



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

15 July 2020

Rt Hon. Mel Stride MP
Chair, Treasury Select Committee
House of Commons
London
SW1A 0AA

Dear Mel,

Thank you for your letter of 1 July on the local lockdown in Leicester.

Public safety remains our top priority and it is right to take action that helps contain the virus and save lives. Testing data in Leicester prior to the imposition of local restrictions showed that positive cases per head of population were running several times higher than other local authorities experiencing localised COVID outbreaks, and were well above the positive case rates seen across the East Midlands area. The swift and targeted support we have introduced has protected millions of jobs and livelihoods across the country - with generous income support schemes, billions paid in loans and grants, tax deferrals and more than £6.5 billion injected into the welfare safety net.

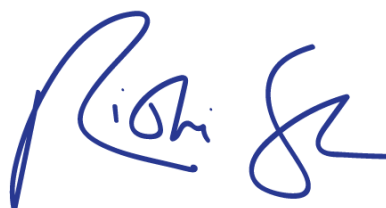
Public Health England, the Joint Biosecurity Centre and NHS Test and Trace constantly monitor levels of infection across the country and will work with local authorities to implement additional measures if needed. Through the Test and Trace Programme we have provided £300m to local authorities to help with local actions to contain the spread of Covid.

Leicester City Council has already received over £85 million, and the other Local Authorities in Leicestershire have together received over £55 million in funding for the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund. Leicester City Council have been provided with an additional £3.5m as part of the Discretionary Grant Fund to provide support for local businesses (incorporated and sole traders) and charities. The other Local Authorities in Leicestershire have been allocated over £2.5m for their discretionary grant schemes. We have provided an additional £1m of extra support for the affected councils to, amongst other things, increase their communications, ensure materials are translated into locally relevant languages and provide additional local support for contact tracing.

The furlough scheme has been extended until the end of October and a number of support schemes remain available for businesses and individuals in Leicester, including the Self-Employment Income Support Scheme, bounce-back loans and a year-long business rates holiday for all eligible businesses in the retail, hospitality and leisure sectors.

To support those sectors hardest hit and support the wider economic recovery, the Government has announced a £1.57 billion package for the arts, as well as a package of measures to support jobs and businesses across the UK as part of the economic update on 8 July. This Plan for Jobs includes a Job Retention Bonus to help firms keep furloughed workers, a 50% reduction on sit-down meals and non-alcoholic drinks in eligible businesses across the UK, and a cut in the rate of VAT applied to hospitality, accommodation and attractions in every nation and region of the UK, from 20% to 5%, for a period of six months.

The nature of local restrictions, where they are required to contain the spread of the virus, will be heavily dependent on the nature of the local outbreak. The Government will remain agile in its response to localised outbreaks, putting in place the right measures at the right time to protect people's health and livelihoods.

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

RISHI SUNAK