



Department for
Business, Energy
& Industrial Strategy

Department for Business,
Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Darren Jones MP
Chair, Business, Energy and Industrial Strategy Committee
House of Commons
London
SW1A 0AA

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

Our ref:

8 December 2020

Dear Darren,

Thank you for your letter of 2 December, regarding support for high street retailers and employees affected by the collapse of large retailers.

I know these will be extremely worrying times for employees of Debenhams and Arcadia Group and I want to pay particular tribute to the hard-working staff who have kept these well recognised businesses going in difficult times for so long. I know the administrators are working tirelessly to try and find solutions for these companies.

I would like to set out how we are supporting those who may unfortunately lose their employment at this difficult time. The DWP Rapid Response Service has been in ongoing conversations with Debenhams and Arcadia and has offered them both support from the Service. The Rapid Response Service offers support including:

- Helping people write CVs and find jobs
- Providing information about benefits
- Helping people to find the right training and learn new skills
- Helping with costs like travel to work expenses

I would also strongly advise affected employees use an independent benefit calculator to determine their exact entitlement to a range of support. These are free to use and can be found here: <https://www.gov.uk/benefits-calculators>.

We have temporarily increased Universal Credit by around £1,000 a year and are doubling the number of work coaches to 27,000 by 2021. We are helping those who have lost jobs in the pandemic through our £238m JETS (Job Entry Targeted Support) programme and have launched a £2bn Kickstart scheme with over 19,000 jobs already created. I recognise that many of those losing their jobs in the sector are likely to be younger and female workers and recognise the importance of higher Universal Credit payments, the Kickstart programme and JETS.

This support is in addition to the unprecedented package of support the Government has made available to people and businesses throughout the pandemic. We have protected over 12 million jobs through our furlough and self-employed support schemes and will continue to do so into 2021. To date, this has come at a cost of over £56 billion. Furloughing of staff in the wholesale and retail sector peaked in April at 1.85 million, with net costs of furlough for the sector reaching £7.7bn by 30 September.

We have increased the Local Housing Authority Allowance and provided £180m to help people pay their rent, created a £63m local welfare assistance fund, and provided local authorities with over £7.2bn in additional Covid funding.

As well as supporting employees we have also provided an unprecedented level of business support. We have provided:

- 100% business rate relief for retail, hospitality, and leisure business for financial year 2020/21, worth over £10bn
- local authority grants of almost £11.7bn to 999,735 SMEs in the retail, hospitality, and leisure sectors
- grants of up to £3,000 per month for businesses forced to close through regional or national restrictions, worth over £1bn a month and benefitting over 600,000 businesses
- protection for commercial tenants from eviction and debt enforcement due to non-payment of rent

Retailers have also been able to access financial support from the Bounce Back Loan Scheme, the Coronavirus Business Interruption Loan Scheme, and the Coronavirus Large Business Interruption Loan Scheme.

While clearly the business decisions of retailers are a matter for them and not Government, the Minister for Small Business, Labour Markets & Consumers and I will continue to take a close interest in how the situation with Debenhams and Arcadia develops. You will be aware that on 1 December, I wrote to The Insolvency Service regarding Arcadia Group given the significance of this case and its implications for thousands of suppliers, pensioners, and employees. The administrators are required to provide the Insolvency Service with a report into the conduct of the directors of the group within three months of their appointment. I have asked that they review this report rigorously and if they decide that there are grounds for an investigation I have asked that it looks not only at the conduct of directors immediately prior to and at insolvency, but also whether any action by directors has caused detriment to creditors or to the pension schemes.

We will continue to do everything we can to protect businesses, their employees, and livelihoods, exploring all potential options so that we can address these challenging issues.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke that curves upwards at the end.

RT HON ALOK SHARMA MP

Secretary of State for Business, Energy and Industrial Strategy