a few areas where we need more clarity and more support from Government.

Just taking some examples, on the sick pay you no longer need a sick note to be eligible and they said use 111, but now the advice is not to call 111 when you are sick. There are just some simple clarity measures that we need better and more consistent information from Government on. Importantly, there are other big questions, picking up on what Alasdair was saying. First of all, sick pay should apply to all workers, so not just the employed. It needs to apply to workers as well. We then need to look at what happens to those who are under £118 a week, and there were some in the measures in the Budget around upping universal credit for those people, but there are still a lot of questions as to how that will work in practice, and those are the sorts of questions employers are getting. We just need more clarity.

We also need to think about further down the line. If the amount of sick pay becomes too large for small businesses and even large businesses, the Government will need to step in to cover some of that sick pay. We cannot expect employers to cover all of that cost, particularly if they are in an industry where they have had to shut their doors. Businesses want to protect as many jobs as possible, but you can see this could very easily get critical.

The other issue that is definitely on businesses' minds and will be upon us very soon is what we do for carers as well. If schools close, we need to very quickly look at how we extend sick pay also to carers, and then how we divide the costs of that between business and Government. That is such a critical issue that needs to be addressed now.

Q7 **Chair:** Just picking up on some of those issues, for many of your members, and for many workers, Paul, statutory sick pay is not the issue, because many people will be getting more than that for extended periods of time. Probably half of employees will get more than statutory sick pay, but that is something that the firm at the moment is paying themselves. Is that the point you are making, Rain: that for many businesses, perhaps particularly bigger businesses that have more generous schemes for people who are off sick, those costs potentially could overwhelm some of them?

Rain Newton-Smith: Yes, absolutely. As this evolves, that is the challenge. Businesses are absolutely, where they can, saying they will cover the wages of their employees, whether they have to take time off to look after dependents, whether they are self-isolating or whether they are covering sick pay in line with their company policy, but you can imagine for some businesses this is going to be a promise they are going to find it very hard to deliver on further down the track.

If you take the pubs that have had to close their doors and if you think more broadly around the airline industry at the moment, it is fighting for survival and that is not just about the airline carriers. It is the airports and it is all the pubs and restaurants that are in those industries. That is a huge number of jobs and that issue is far beyond sick pay. Cash is going out the door, they are trying to pay their employees and there is no revenue coming in.

Q8 **Chair:** We are very keen to pick on some of the particular industries a bit later on. I will just bring Paul Nowak in on this issue.

Paul Nowak: Just to pick up that point, because it is beyond statutory sick pay and contractual sick pay. It does not matter whether it is the hospitality industry, aviation or manufacturing. We are now seeing employers talking to staff about potential layoffs and redundancies. We need to not just mitigate the impact of those redundancies; we need to avoid them in the first place.

Precisely what those packages in Sweden, Germany, Norway, Denmark and Austria are designed to do is to allow employers to hold on to staff, which is important, obviously, for the wellbeing of staff in the here and now, and for companies and their relationships with staff, but it will also be crucial for the recovery when it does come, because what we do not need to see is companies having to re-staff skills that might have been lost to the organisation. If there was a message to the Chancellor today for short-time working and if there was a message to the Chancellor today in terms of that package, putting in place a comprehensive package of support for short-time working is absolutely vital.

Chair: Again, I am keen to talk a bit more about keeping workers attached to firms, but perhaps a little bit later on.

Q9 **Paul Howell:** You have been very comprehensive in what you have covered there so far. I just want to clarify what I thought I heard. We have all just talked about the statutory sick pay level and whether people can survive on that level, but the way that discussion went there, just to pick it up, if you look at it from the firm's perspective, particularly the firms that actually have good sick pay schemes in place, which are paying people close to what they normally get and all of that sort of thing, then it becomes almost irrelevant whether the Government pick it up or whatever from the employee perspective, because there is just such a huge amount of money that is going to go out from employers and all of business to solve this. Whichever way you look at it, the Government is going to have to get behind something somewhere. It is not just about the micro level.

There have been other discussions on the support side, which I would be interested in your view on, as to whether we need to do something about increasing the payments of SSP and things to people or whether you actually mitigate it by hitting the rents that people pay and the utility bills that they have to pay. Will stopping the payments out, therefore, mean that the SSP amount is more appropriate? I do not know.

Rain Newton-Smith: I would just say at the moment, in terms of what we are seeing across businesses and across sectors, their concern for their staff is around sick pay. There are lots of questions that emerged very early when this crisis hit us and they do not want their staff to worry, so they want some of these issues resolved.

What we want to do is to save as many jobs as possible and to save as many viable businesses as possible, so that we have a healthy economy once we come through this crisis. On that, the size of the challenges that businesses are facing are much bigger than just the amount they would have to pay out in sick pay, though they are looking down the track, worried about what might hit them further down the line.

I know we will come on to the sectoral discussion, but, to my mind, the action we need to see the Chancellor taking today is to provide loans. Think about larger businesses. Think about what you can do immediately through the tax system to provide some of the relief, so that cash flow does not become the issue that causes some firms to go the wall and go under now and means that we end up with lots more people being unemployed than if we took early action now.

Paul Nowak: I just have one point to follow up. Again, it goes beyond the sick pay issue. Rain mentioned support for carers. Our schools have not closed yet, but we know at some stage the schools will close, and we need to think again about a package of support that is going to mean that parents can look after their kids without being out of pocket.

We have made clear to Government that people should be paid at their normal contractual rate for that and, again, that businesses should be able to claim the overwhelming proportion of that cost back from the Government. There is no nil-cost solution to these fundamental problems that we are all going to face over the next few months, and it is important that families can feel assured that they can follow the public health advice, can support their families and have a decent income at the end of all of this.

Q10 **Pat McFadden:** To be fair to the Government, we are all trying to cope with a situation that is completely unprecedented in terms of its impact on human behaviour, and that is why this is different from previous financial crises and so on. I just want to explore this issue of income for people in that light. Traditional Government packages of support tend to revolve around guaranteeing credit from banks, tax reliefs and so on.

Could I begin with you, Rain Newton-Smith? I know it is very early days, but has the CBI got an estimate of the number of people who will be laid off as a result of the announcements from the Government yesterday about pubs, restaurants, entertainment venues and so on? Hospitality UK is quoted this morning as talking about hundreds of thousands of redundancies. Do you think that is fair? Do you have a different number?

Rain Newton-Smith: I cannot give you a number of jobs at this stage, because the other thing is it does depend on what action is taken now. I guess our priority is to get the policies in place so that we do not end up in that situation. Is this a critical situation for a lot of businesses? Absolutely. The pubs, cafes, restaurants and theatres closing is critical for those businesses, but also you have the airline industry, where flights are grounded now and for the foreseeable future. That is why we need swift action now to try to protect as many jobs as possible.

I should say the action last week from the Treasury and the Bank of England was very welcome. The co-ordinated action was very helpful, but we need to be at the stage where the Government are saying, "We will do whatever it takes to support the airline industry through what is a temporary issue". The same is there for hotels and retail. In retail it is a bit more mixed, because people are out there buying things online and they are out there buying household goods, so the policy reaction in that sector is a bit different, but there is no doubt that this is absolutely critical to the survival of firms and hundreds of thousands of jobs, potentially, if we fail to act now.

Q11 **Pat McFadden:** Mr McTague, could I bring you in on what "whatever it takes" might mean? We have been looking a little bit at what other countries have announced; some of this is just in the last day or two, so it is very quick. For example, Denmark has said they will pay 75% of employees' salaries until June, up to a maximum of around €3,500 per month. France proposed last night a £300 billion package, which requires businesses to pay 70% of the cost of pay, with the Government rebating the businesses a proportion of that. Do you think that we need direct Government subsidy of pay for those employees who are laid off as a result of the measures announced yesterday?

Martin McTague: The short answer is yes. We have reached that point. You mentioned in your opening remarks about behavioural changes. One area, though, that worries me seriously is the self-employed—the plumbers, the carpenters, the electricians and so on. A lot of those people are now saying, "I am going to prioritise my income over my health, because I am more frightened about the long-term damage to my income". The only people who can step in at this stage and try to reassure them are the Government. In one sense, the Government are going to have to take the role of a benign employer, providing the kind of safety net that means that people do not behave in a panicky way and do not start taking short-term decisions that could damage us all in the long run.

Alasdair Hutchison: Just to add on that point, to go back to the Budget in terms of the self-employed, we have a lot of concern that fundamentally there is huge risk in handing off large numbers of self-employed people to the welfare system if they have not traditionally used it. We have provided evidence to Committees in the past about the complexities of universal credit, and I know that the Government have made tweaks in terms of the minimum income floor and bits like that, but we just think that that, as a system, is probably not prepared for the number of people who will come in, and those people themselves will really struggle to navigate.

Similarly, on the business support side, I cannot comment too much on some of the Budget measures, which were around the business interruption loan scheme that the Government announced, but having had a quick look through, my fear and impression is that that kind of approach, in terms of loans for the future or even some of the actions that the Bank of England has taken, is not tailored to how self-employed people run their businesses and their lives, because their businesses and their personal finances are completely intertwined. As Martin was saying there, you are needing something that looks more like an income replacement rather than possibly giving them some kind of loan or big insurance that they are then going to be paying back over a period of months or potentially years further down the line.

Martin McTague: We are seeing a really poor response at ground level from the banks with this introduction. At chief executive level there is a very clear understanding and a lot of right things are being said, but when it comes to the sharp end, a lot of the relationship managers that deal with our kind of firms are completely adrift. A lot of it is very bureaucratic. It seems to be modelled on the Enterprise Finance Guarantee. Most of them are trying to think about, "Would this business be viable under normal circumstances?" That just simply does not cut in this circumstance.

Q12 **Chair:** Again, we will definitely come on to that in a bit more detail in due course. Rain, do you want to come in?

Rain Newton-Smith: One of the principles around your question, which we really need to do, is about using existing mechanisms, because that will get money to those who need it as quickly as possible. The Government may want to consider some form of employment allowance, but I would encourage them to use existing schemes. You could use the employer's contributions into National Insurance to provide some relief. You could even think about extending that further.

If you waived businesses having to pay business rates for three months or six months so that they can then support employment, that is a very direct way of getting cash into businesses. You would need to make sure that central Government paid that shortfall into local authorities, because we do not want to put more pressure on local authorities, but in some sense the central Government can borrow to support that cash flow to businesses.

That is probably one of the most effective ways to support as many jobs as possible as quickly as possible, because, to build on Alasdair's point, which I know we will come on to, some of the problems with the £5 billion of emergency funds and the £1 billion they talked about that will be available to smaller businesses through the British Business Bank is the administration to try to access that cash just seems to take too long. It will be too slow and too bureaucratic to really help the businesses who need relief now so that we can protect as many jobs as possible.

Q13 **Pat McFadden:** Tax holidays have been part of the packages announced in various countries. For example, I believe Spain has offered a six-month tax holiday for the self-employed, small businesses and so on, so some countries are doing that.

Just before I finish, I would like to bring in Paul Nowak on this question of direct wage income subsidies or however you want to term this. Do you believe, Paul, given the specific nature of this crisis allied to the Government advice to the public announced yesterday, that rather than just relying on the traditional benefit routes, as it were, many of these people will not be sick and will just have been told, "You cannot come to work because there is no work for you", so the Government have to give some sort of income subsidy to those who are laid off as a result?

Paul Nowak: Absolutely, Pat. This is a fundamentally different situation, as I say. I spoke to employers in the hospitality sector yesterday. I spoke to one of our unions today about the aviation supply chain. You can roll these conversations right out across transport and across manufacturing. There are two things. One is that we do need that comprehensive short-time-working support. What is interesting about the packages of support that the Committee has talked about in different countries is that they have been designed not just by Government alone, but by employers, unions and Governments sitting together and deciding what is best to support employers and employees alike.

This is another point that I would make, which is actually not about cash but is about approach. I would like to see the Government take a consistent approach across sectors to think about how we design packages of support. Yesterday DfT co-ordinated a telephone conference with unions in the transport sector to try to get intelligence about what was happening across the sector and what might be some of the things that would be important, in terms of making sure we can still deliver to supermarkets and so on.

I would like to see us have those discussions across every sector, and one of the things the TUC has called for is a national taskforce bringing together employers, unions and Government, precisely to gather this sort of intelligence, to answer the question you asked before. How many people are going to be affected? The honest answer is that nobody quite knows, partly because we do not know what mitigating actions might be taken by Government, but partly because nobody has collated the impact in hospitality, manufacturing and transport.

We also need to think about where the next pressure points are coming down the line. If our schools close, for example, who are the key workers that we need to make sure have childcare, so that they can go to work? That is not just those working in the NHS, our public services and emergency services, but people, for example, working in transport.

As I say, we need to make sure we get these packages of support right, so that they work for employers dealing with practical issues, short-term cash flow problems and all the rest of it, but work for our members as well. Nobody has the answers to all of these problems and questions, because nobody has faced this situation before, but what we can learn successfully from other countries is that getting key stakeholders in a room together to design measures makes sure that those measures actually deliver what you want them to.

Chair: It is very reassuring to hear all four of you singing very much from the same hymn sheet about what you want to see for all the people you represent. It seems to me that there is a very close alignment between what businesses want and what workers want and need as well, and that is very reassuring and encouraging to see this morning.

Q14 **Alan Brown:** This is very similar to what Pat was talking about. I got contacted by a constituent yesterday. He is called Regan Moran. He is an employee representative for 400 Coca-Cola field sales representatives. He had an alarming phone call with Coca-Cola talking about, "We do not really need you just now. We are going to do widespread lay-offs". He made the point that he has a salary above average wage and, if he goes straight on universal credit, he cannot match his outgoings, so that touches on the need for direct support.

Is there anything else the UK Government should be doing to try to reassure multinational companies not to take rash short-term decisions, presumably because they think they can maybe re-employ people once things pick back up? That is no way to treat your employees and it is also going to cause further damage to the economy in terms of them not having spending power. What can the UK Government do about that?

If we are talking about working together collaboratively, how do you target the people whose jobs we are going to protect and who gets support, because that is going to become a big issue as well? Everybody's job is important to them, but other people are going to scream about priorities, so how do you bring all that into the mix? I fired quite a lot out there, so I do not know who wants to take that on.

Rain Newton-Smith: Maybe I will take some of that. I do not want to comment on individual businesses. What I can say from the businesses I have been speaking to is they are doing all they can to protect jobs, to support their workers and to help the country in crisis, so to provide the critical services we need, whether that is what the supermarkets are doing to make sure that everyone has what they need, whether they are self-isolating or not—there is a lot of effort going into that—or whether it is what manufacturers are doing and the work they have been doing with the Government around whether there is anything they can do around repurposing their production line to produce more ventilators.

There are so many more of those problems that are going to come down the track where businesses are willing to step in and help. That could be trying to figure out who the vulnerable households are, how we identify them, how we help local authorities identify them and how we get to them. That is from IT companies working with local authorities to the distributors, and business absolutely stands ready to help.

The other thing to really bear in mind is that we will get through this and—you are right—what we want to do is to support as many jobs through the next three months, because we can look to the experience of other countries. We know in China they are opening up the factories. People are returning to work. It has been relatively short and intense in China. We just have to hope that we can keep this as short as possible and, therefore, we can get the economy back up and running.

There is probably not much more I can say in terms of supporting vulnerable households. It is probably for some of the others to reflect on, but, in terms of the measures that were set out in the Budget, there were some helpful measures for local authorities to try to support vulnerable households. There was the action around universal credit, but I would certainly want the Government to watch whether there are vulnerable households that will need further protection.

Paul Nowak: Fundamentally, Alan, it does go back to that support for short-term working subsidies, but it also reinforces the point I made before about having an awareness of what is happening at the sectoral level. One thing I would say about that, from our union's perspective, is if you are a union officer working in automotive, you are not just seeing the impact on one employer; you are seeing it on a range of employers and you are seeing the impact on the supply chain as well, so that is a good source of intelligence that the Government needs to draw on.

I would also say encouraging employers to think about how they engage staff in these conversations is going to be really important. Wherever possible, they should avoid unilateral decisions and taking short-term decisions. Our unions have done some really good agreements with employers as diverse as Greggs, the bakers, through to Hermes, a gig economy courier company, and ISS, which is one of the big outsourcers, to think about what support we are going to offer staff, for example, when they have to self-isolate when they go off sick and so on.

Just to give you another example, yesterday we put 900 union reps through a webinar in terms of what they can practically do to support their members in the face of these issues. I would encourage employers to see unions as a resource. Let us talk to each other at every level. At a workplace level, what is the impact? What can we do, working together, to mitigate that? Not to labour the point, but these are unprecedented times and it does require a collective effort.

Q15 **Chair:** Can I just follow up on this point about how important it is to keep workers and businesses in touch? Rain is right: we will get through this and at the end of it we need to have the infrastructure to rebuild our economy and get people back to work as quickly as possible. As well as the income replacement helping people pay the bills and put food on the table during these difficult times, what are the arguments, Rain, that you would make for the income replacement scheme to keep workers and businesses attached? How important is that for rebuilding the economy afterwards?

Rain Newton-Smith: Coming back to some of the previous questions, to my mind the focus is on trying to intervene before people become unemployed, so that is why, in contrast to some of the measures that other Governments have announced that, "Once you become unemployed, we will provide the support", we should be thinking in a much more agile way. Hopefully the Chancellor will announce further support, building on some of the measures he has putting in place for smaller businesses, but just being aware at the moment there is a big gap in terms of support for some of the very big employers that have had to close their doors, essentially, because of some of the measures that are happening. We absolutely need to think about how we support before we get to that.

In terms of how businesses and their employees get through this together, it is definitely a shared challenge. Just sharing some of the best practice that businesses themselves are putting in place, there is a huge amount of stress in all of this and the support in terms of the mental health of employees is absolutely critical. I can speak from experience in terms of what we know from businesses that have had operations in China and other countries that were affected earlier. Businesses are absolutely conscious about increasing their support, and also making whatever adjustments they can to support people working from home. That is not possible in all industries and it is not possible in all businesses, but it has been amazing how quickly businesses have helped to facilitate that adjustment, and that has to happen through a conversation with employees.

Martin McTague: It is easy to get diverted on to some of the more cold-blooded reactions from some of the larger corporates, but the reality is most people work for small businesses with less than 10 employees. A lot of those businesses are doing the right thing by their employees at some cost to themselves, and that is where the Government need to make sure that they are properly supported. I heard one example only yesterday of a pub that could not trade and decided to get its chef to start making pies to distribute to old ladies in the village, so these are people who are responding in a humane way, but we do not want them to be the victims of this crisis.

Alasdair Hutchison: Just a small point to add to that on the corporate social responsibility element is that one of the things that we noticed really early on is that there was a bit of a blind spot in terms of the Government guidance that was being sent to employers, because it was very much, "Here is your advice for your employees, i.e. your full-time staff". We had a lot of freelancers and self-employed people contact us saying they were trying to engage with their clients and the companies that were using their services and not really getting too much back.

If you are a big company that uses freelancers or slightly more contingent workers, the simple things that you should be thinking about already, rather than sitting waiting for guidance from the Government on, are things like not cancelling work with no notice and making sure you are paying your freelancers on time. Also on the payment issue, think about whether there are ways that you can pay people upfront for work rather than at the end of a project, so that people have a bit more cash flow coming in. How can you have that conversation around remote working and be sympathetic to people if they put in remote working requests, even if they are not a full-time employee? There is a whole range of just basic good communications and good engagement that people should be having with their freelancers, as well as their full-time employees. That is an important point.

Paul Nowak: I would just make three quick points. One is you cannot put a price on good will; staff who feel supported by their employer through these really difficult times will recognise that, pay that back and appreciate it. There are real costs, are there not, if you make somebody redundant and you then have to recruit somebody to replace the person you made redundant? That is an additional cost to employers that you want to avoid, so keeping people in employment is important.

There are some practical implications. One of our unions flagged to us yesterday that if you are working airside at an airport, you have to have a licence. If you are absent for 60 days, you have to go through the licensing process all over again. At some stage we will want our airports open again, we will want flights coming in and out of the UK and we will potentially find that we are in a situation where we do not have the staff to work in the airports because people have to go through those licensing processes.

This is where understanding deeply about the issues within particular sectors is really important. I am not an expert on the aviation, automotive or hospitality industries, but our union officers often are and they should be used as a resource.

Q16 **Anna McMorrin:** I just want to turn to the gig economy again. We know that 970,000 people in this country are on zero-hours contracts and they are currently facing a choice between self-isolation or continuing to work. Many of them will try to continue to work. Some may not be able to continue to work. I know we touched on this slightly before, but have you got any analysis of the impact that this is going to have on the country with that entire economy collapsing?

Rain Newton-Smith: Our view is people's employment status should not affect whether they are supported or not. We want to support everyone, regardless of whether they are workers, self-employed or employees. One of the challenges with the status of people on zero-hours contracts is it depends on the nature of their relationship, but that is the fundamental principle: we want to see people supported, whatever their employment status.

Paul Nowak: I would echo that point and I would also point to practical examples where gig economy employers have done the right thing. I mentioned Hermes before. Hermes has self-employed couriers. It does not normally pay sick pay. It reached an agreement with one of our unions, the GMB, that it would set aside £1 million to support people who had to self-isolate during this period of crisis. That is the right thing for it to do as an employer.

Q17 **Anna McMorrin:** Is it not only going to pay its workers £20 a day?

Paul Nowak: I am not sure of the details. I understood it was beyond that.

Anna McMorrin: £20 a day at the moment. That is what I understand. I may be wrong.

Paul Nowak: No. As far as I am aware, my understanding is that they would be paid normally out of that £1 million fund. It is certainly something we can check, Anna.

Chair: Maybe if you can come back to us.

Q18 **Anna McMorrin:** That would be good. We have companies as well, such as Deliveroo, refusing to pay out to their drivers.

Paul Nowak: It is a broader issue, is it not? There is a very different set of issues for our unions that represent people who are genuinely self-employed, for example in the entertainment industry and Alasdair's members, and those that we would say actively are employed but are bogusly self-employed through those sorts of platforms.

Q19 **Chair:** That is something that this Committee has looked at before, and this pandemic does throw into stark relief some of the challenges in the labour market for a lot of people, who are now finding that because of their employment status, they do not have the protections that they need. Some of this does require legislation to clarify the status of workers, but that is perhaps a discussion for another time.

Paul Nowak: It certainly does, but our view has always been that employees should be considered to be employees unless the employer can demonstrably prove that they are not. When you have seen that shift of responsibility from employers to employees, these are the negative consequences of that. That is a very different situation to those who are genuinely self-employed, who still need support as well.

Q20 **Anna McMorrin:** You rightly said the entertainment industry is going to be badly affected, as are restaurants, bars and pubs. I know that in Cardiff I have an individual that has just contacted me. She is about to go into massive debt, because she runs the Animation Festival in Cardiff. She has to take a decision. It is happening in a couple of weeks' time. She has to take a decision whether to cancel it now without the Government mandating that cancellation. She is very worried. What would you say to her, people like her, pubs, restaurants and theatres across the country?

Alasdair Hutchison: It is an incredibly challenging issue. If it is a business, then, as I say, we might see a bit more detail from Government today, but the schemes that were announced in terms of the business rates relief, loan schemes and things will potentially be a suitable option, but this is really tricky. We have been inundated in the last few days with reports from different sectors. We have had sports journalists get in touch who are not going to have anything to write about for the next few months. We have had people in the music industry, TV, creative and all across the board. We also have a lot of self-employed cleaners and carers in this country who are right at the sharp edge of both the health and the economic part of this equation, so this is a real challenge for a lot of different areas at the moment.

Martin McTague: I was going to add just a couple of points. If you are the average Uber driver, you have no income support and you have very fragile personal finances, the temptation to go out and take a fare when you really should be self-isolating is very real. The Government need to take that kind of decision-making and behavioural stuff into account when making these decisions. The other thing is that the Government have announced a hardship fund distributed through local government. It is about £0.5 billion, but it is very unclear how that will be distributed and it is piling yet more pressure on local government officers at a time when they seem to be under massive stress anyway.

Q21 **Anna McMorrin:** Absolutely. I was in a co-operative taxi company—Drive—taxi in Cardiff. The taxi driver is going to have to keep working, because how does he afford to pay back the loan on his cab? These are the questions that many people across the country are asking. Would you say that the Government need to mandate, therefore?

Martin McTague: The discussion we had earlier about income support is critical.

Paul Nowak: I was at a roundtable last night convened by the Mayor of London. There were lots of representatives from London employers there, including hospitality, culture and leisure sectors. There was concern that there was advice given for people not to go to bars, restaurants and theatres but it was not mandated that those establishments shut. It does present real problems to those employers. We may well see that advice change over the course of the next few days, and that would probably be right.

It does also highlight that whatever measures we put in place, there are going to be some people who slip, unfortunately, through the cracks and who are going to be facing real problems with rent, mortgage or debt.

Again, as well as looking at support for employers and employees at work, the Government are also going to have to think long and hard about what happens when people do fall behind with their mortgage payments through no fault of their own. That short-term support has to be there for people, because we do not want anybody losing their home for whatever reason, but certainly not in the face of a public health crisis.

Q22 **Chair:** I am keen that we come on and talk about what we need from the banks, as well as people in the private rented sector. Richard has some questions about that in a bit. Rain, did you want to come in on Anna's point?

Rain Newton-Smith: Just briefly, everyone absolutely acknowledges we have to do whatever it takes to address the health crisis we are facing. Businesses and employees all support the measures that need to be put in place around social distancing, but there is no doubt that the manner in which the announcement was made yesterday caused unnecessary stress, because it did put the burden of responsibility, very late in the day, on theatres, pubs and individual businesses and employers to take a really tough call very late in the day. As we go forward, we just need to minimise that sort of stress being placed on people who are trying to make tough decisions. The Government need to step in and lead on that and have clear communication.

It has also created challenges around insurance. We will maybe come on to talk about that in more detail, but, absolutely, right now we need the Government to be convening the insurers. The Association of British

Insurers would absolutely stand ready to help to think about how we solve some of the issues we are going to see play out around insurance.

The other thing I would pick up is that there are lots of sectors that do not always get the limelight or we have not really considered that are being affected, such as universities that are not able to attract students from overseas. There are so many sectors that have been affected by events needing to be cancelled. There are lots of smaller businesses that run kids' clubs. There are so many areas that we really need to think through them all.

Chair: I will bring in Alan briefly, and then I just want to pick up on this issue about insurance and mandating businesses to close.

Q23 **Alan Brown:** This is maybe aimed at yourself, Martin. An accountant got in touch with me and he flagged up that he thinks a lot of businesses are going to have trouble when they get audited, because it is going to be difficult to show they are still a going concern after such a drop in income and all the rest of it. He is suggesting we maybe need to have a relaxation of timeframes for lodging files at Companies House. I am just wondering if that is a measure that could help businesses, in terms of the penalties that would normally be applied getting relaxed.

Martin McTague: Yes, absolutely. You have to allow businesses to focus on the critical things rather than the more bureaucratic judgments they would have to make day to day. One example, for a lot of self-employed people, is a payment that is due in July for most of them. It would be a really good message to go out to all the self-employed to say, "That July payment will not need to be made. We are prepared to extend that". That would take a lot of pressure off a lot of self-employed people.

Q24 **Chair:** We contacted the Association of British Insurers this morning because of this session and some of the concerns around the businesses we have been talking about—the pubs, the restaurants, the theatres, et cetera. The concern of those businesses is that, unless the Government mandate them to close, they are not going to be able to claim on their insurance.

The Association of British Insurers has emailed us this morning. I will just read the first paragraph of the email to me, and a couple of other points: "Commercial insurance policies provide cover against a wide range of risks that can be tailored to the needs of individual businesses, including extensions to cover. Businesses that are concerned about the impacts of COVID-19 should, in the first instance, check the scope of their cover and check with their insurance adviser or broker. Standard business insurance policies are designed and priced to cover standard risks and are, therefore, unlikely to provide cover for the effects of global pandemics, like COVID-19". Is that the understanding, Rain Newton-Smith, of your businesses: that even if the Government mandated them to close, they would not be covered for global pandemics, like COVID-19?

Rain Newton-Smith: We have certainly picked up from a range of businesses that they are very concerned that they are not covered for closures around COVID-19. You are absolutely right; it is one of these things where the status is not entirely clear, and so mandating the closures certainly would not solve all of the insurance issues.

Q25 **Chair:** They go on to say in the course of the email sent to us this morning, which we will look to publish, "A small number of businesses may have cover in place that will specifically provide for business interruptions arising from notifiable diseases. However, this type of extension is not commonly included as standard". They go on to say, "Insurance for business interruption resulting from COVID-19 is likely to be rare".

What we are hearing from the ABI this morning is that things may not be as simple as the understandable hope from many businesses that being mandated to close will then enable them to claim on their insurance, in which case, Alasdair, your members, many of whom might be freelancers, actors or musicians, would not, therefore, be able to get compensation that would be able to be claimed on insurances by the theatres, et cetera. Paul Nowak, the Musicians' Union say that 90% of their members are self-employed. How serious is this, Rain Newton-Smith, for the viability of hospitality, theatre and entertainment venues? Would they be able to get through this if they were mandated to close but were not able to claim on their insurance?

Rain Newton-Smith: Even before the announcements yesterday, there are already some businesses that are under huge pressure. We know from the hotel industry bookings are down by 70%. You take the airline industry. It is catastrophic, so there are already pressures out there and a lot of those are not cases where insurance is necessarily going to foot the bill. There is absolutely a huge challenge across a lot of different sectors from how events have played out so far, and, as social distancing measures rightly need to be put in place, that is going to put even more pressure on lots of different businesses.

Q26 **Chair:** These parts of our economy are increasingly important for our national income, for employment, for who we are as a country and for our culture. If businesses are not going to be mandated to close, or if they are mandated to close but they are not able to claim on their insurance, what sort of package of measures would the CBI, IPSE and the TUC be looking for, specifically to support our cultural sector so that, at the end of this, we still have theatres, clubs and entertainment venues, which is a crucial part of our economy but also our cultural life?

Rain Newton-Smith: It is a few things. It is absolutely doing everything it takes to support those businesses now, so that we can think to where we will be in six months' time, still having the vibrant economy and culture that we want to see in this country. In terms of some of the immediate measures they could do, I would absolutely be looking at business rates. You do not have to pay this year if you have a property that is rateable at £50,000 or lower. You could raise that to £100,000, because, particularly in London and some areas, you have very high-value properties, particularly if it is a hotel, for example, where the rateable value is a lot higher. That is one very practical thing the Government can look at.

They could also look at providing a business-rates holiday, so just deferring the payment across sectors for a period of three months. That would really help with the cash flow for a lot of these businesses and help to protect as many jobs as possible. Also looking at what measures you can provide in terms of loan guarantees that might be backed by the Government but provided through the banking sector is absolutely something we should look at.

There is a very specific point as well, looking around insolvency law. At the moment you look ahead 13 weeks in terms of insolvencies. You could extend that to 26 weeks. There are some practical things you could do around regulating to try to help to buy these businesses more time to get through where we are.

Finally, on the insurance, we probably cannot solve all of the problems immediately, but people should look internationally and at what we have done in the past around floods, with Pool Re and others. There are ways that you can provide co-insurance for industries and it is something we should be absolutely getting the insurers together with the Government on and thinking whether there is any way the Government can provide some kind of scheme to insure companies.

Q27 **Chair:** Is there a precedent there, Rain, about the Government coming in and supporting insurers or businesses if there is a natural disaster or a terrorist incident, for example, that might not be claimable on your insurance, but the Government could step in and provide some sort of emergency cover?

Rain Newton-Smith: Yes, absolutely. We have seen it happen in the past, as you were pointing out, in terms of flood risk. We have seen it as well around terrorism. Right now, we really need the best minds possible to be trying to solve some of these problems in real time. There are lots of things in the regulatory space where we need to think about how we have some flexibility in the rules because of the unusual circumstances we are facing.

A simple illustration of that is you cannot get a gas inspector to the properties of people who are self-isolating to provide a gas safety certificate, so the housing associations have to say, "We are not going to cut off gas supply to these houses. That would be the worst thing we can do. Therefore, we are just going to ignore that rule for a while", but at the moment they feel like they are taking the risk of taking that action, so we need the Government to be in constant dialogue with business to try to fix some of these regulatory problems that are going to happen as well.

Chair: That is a good point.

Q28 **Mark Pawsey:** I would like to go back to the point that Anna McMorrin was making about the preparedness of the self-employed and those working in small businesses and the gig economy to deal with the situation that they face. Many people choose to be self-employed. They benefit in boom times; they can do very well when the sector they work in is in growth or there may be a shortage of skills. We hear about bricklayers in times of boom in construction doing particularly well, and so they have the opportunity to make hay when the sun shines in a way that somebody who is employed may not, but the downside of that is that they do not receive holiday pay and they do not receive sick pay.

I am interested in the extent to which this situation is different. Martin, you did speak about some people who are self-employed perhaps prioritising income over health, and we have just had a discussion about insurance. Many people who are self-employed could insure their own health to make certain that, in the event of their sickness, their policy would then cover them for not being able to work. Have the self-employed and small businesses thought enough about the consequences of an event such as this, and has this event brought into focus whether or not we need to consider changes to the way that people work?

Martin McTague: The short answer is no. They have not thought at all about these.

Q29 **Mark Pawsey:** People who go into self-employment do understand the difference in their employment status, Martin, do they not?

Martin McTague: Most people do and most people accept the additional freedom they get is worth the loss of security, but one thing that is absolutely common across most small businesses is that their time horizon is very short. They very rarely think about rare outcomes or something that is going to happen a long way in the future. Take business interruption insurance. That has been on the market for a long time. There are very few businesses that I know that take it up, and even now apparently some that have it are struggling to get claims.

Q30 **Mark Pawsey:** How many self-employed or people running small businesses might have their own health insurance to cover them personally in the event that they are unable to work?

Martin McTague: They would have health insurance. There would be a significant number that would have health insurance. In these circumstances, the test is whether that is going to help them. They may be able to get some health cover for themselves, but if they have a business employing 10 people, they cannot pay the bills and there are a lot of overheads that are going to keep rolling on, whatever their individual situation is, their individual health insurance is not going to help them.

Q31 **Mark Pawsey:** Alasdair, what about your members?

Alasdair Hutchinson: Yes. On the insurance point, I can perhaps see if we have any research on the number of self-employed people who, when we have done surveys in the past, have had insurance.

Chair: That would be useful to have.

Alasdair Hutchinson: It will be a bit of a mixed picture and different depending on different sectors and things like that. On the bigger point about the trade-off between the freedom and flexibility of setting up your own business, being self-employed, and the risks of the downside, broadly speaking most people are aware of it. There has been a huge rise in the last few years in the number of people going into self-employment. It is now over 5 million people, and that is a mix of part-time, people who might be doing it in addition to a full-time job, and people who are doing it full-time. Above all, they say that they do it for the freedom and flexibility.

The issue is that, in normal times with a recession or a brief downturn, that central trade-off of being in charge of your own affairs and looking out for your own finances versus not having that employee-type safety net is one that most people think is a reasonable one, on the balance. These are such a specific and challenging few months that we are heading into that we need to think creatively about how people who do not have access to a basic level of support will manage through the next few months. That is why we are keen to have the discussion.

Extending sick pay to the self-employed is a useful thing. We are not saying that that is a bad idea for the duration of this crisis, but we do not want to miss the wood for the trees, if that is the right metaphor. The big issue here is that we are going to be seeing a very sudden and big loss of income for people who are otherwise running pretty good, well-maintained businesses, through no fault of their own. We need to almost try to freeze the current situation for, hopefully, a reasonable period of time, so that, once things are better—and they will eventually return to some kind of normality—we can pick up where we left off. That is where we are trying to get to.

Paul Nowak: Just to come in on that one, our unions represent freelancers, for example in the music industry and the film industry, in front of the camera and in front of the microphone, but also the people who work behind the scenes as well. We have heard examples, which I can provide to the Committee if useful, of people who have taken out insurance for if a gig is cancelled or a job is not delivered, and they have been told that they cannot claim on that insurance. We can happily provide that to the Committee.

To my mind, if you take the culture sector and the creative industries, you are going to have to design a package of support for employment that covers freelancers and contractors as well as the directly employed. This is where having that sectoral dialogue is really important because that package of support is going to be very different to the package of support you put in place for the chemicals industry, for example, or food manufacturing.

One additional point to make is that what has come out of this whole discussion today is that this is not business as usual for anybody. It is not business as usual for employers, for employees or for Government. It should not be business as usual for the insurance industry either and, hopefully, the Government will be engaging the industry positively to think about it. Providing support to a relatively small number of insurance companies might be a hell of a lot easier than trying to pick up the pieces of tens of thousands of small businesses that are under pressure.

Q32 **Chair:** What you are suggesting, Paul Nowak, is that, potentially, the Government could say to the insurers, "Stand behind the businesses that are trying to claim but cannot because global pandemics are not included in their cover".

Paul Nowak: Yes, and say, "We will talk to the industry about what support you need".

Q33 **Mark Pawsey:** Can I come back to ask about home-working? The Government are placing a lot of emphasis on home-working. It strikes me, Alasdair, that most of your members do that. Rain, many of your members will be encouraging people to home-work. How prepared are they? Is there enough equipment? Is broadband adequate? People who have perhaps been in the comfort of an office situation throughout their working career are suddenly being asked to work at home. What support can people like Alasdair's members, who have been doing that for years, provide in terms of personal wellbeing and keeping them fit and well while they are totally transforming the way in which they work?

Rain Newton-Smith: I will try to cover most of that. Businesses are absolutely trying to do as much as they can to support home-working. In some sectors, like business and professional services, it is very easy for them to do that and to make those adjustments, and they went very early to move all of their staff to work from home. What we are seeing within our own members is a lot of sharing of best practice in terms of how you make that work effectively.

There are some logistical challenges; for instance, around laptops, there is a shortage because there has been a big increase in demand for laptops and there are some practical issues. The other thing to consider is that, for some households, it is not that easy to work from home because of personal circumstances. That is something that we do not always consider. We are coming out of winter but there is a whole set of issues around heating your home, which you might not have been doing prior. We need to think about how businesses help their employees through some of those issues and have honest conversations around that. For some in a shared household, it can be a bit more of a stressful situation than when they were able to go into a place of work, so everyone has to be mindful of that.

We have certainly had a lot of concern around broadband from individual employers in terms of whether it will work. One of the challenges is that the biggest demand around broadband is when people are at home in the evenings, streaming films and videos. I have yet to see the evidence as to whether that is a critical issue, although people have certainly raised the question. It is something that we have to look at, but it does speak to this issue about the faster we get superfast broadband to all households, the more robust and better position we are going to be in.

Q34 **Mark Pawsey:** Alasdair, how could your members help?

Alasdair Hutchinson: We did a report on remote working towards the end of last year. There are a huge number of freelancers who are able to work, predominantly from home. There are a few who use co-working spaces but the shift has been mostly to work from home. There are a few challenges around it. Broadband is definitely one that is a perennial issue that we hear from our members, and particularly those who work in rural areas, as you would expect. At the moment, we are trying to collate as much of this information as possible. If it is helpful to share best practice from our freelancers who have been home-working for a number of years with employees who have suddenly found that they will be having to do it for a period of months, we would be more than happy to share that with the CBI and other employers' organisations.

Q35 **Mark Pawsey:** Do you have any advice on the isolation and loneliness that somebody may experience from working in a busy office environment to then spending all day on their own?

Alasdair Hutchinson: It is really challenging. The one thing that can be really helpful with that is finding online communities, particularly ones with people who are doing a similar job to you. I know that, among freelancers, there is a lot of discussion online at the moment, and a lot of concerns and worries as well. There is another side to this, which is a sense that, if we are all kind to each other and support each other as much as we can through this, we can make this a little easier. A lot of those discussions are happening online as well.

Martin McTague: To be fair, Mark, I have heard the opposite problem: people being thrown into a very close proximity with their family and trying to work. That is not easy either.

Chair: Richard, can I bring you in to talk about the banks?

Q36 **Richard Fuller:** We have touched on banks but, interestingly, they have not been central to most of the commentary that is made. Rain, maybe you would want to start. Are banks critical? What would you like to see them do that they are not doing? How do you think some of the impediments that we have already highlighted can be overcome?

Rain Newton-Smith: I am glad you raised it, because it was one of the points that I absolutely wanted to come back with. The action by banks is absolutely critical, as well as the work by the Bank of England and the

Treasury. We have seen a lot of positive action by banks that happened even before we saw the Bank of England and the Treasury take action last week. RBS and NatWest have said that they will look at allowing people to defer mortgage payments and loan payments. RBS has put together a £5 billion fund to support businesses and households through that. A lot of banks have been quite proactive in trying to provide as much relief that they can provide, both to households and businesses. That is really welcome.

The measures that the Bank of England took were really important. The interest-rate cut is probably, in a way, not one of the biggest factors that will help cash flow through the economy, but extending the Term Funding Scheme was really important, because that is a way of trying to get that lower interest rate being passed through the banking system to households and businesses. That was really welcome, as well as reducing the countercyclical buffer, essentially reducing the reserve requirement for banks. Again, it is another way of getting more liquidity in the system. The actions that we have seen this week in terms of the G7 central banks working in a co-ordinated way to provide liquidity to the global market is really important.

We have seen some good developments. As we move from here, it is about thinking how we can get fiscal policy working through the banking system to provide the liquidity that businesses and households need.

Q37 **Richard Fuller:** Before broadening out to others who may wish to comment, when it announced the business interruption loan scheme, the Government put a £41 million revenue limit on those who could apply. Do you have any comments on that? Secondly, you do not speak for the banks, but many businesses will have loan covenants that will be breached over the next quarter, in high likelihood. Has the CBI had any thoughts about how banks should handle loan covenants?

Rain Newton-Smith: It is something we can come back and provide some written evidence on. I do not have anything helpful that I can say at this stage around loan covenants.

Echoing some of the points that other people have made, there is certainly a lot of confusion around the £1 billion fund that will be channelled through the British Business Bank but is also being provided through local authorities, as well as the £5 billion emergency fund, in terms of what the criteria are for people to access that and how they access it. We are certainly trying to play our part in providing that information. A lot of the details have not been worked out, and yet we have businesses, on the one hand, who are potentially going to the wall at the moment, with flights being grounded and businesses shut. We do need to be more agile in how we provide some of that liquidity to businesses now, to help us through where we will end up.

Q38 **Richard Fuller:** Martin, at the other end, small businesses are notoriously loan-shy, despite the best efforts of successive Governments to encourage greater access to loans. You talked earlier on about the message not getting through on the ground in some of the banks. Are the schemes that have been announced by the Government sufficient and correctly targeted, or are they going to be either too little or too late?

Martin McTague: We welcomed them at the Budget announcement. We thought it was a really good package of a variety of different supports that are very useful to small businesses. The one area that it seems to have come unstuck on are the COVID disruption loans. It is clear that, at branch level or relationship manager level, they really do not understand what they are supposed to be doing. There is a real mix about who qualifies and who does not qualify, and under what circumstances. Although it appears, at chief exec level at the big seven banks, that they understand how the system works, it is not getting down to the grassroots level. Those loans could be absolutely critical in the coming months.

Although we have about 50% permanent non-borrowers at the moment amongst small businesses generally, that does not mean that they are not thinking of those as a possibility. A lot of them will have existing facilities guaranteed by the banks. I had a chief exec the other day saying to me, before this crisis, that there was a lot of guaranteed borrowing still out there that people were not taking advantage of. If I was a typical small business owner thinking that I am going to hit a rainy day any time soon, I would want to tap into that facility. Will it still be there? I do not know. At the moment, a lot of them do not know, and that has to be a lot clearer.

Q39 **Richard Fuller:** More broadly on banks, the French and German Governments have announced very extensive loan-guarantee schemes, with up to 80% of loans being guaranteed. If we think of those numbers compared to the numbers that were in the Budget here last week, they are of an order of magnitude different. Is the expectation across the British economy now that the Chancellor should be announcing that scale of support?

Paul Nowak: I would say yes. Some of this sort of stuff practically matters to our members. We will be doing more work, which we will publish later this week, on some of these practical issues. Where is the flexibility going to be, for example, if somebody is not paid, or is not paid what they were expecting to be paid, and they have payments going out the other end? What can banks do to help support people in the short term? There is a broader set of issues, Richard, which we need to do more work on at the TUC and with our unions, just thinking about things like pensions. People are expecting to retire on defined-contribution pensions, but what does that mean, looking at the state of the markets and where the markets are going to be over the next few months?

As I said before, unprecedented times mean unprecedented measures. These are a broader set of issues which I am certainly not expert on but which we want to do more work on.

Rain Newton-Smith: It is something that the Government absolutely need to look at. Our sense, from what we are seeing in the banking sector and in the demand for credit as well, is that, while there is a lot of concern coming down the track and there are some individual businesses, it is not clear that just getting access to finance through the banking system is the biggest issue for some of these businesses. It potentially is a challenge. For some of them, it is not just about cash flow; it is about the costs that they are paying versus their revenue more broadly, and a bit more fundamental than that. There were some really helpful measures in the Budget to support smaller businesses, but it was quite silent on some of the larger businesses. That is where we see the gap at the moment.

Of course, the challenge for the Government is that there are demands, as we are hearing this morning, from across different sectors and different sizes of businesses, and their biggest challenge is prioritising those demands. In terms of some of the things they should be looking at, I mentioned some of the policy measures that they could do. If they make that blanket for every single business, some of those measures are expensive for the Government. How they should be prioritising it is thinking about where sectors are facing critical issues because they have been asked to close or they have had flights grounded, or which sectors are really impacted from the social-distancing measures that have been announced already, and who is next coming down the track.

There may be other ways you can prioritise. It is hard to always get this data in real time, but you could look at the extent to which sales have been hit—for example, if sales have fallen by 25%. Is there any way you can use data that firms will be able to provide, which are quite clear and simple criteria, so that businesses could know whether they are eligible for some of these reliefs and funding mechanisms?

Alasdair Hutchinson: Just briefly, I would reiterate what I said before. In terms of the self-employed, I would stress again the need for it to be tailored to that population. There are a lot of self-employed people who, in terms of help, will go to their bank. It will really only be for one or two accounts where the money goes in and they manage as it comes out from there. Beyond overdraft facilities, I am slightly wary of setting up, either on the Government or the business side, big business-loan-style schemes that they may then be slightly nervous about knowing how to access or even taking, if there are funds available there.

Q40 **Richard Fuller:** Chair, just talking about banks, as we go through this crisis and we move from a cash-flow issue to a balance-sheet issue and recovery, the role of banks may be more extensive in dealing with the recovery than perhaps in this immediate period. Mr Nowak touched on pensions and Ms Newton-Smith about the fact that some of these measures are expensive, which means that taxes will have to be potentially raised to contribute back. I know it is early but what thought is being given, after this period of crisis, to the issues that we are going to confront in that recovery phase?

Paul Nowak: One issue that struck me watching the Budget last week is a lot of focus on rate relief, which is absolutely essential for lots of high-street businesses and small businesses. That, potentially, is going to have a real impact on the finances of local authorities that are already under real financial pressure. It is important to do in the short term.

In the longer term, one of the things I would be looking at—it is not necessarily the purview of this Committee, but it is important—is what this means for local government finances. Local government will be spending a lot right now, upfront, to try to provide support to the most vulnerable and to keep basic services running. If you have a large number of businesses that are paying little or no rates over the course of the next six to 12 months, or whatever it might be, that is going to have a real impact on those local government finances. That is certainly one thing that Government should be thinking about when we have the next financial event or mini-Budget.

Rain Newton-Smith: Just on that wider point, this is why we need to be as agile as we can in supporting households and the economy now. If we can support growth in the immediate term, it will help us. We know that the economic impact of this should be V-shaped. It is going to be short and intense over these coming few weeks. If we can support the economy as much as we can, it should help us to be in a stronger position over the long term and, therefore, help our ability to fund public services over the long term.

You are absolutely right to raise some of the long-term issues. What was really welcome in the Budget last week is that the Chancellor took some important measures on long-term spending. There were lots of measures to support R&D and lots of measures around infrastructure spending. That also gives businesses confidence that the Government are thinking about the long term as well and are not afraid to make some of those decisions. We have to recognise that that was really welcome.

There are some areas, in the longer term, where we would like to see more action from the Government, and maybe that is in the comprehensive spending review. It is absolutely around skills and the wider area around energy efficiency. In terms of the overall measures in terms of the move to a low-carbon economy, there were not that many specifics in the Budget. I do not envy the Government and politicians in terms of the difficult decisions they have to make, but keeping an eye to the long term and making some of those critical decisions, while dealing with the immediate crisis, is the absolute balancing act we need to have.

Q41 **Pat McFadden:** On this matter of business as usual for the banks, as Richard Fuller was saying, and for insurance companies, which we spoke about a few minutes ago, can I ask you about the courts? Normally, if someone does not keep up rent payments, they are liable to have their tenancy taken away from them, either on their home or their business. If you do not keep up mortgage payments, you may lose your home. That is written into every mortgage agreement. It would be appalling if people were to lose their homes or their businesses because of this situation. In terms of not regarding this as business as usual, do we need to see a flexible response from the courts as well as from the bits of the financial system that we have discussed?

Alasdair Hutchinson: From a self-employed perspective, the rent issue is a key one that we are getting increasing noises of concern about. There were some announcements on mortgages in the Budget and nothing on rent. When we have surveyed self-employed people in the past, rent is one of the big things that come out. In some sectors, like the creative industries, even if you miss a couple of payments, that can often put you close to not being able to cover that. What this highlights is that, if we get to a situation where there is a threadbare cost replacement and if people are just having to rely on a welfare limit of £95, if it is sick pay, or lower, but they are still then missing their rent, we then get into these questions about whether it means that it will end up in the courts. The risk then is that you get into a knock-on series of policy choices: does this mean we should have rent relief? Does this mean we should have temporary relief on this?

Part of the logic behind why we are calling for something that is a bit higher-level or something that is close to temporary income protection funds that can cover, essentially, what you are earning is that it means that you can carry on as normal and that you do not have to then deal with all these second and third-order choices. That is the approach that we are taking.

On the point about rent, I cannot say in terms of the details of what that will mean.

Pat McFadden: It is back to the income question.

Alasdair Hutchinson: This is the key thing. We want to keep income as stable and continuous as possible, so that we are then not getting tipped into all these other considerations that then flow from it.

Paul Nowak: On that, Pat, trying to keep it out of the courts is the key thing. It does speak, exactly as Alasdair said, to some of these things we have talked about, such as support for short-time working, income protection and also a safety net for those people for whom, for whatever reason, that is not enough and who end up missing mortgage or rent payments. You would hope that banks and landlords alike would show some flexibility over the next three to four months. There are going to be lots of people under pressure and you would not take a decision now to move to the courts to evict somebody because they have missed a month’s mortgage payment.

Q42 **Chair:** More broadly than that, there are also going to be people who might be struggling with their gas, electricity or water bills, and also potentially with TV licences and broadband. What advice are you giving to people about those? Rain Newton-Smith, what advice would you give to your larger members—the gas and electricity companies and the broadband providers—about ensuring that both business customers and households are not cut off from these essential services at this very difficult time? Perhaps broadband is more important than ever. The others are obvious but, if people are going to be at home, self-isolating, they will need to be able to order groceries online and to get information online, because there will not be other ways to get that sort of information. What advice would you give to your members who provide those services?

Rain Newton-Smith: One of the things we absolutely need to see, which members are encouraging, is prompt payment where businesses are able to, and for businesses of all sizes, and particularly the larger businesses, to ensure that they are paying invoices, where they can, as soon as possible. It helps smaller businesses that will be facing serious cash-flow issues, so that is absolutely something that we need to encourage.

On businesses and landlords, it is about exercising forbearance where they can to try to support individuals and businesses through this. Of course, the challenge for some businesses is that, at the same time, they are trying to provide employment and to be a viable business. They can provide what leniency they can, but if their business is about to go under, they will also be under pressure.

Q43 **Chair:** I would have thought, though, that those industries are likely to be the ones that are not going to see a fall in their demand; in fact, perhaps the contrary is true.

Rain Newton-Smith: Yes. That is not a comment on those particular industries; it is more about the wider principle.

Paul Nowak: My only observation would be that it is not sufficient to leave it to a company-by-company response and hope that they do the right thing. This is where you use the convening power of Government to say, across the water companies and across the electricity companies, "What is our common approach to these issues going to be over the next three to four months?" That would seem to me the most sensible approach, because it should not depend on your postcode, where you live in the country or which broadband provider you have for the response on those really important issues. This is not necessarily about Government money; it is about Government convening power and bringing those key utility providers together with a common response.

Martin McTague: I did not think Rain would mention this first but I am glad she did: prompt payment is absolutely critical. If we are going to start ploughing money into businesses that are being starved of cash from their customers, it is a crazy situation to be in. In many situations, even down to purchase clerks in big businesses who go off sick and invoices are left unpaid, this is really simple to fix. Pay smaller suppliers as quickly as you can. That should be something that Government can say very quickly to every business.

Chair: Again, you know, Martin, that this Committee in the last Parliament did a lot of work on that and was very critical of many large businesses that were either not signatories to the Prompt Payment Code or, if they were, did not fulfil their obligations to it. That is a welcome reminder that big businesses have a lot of power, and with that power comes some responsibility to support smaller businesses and the whole supply chain.

Q44 **Peter Kyle:** Paul, you said a few moments ago that the Chancellor has a lot to consider before his next mini-Budget. It looks like we are going to get one today. It looks like we are going to get one probably every week from now through to summer. If we are not, something is going wrong, because I suspect that this is going to be fast-moving. This is a question to you and then the rest of the panel. Have you been consulted extensively by Government on what you would like to see as this situation unfolds? Has it been a constructive engagement between yourselves and Government? Are they listening, and do you feel that you and the people you represent are being listened to?

Paul Nowak: I would not say that we have been consulted extensively. There have been consultations. I mentioned before the engagement, for example, that we had with DfT. I am due to speak to BEIS officials later today. There is a need to put this on to a proper footing and for it not to be so ad hoc. This is why we have made the call for a national taskforce, because it is important that we are not just responding issue by issue, sector by sector, but that we are sitting down in a room and trying to identify where the pressure points are going to be over the next two to four weeks and beyond.

These are difficult times for the Government, and I am always reluctant to say that the response is, "Therefore, we need more dialogue and another committee", because people are getting on with the job, but there is a real need to get the key stakeholders together. If you are serious about protecting jobs and livelihoods, whether it is in manufacturing, distribution, transport, aviation or whatever it might be, having the right people in the room matters.

Rain Newton-Smith: There has been a huge increase in the engagement that we have had. We are in daily contact with the Treasury and with BEIS. We are sharing the information that we are seeing on how the economy is being impacted and how different businesses are being impacted, as well as some of the policy ideas that our members are putting forward. The good news is that, absolutely, the communication has really stepped up.

I would certainly agree with what Paul said about this being a huge challenge across so many different Government Departments, and it does feel at the moment like we could have a better structure and a better way of feeding that information in. As Paul says, is a taskforce the right way to do it? It may well be, but we certainly see the need for a bit more structure and a bit more coherence. However, what we absolutely want to see is just that information flow going into Government.

Q45 **Peter Kyle:** You say it stepped up. When did it really start? When did you first start engaging regularly, specifically on coronavirus, with Government?

Rain Newton-Smith: It is hard for me to say exactly. Because of where we were with the Budget, we are constantly coming up with ideas and discussing some of the economic analysis that we produce with Treasury teams ahead of a Budget. I would say that it is really over the last two or three weeks where everyone is coming together and just seeing that we do have a crisis that is affecting the country, and everyone wants to help and provide information.

Q46 **Peter Kyle:** In that timeframe, we can assume that, when Italy started to succumb to the virus and its economy started to be profoundly affected, that is the point at which the Government started to really start engaging.

Rain Newton-Smith: There was a step-up in the engagement but it had already stepped up before then. It was not just what was happening with Italy. Where we, hopefully, have also been able to play a role is in talking with Confindustria and some of the other business organisations across Europe about some of the challenges they have been facing and how they have responded. There is just such an awareness that we all have to work as hard as we can together to solve these problems as they arise.

Alasdair Hutchinson: We wrote to the Secretary of State for Health and to the Department for Work and Pensions on 27 February, which seems like a lifetime ago now, because we were getting initial feedback that there were concerns about a lack of guidance for the self-employed. We have not had a response to that, which is possibly understandable, given the circumstances.

On the coronavirus issue, we have found consultation really lacking. We have had engagement with other bits of Government on business-as-usual policy areas like late payment, IR35 and various other bits and pieces, but we are here and we have a voice that is trying to represent freelancers and self-employed people. We are getting information in all the time and that is real-time, useful information that could help.

Q47 **Peter Kyle:** By 27 February, we had already had our first outbreak in this country, in Brighton, where seven cases were confirmed, and then elsewhere in the country. That was the point at which there was still no meaningful dialogue between yourselves and Government.

Alasdair Hutchinson: Yes, and we still have had very little, to be honest. It is a tricky thing. I really do not want to pile in on the

Government because this is a huge, difficult issue. As a trade association for self-employed people, we see that the self-employed and freelancers are very often left out of the discussion when it comes to Government policymaking. They cannot be at this stage, because there are real and serious questions about people's livelihoods that will be on the line in the next few months. We are more than happy to help and to come and engage. If there is a taskforce, we would be one of the first people to be happy to sign up to that.

Q48 **Peter Kyle:** You can see how constructive the Committee has been from the tone of this meeting. We are certainly very grateful to you for the way you have been very open with this. Yesterday, in his statement, the Secretary of State for Health made it very clear that he expected opposition MPs to ask tough questions, because that is where the learning is, and the same approach needs to extend to stakeholders. Unless we have a robust and frank conversation now, things will get missed on the front line, and we know full well—and nobody more so than you—what that means for the people you represent.

Alasdair Hutchinson: Yes.

Martin McTague: I cannot really fault the engagement. It stepped up significantly in early February. We are now on daily calls. In the Government's engagement with us, we can provide a lot of evidence. We have 160,000 members and can provide a lot of practical examples of how these measures are impacting and how people are responding. It has been a very positive relationship.

Q49 **Peter Kyle:** Do you feel that the advice you give is heeded and that it leads to action?

Martin McTague: At the moment, we are trying to explain the problems and some solutions, and they are actively considering those solutions. What we cannot do is provide a fix for every problem that the country is currently undergoing. What we are trying to do is to give the best possible evidence.

Q50 **Peter Kyle:** I understand. I have a specific question for you, Rain, just to wrap up, on hospitality. The announcement yesterday was difficult. I represent the city of Brighton & Hove, which is deeply affected by hospitality. I have had many messages from people running small businesses, whether they are clubs, pubs or activities in hotels. Yesterday, the Government said that their businesses are unsafe but have not closed them. I do not know anybody in hospitality who thinks that that was leadership from the Government in the way that they had expected. From what you said earlier, it would be fair to assume that what the Government should have done is either give specific instructions to customers to be more resilient in places like this or to shut them altogether, which has been done across Europe. Is that correct?

Rain Newton-Smith: I would echo that the engagement between Government and business has absolutely stepped up and we are in daily contact with Treasury and BEIS, which is really helpful. However, it is only few hours since what happened yesterday, and days move fast. I go back to what I said earlier: the announcement yesterday was not handled well. It has caused a lot of stress for businesses in the hospitality sector. You could certainly hear that from the voices on the radio and others yesterday. Can the Government learn from how that announcement was made and articulated to people yesterday? Absolutely.

Q51 **Peter Kyle:** It was not really articulated. They are telling customers in an entire sector of our economy to stay away but not closing the business. By doing so, they have abrogated themselves of responsibility for caring for the business they are responsible for shutting.

Rain Newton-Smith: As I said, it puts the burden of responsibility on the individual businesses and adds to the stress and the calls that they have to make. On the other hand, I guess the thing we have to be mindful of is the Government's guidance on working from home, for example. At the moment, something that you absolutely want the Government to do is to encourage businesses to do all they can to allow people to work from home, but you do not want to mandate it. Why is that? Because some of our critical services could not be delivered from home, whether that is trains or buses to get our NHS workers to hospital or whether that is food to get to critical health workers.

Q52 **Peter Kyle:** Specifically on hospitality, the other thing that is not recognised is that people have huge affection for a lot of these businesses. A lot of these businesses are very close to people's homes. They are deeply rooted in communities. We know full well from the campaigns against pub closures that people go to the pub simply because they want to keep the business open. We now have the situation where Government is telling customers to stay away. The business will be sitting there idle and open, and a lot of customers who have that affection for those businesses are going to feel obliged to go in to defend the business. We are in an extraordinary and unique situation with it. Are you urging Government to clarify and act on this? This ambiguity is going to be quite damaging for the sector but also for the way that public policy unfolds.

Rain Newton-Smith: What we are urging the Government to do, as we are urging them in relation to the airline industry, is to do whatever it takes to support that industry. I do not know now what the perfect solution is or what needs to happen in exact detail, but to your point, so many of these facilities, such as cafes and pubs, are the lifeblood of communities. We need to think of creative ways to support them. One of the best ideas I heard on the radio last night is to try and order a pint to your home from some of the pubs. I do not know if that is viable for all pubs.

Peter Kyle: You might spill it on the way.

Rain Newton-Smith: Some of my local pubs do amazing pizzas. I know that my community would come together to buy pizzas for home delivery from that pub to keep them going. They need more support than that. We have talked about business rates and about other ways in which we can support them.

Q53 **Peter Kyle:** What they need is decisiveness, and the decision yesterday was not decisive. I have a final question for you and, if the Chair allows, Paul, you can come back in afterwards. This is another big issue. Pretty much all of Government's bandwidth is now going to be focused on COVID-19, very understandably. Previous to this, Government's bandwidth was pretty much taken up with Brexit, the trade negotiations and the future relationship. That is not being spoken about very much now.

Clearly, when you look at the activity within individual member states of the European Union, they are now absolutely overwhelmed with COVID-19. Yesterday, the European Union moved to action stations about defending its own borders. It is now being diverted towards COVID-19. We are in the midst of a trade negotiation that has a legal ending at the end of this year. Have you yet, as an organisation, formed an opinion as to whether this is going to be affected by COVID-19? If we are going to be recommending something like extension of those negotiations, now is the time to really do it, because what we cannot do is wait for COVID-19 to pass into the autumn, when we are weeks away from legally falling out, without a deal.

Rain Newton-Smith: COVID-19 will absolutely affect our future relationship with Europe, but now is not the time to be calling for a change in the EU negotiation schedule. Right now, as a country, we need to be focused on how we tackle this crisis and how we all work together across businesses, across employees and across communities. That has to be our focus. That is a decision for another day and that is something that we will come on to think about and consult with our members when we get closer to that. Right now, we have to tackle the crisis that is in front of us.

Q54 **Chair:** Can I just pick up two final issues before we close the session today? There are some businesses that are going to be in a position where they need to ramp up production and potentially bring in more staff. I am thinking particularly of the production of ventilators and the welcome requests from the Health Secretary yesterday, encouraging manufacturers to shift production to producing ventilators, but also in home delivery, where many more of us are going to get many more things delivered to our homes because we are not able to get out to the shops. For those sectors that you represent, particularly, Rain Newton-Smith, as well as Paul Nowak, how confident are you that those sectors are going to be able to meet the increased demands? Is there anything Government can do to help make that more possible?

Rain Newton-Smith: Absolutely, these industries are having these conversations, whether in terms of how private healthcare providers are working with the NHS to provide services or whether it is how the retailers have absolutely come together to say, "How can we make sure that people who are self-isolating have food delivered to their door?" and are looking at delivery slots. The businesses are absolutely coming together. There are two issues that are quite live already, some of which have been addressed. There are simple rules about night-time deliveries and flexing that to make it easier for that to happen, and there may be more rules that we need to look at, such as how people sign for deliveries. There are very practical things.

The other thing that some of our members have raised is that if they, as businesses that, at other times, are competing for market share, come together to help provide these services, they do not want to then find out, six months down the line, that they have to go in front of the CMA because they have been told they have been colluding in their behaviour. That is a really obvious point where these businesses are coming together to work. We need to make sure that they then do not fall under those jurisdictions. Those are some of the things we need to think about.

There are other rules where we may need to work with countries across Europe on issues around state aid in terms of supporting different businesses and sectors, and also in certain sectors where people are willing and able to work as long as they can to deliver critical services to people. There are issues around the Working Time Directive, which no one would want to touch in normal circumstances, but there is a question as to whether we need some flexibility for some of our healthcare workers, for example, where they are willing and able to do that.

Paul Nowak: Just picking that last point up, it is absolutely essential that, if you are taking any decisions in that area, you do them alongside and with the staff and their unions, rather than imposing them unilaterally.

Rain Newton-Smith: I completely agree.

Paul Nowak: It is important that employers are talking to each other and potentially talking to Government, but it is really important that employees are engaged in that conversation as well. If we are going to be asking people to work additional shifts or if we want delivery drivers to work in a safe manner, what arrangements are going to be put in place, for example, if we have a particular manufacturer that is hit by illness but the neighbouring plant could step in? These are conversations that require the engagement of the staff. That is the bit that is missing at the moment. It is why I talked before about the importance of engaging sectorally, because our unions are very much up for a conversation about what the contribution is that every single one of us can make to get through this crisis, in a way that protects people's health, their livelihoods and their jobs. Nobody has all the answers. My plea to Government would be to engage the workforce and unions in that discussion as well.

Q55 **Chair:** Rain Newton-Smith, you said earlier on in the session today that, for businesses, this is not just about cash flow; it is a bit more fundamental, particularly around some of your larger businesses that are in existential crisis, not in terms of loans. I am thinking particularly of businesses that have seen huge falls in demand. During the financial crisis, the Government stepped in and took a stake in some businesses that were struggling, not just for liquidity but also for capital. This might not be the moment to think about those things, but is the CBI talking to its members about whether that sort of existential support might be necessary at some stage?

Rain Newton-Smith: Yes, we absolutely are. We are not mandating the mechanism at this stage but we do have our members in the airline industry saying, "This is absolutely critical. What we need to do is protect as many jobs as possible". It does feel like the survival of the industry in the near term is at stake, so we need to absolutely have that conversation. It is not just about the airline carriers; it is about the airports and all the infrastructure that goes around it. That is so critical as well for our international trade. This is how we get goods and services to people around the world.

Q56 **Chair:** That might include Government taking a stake in some of our critical infrastructure.

Rain Newton-Smith: We would not mandate the outcome and the means. What we want the Government to be doing is thinking about the sectors that are really in the firing line of the issues at the moment, talking to them and finding out what is the best solution to the problems that they are facing, and then also thinking about what levers they can pull across the economy, whether providing relief from business rates or other tax payments. That is one immediate way you can provide cash flow to sectors across the economy. We really want the Government to be doing whatever it takes. I am not going to say how they have to do that.

Chair: Some of the industries that we have spoken about this morning and which all of us are particularly concerned about are aviation, rail and bus, leisure, retail and hospitality, and potentially construction, as well as the freelancers who we have spoken about today. There are also some concerns around the insurance sector and their role in all of this. I do not plan to cover everything that we have said in a summary, but it is worth trying to draw some of this together.

The issue that we have spent most time on this morning is that of statutory sick pay. Paul, you made the point that around half of households would struggle to pay just for the basics with statutory sick pay. It was encouraging that all of you spoke about the temporary income-protection fund and looking at the measures taken, particularly in the Scandinavian countries.

Alasdair, you spoke about this being a health and an income crisis. Rain made the point as well that we want to protect as many jobs as possible and that we do not want to get to the point where people are unemployed. We need to intervene at an earlier stage than that to stop that happening. There is lots of evidence that shows that, if workers stay attached to their firms, it is much easier for the economy to recover afterwards, as well as, of course, supporting people during these really difficult times for them and their families.

Martin, this is something we are all concerned about in terms of people having to make impossible choices about whether they should prioritise their health or their incomes. It is a difficult thing to say because, of course, we want everyone to prioritise their health, but thank you for being honest about some of the decisions that your members are going to take. It really is the role of Government to step in and ensure that people are in the position to make the right choices for themselves, but also for all of us, because it is in all of our interests if people take the advice that the health professionals and the Health Secretary are giving to us to self-isolate and to isolate our families, where necessary.

The issue about small businesses, particularly from Martin but also others, is very well-taken. We all hope that, in the financial statement at 7 pm today, we will see more support for small businesses. The prompt-payment point is one that is always applicable but is particularly applicable at the moment, as is not cancelling things at very short notice. If a freelancer thinks they have work this week or next week, let us find a way of paying them and not depriving them of that income, even it means that the service has to be delivered in a different way.

Rain mentioned payment holidays and payment relief, as well as loan guarantees, but recognising that they are not always appropriate, because many businesses worry about whether they can pay back that loan at the end of it. The issues of big businesses are different, and Rain will represent most of those at the CBI. There was the point about prioritising sectors where there are critical issues, whether because of social distancing, falls in sales or restrictions on movement.

We also need to think about not where the crisis is today, because next week you are going to add to those numbers of sectors as we have to take further measures to protect public health. How can we avoid what happened yesterday, which was unfortunate in that people now have confused advice and mixed signals? How can we make sure, when the next announcements about what measures need to be taken, that we think about what support we are going to give to the businesses at the sharp end of that?

On the issues around rents and mortgages, and wider issues around banks, it is disappointing but perhaps not surprising that, although we hear the right words from the leaders of banks, as in the financial crisis, what you get on the ground is not always the same. That will be the same for small businesses but also for households, and it is really important that, when banks articulate something nationally, it is filtered down to the relationship managers on the ground, so that there is not the bureaucratic and unhelpful response that you have spoken of.

On the example of what happened in France last night in terms of loan guarantees, many of us would hope that the Chancellor will look at extending, by an order of magnitude, what has already been announced in that area.

More widely, there are many people who are going to be struggling with mortgages, rents and payments for essential services, and we need to ensure that there is some forbearance and support for those groups of people. That is a point that Pat made earlier.

Just to finish on the point of insurance, I recognise the big concern that many businesses faced yesterday. Paul made the point that this is not the time for business as usual in the insurance sector. We need to ensure that the insurance covers the businesses that are going to have to close. If it does not, Government need to support the insurers to support the businesses. That is the most efficient to get the support to businesses that are going to have to close for all of our safety.

I will finally end on the point that has really reflected all of the contributions today and more widely in this debate: that this is about us coming together. It is really reassuring and encouraging to see that all four of you could have switched your name badges around at various points and you would have said the same thing. That is really good, because we are all putting the national interest first here, whether we are representing workers, big businesses, small businesses or the self-employed. If that is the advice that Government are getting, as I have no doubt it is, I am confident that the Chancellor, the Business Secretary and others have the right information to make the right decisions in all our interests.

Thank you very much for today. It has been really helpful. I hope that the Treasury have been watching and updating their 7 o'clock statement based on your advice today. Thank you very much, and I know that you will do everything that you can to support your members in the weeks and months ahead.