



House of Commons
Business, Energy and Industrial
Strategy Committee

The impact of Coronavirus on businesses and workers: interim pre-Budget report

Second Report of Session 2019–21

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 23 February 2021*

Business, Energy and Industrial Strategy Committee

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Summary

At the start of the COVID-19 pandemic, the Government responded at great pace to deliver a number of measures for businesses and workers, which have delivered financial support on an unprecedented scale. We commend the Government for its boldness, and recognise that this support has kept vast numbers of businesses and workers afloat during this exceptionally challenging time.

According to ExcludedUK, approximately three million workers continue to be unable to access financial support. The eligibility criteria for financial support has, in practice, resulted in an inconsistent level of support between employed and self-employed workers. These gaps have, in practice, had a discriminatory impact on the individuals affected, including for mothers who have taken parental leave in the past three years, and will continue to cause hardship if left unaddressed.

We have previously called on the Government to take a more sectoral-specific approach to financial support for businesses, and we call again on the Government to do so. Businesses in many sectors have not received targeted support, despite their finances being hit just as hard by health restrictions as other sectors which have received targeted support.

For both workers and businesses, the Government should look at the gaps in support, review arbitrary exclusions, and refine the way it is provided, so that financial support is targeted at those most in need.

We also find that Government has not used the time afforded by the support measures to identify long-term solutions. We are disappointed, for example, that the Government has not identified a long-term solution to the build-up of a year's worth of commercial rent arrears, which will shortly come due when the moratorium on rent obligations expires. Unresolved issues such as these are jeopardising many businesses' prospects of long-term recovery, causing additional hardship for 'bricks-and-mortar' retail and exacerbating the divide between businesses that have had to close and those which have not.

The rise in unemployment figures, which are expected to rise further this year, are also a concern for the Committee. Whilst we welcome the Government's *Skills for Jobs* White Paper, we believe more targeted support will be required post-COVID to specifically help demographics of workers most affected during the pandemic (including BAME workers, women and young people) in order to prevent long-term scarring in the labour market.

Businesses have taken extraordinary measures to innovate and adjust to the economic restrictions. Whilst we welcome the decision by many major supermarkets and other businesses to return financial support they concluded was no longer required, we are disappointed by the behaviour of some corporations who have accessed taxpayer-funded support and/or engaged with workers in bad faith. We previously called on the Government to attach conditions to the use of taxpayer-funded support and are disappointed that the Government has failed to do this. We once again call on the Government to do so.

We conclude that the late timing of some of the Government's announcements has contributed to spikes in redundancies and additional difficulties for many businesses. As such, we call on the Government to provide businesses and workers with the certainty they need by committing to phasing out financial support measures in close alignment with the easing of health restrictions in a continued and more sophisticated manner. Following the Prime Minister's *Roadmap for easing lockdown restrictions in England* statement, we call on the Government to urgently update businesses and workers on any continuation of existing support measures.

Finally, as we look to our economic recovery, we call on the Government to take a long-term approach to supporting businesses who took on COVID-related debts, and to put forward repayment schemes which support business to invest in their own workforce, expansion, net-zero transition and productivity improvements.

Introduction

1. On 23 March 2020, the Prime Minister announced the first UK-wide national lockdown, effectively shutting down entire sectors of the economy and urging all, other than critical or key workers in specific sectors, to stay at home. This announcement was followed by the introduction of a package of financial measures in order to support businesses and workers.¹

2. In the fortnight preceding full lockdown, the Government announced new social distancing and other safety measures in order to limit the increasing rates of COVID-19. While many companies, big and small, were doing the right thing, we were alerted to a number of concerns in relation to the implementation of safety restrictions. We also heard about the challenges of implementing some of the safety restrictions, such as the impact of the two-metre rule on manufacturing capacity.²

3. On the 13 March 2020 we launched a major inquiry into the impact of COVID-19 on businesses and workers, in order to consider the immediate impact of the pandemic and the Government's response to it, and to evaluate the Government's longer-term approach to business support and post-pandemic recovery.³ We received over two thousand written submissions from workers, businesses and their representatives. We have held seven evidence sessions to date, and our inquiry continues.⁴

4. Throughout our inquiry we have engaged in frequent substantive correspondence with the Government, as part of an ongoing dialogue and constructive effort to scrutinise the Government's response as the pandemic has unfolded,⁵ most notably, making specific recommendations to the Government in July 2020.⁶ In the meantime, significant parts of the economy remain closed, and continued financial support is required for both businesses and workers.

5. There has been broad support for the Government's unprecedented package of financial support in our evidence sessions, which has included the Coronavirus Job Retention Scheme, business grants through local authorities, and loan schemes. There have also been concerns about a lack of tailored support for some business sectors, the level of communication with businesses, and uncertainty about the future.

6. This report does not offer a detailed analysis of the advantages and disadvantages of every support measure. Nor does it offer a detailed chronology of the Government's administration of the support. Instead, it provides a brief interim examination of the areas of weakness in the financial support provided by the Government, which witnesses have raised with us. We identify where changes to ongoing support measures should be considered and make a series of recommendations outlining how provision for such measures could be made by the Chancellor in his Budget statement next week.

1 [Staying at home and away from others \(social distancing\)](#), 23 March 2020; [The Chancellor Rishi Sunak provides an updated statement on coronavirus](#), 20 March 2020

2 [Open letter from Chair on Coronavirus](#)

3 The inquiry's Terms of Reference can be found [here](#); Written evidence to the inquiry can be found [here](#)

4 A full list of witnesses is attached at the end of this report

5 See correspondence dated [30 November 2020](#), [19 November 2020](#), [19 October 2020](#), [15 September 2020](#), [27 July 2020](#), [19 June 2020](#), [11 June 2020](#), [17 May 2020](#), [20 April 2020](#), [20 April 2020](#), [8 April 2020](#), [6 April 2020](#), [27 March 2020](#), [27 March 2020](#), [24 March 2020](#), [23 March 2020](#)

6 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers](#), dated 27 July 2020

7. We would like to take this opportunity to express our thanks to Ministers and officials for their hard work over the past year in addressing the challenges faced by both businesses and workers. We would also like to put on record our thanks to all the individuals who contacted us with their concerns, and all of those who have provided oral and written evidence.

1 Support for workers

8. The sheer scale of the financial support the Government has provided to businesses and workers since March 2020 is unprecedented. As of January 2021, the Government has spent £61.7 billion pounds on support for businesses (including the Coronavirus Job Retention Scheme (‘furlough’ scheme)), with a projected total estimated cost of £129 billion.⁷ To put this into perspective, Government expenditure on health in England in 2018/19 was £129 billion, and the total UK VAT take in 2019/20 was £130.14 billion.⁸ At least 12.2m workers have benefited from the Government’s support through the furlough and Self-employment Income Support Scheme (SEISS).⁹ Witnesses have overwhelmingly welcomed the Government’s intervention, and stressed how vital the support has been to the financial survival of both businesses and workers. Our inquiry has also identified some gaps in the considerable support to date, which may have a significant impact on those affected if left unaddressed.

Gaps in support

9. Despite the support schemes introduced since March 2020, some workers remain ineligible for this support due to the eligibility criteria. For example, in order to be eligible for SEISS, claimants must earn more than half their total income from self-employment and cannot have a record of earning above £50,000 per year. The Government has previously responded to the Committee that they have “prioritised helping the greatest number of people as quickly as possible, whilst considering the need to provide value for money in public spending and protection against fraud and error” and that “the design of the SEISS, including the £50,000 threshold, means it is targeted at those who need it the most, and who are most reliant on their self-employment income”.¹⁰ The Institute for Fiscal Studies estimates that approximately 225,000 individuals continue to be ineligible for SEISS because their profits from self-employment exceeded the £50,000 limit.¹¹

10. Likewise, technicalities in the tax status of freelancers and those on short-term contracts mean, as Dr Sonali Joshi, Founder, ExcludedUK told us, “they fall completely between [furlough and SEISS], and are completely excluded”.¹² Christine Payne, former General Secretary, Equity, explained:

They fell through the gap because of that mixed economy of earnings. Either they did not have sufficient freelance earnings to meet the threshold... or they had more PAYE earnings and so they were discounted in both the JRS and the self-employed scheme. It was really a double-whammy from both directions.¹³

11. New mothers also appear to have fallen through the cracks, as the method of

7 National Audit Office, [COVID-19 cost tracker](#)

8 Full Fact, [Spending on the NHS in England, July 2019](#)

9 National Audit Office, [Implementing employment support schemes in response to the COVID-19 pandemic](#), HC 862, 23 October 2020

10 [Letter from Secretary of State in response to the Chair’s letter on the impact of coronavirus on businesses and workers](#), dated 15 September 2020

11 Institute for Fiscal Studies, [Fast choices by government provide generous income support to most workers, but leave some with nothing and others with too much](#), 2 April 2020

12 Q305

13 Q245

calculating SEISS grants discriminates against women who have taken maternity leave in the last three years.¹⁴ Campaign group Pregnant then Screwed has said this, in turn, also increases the likelihood of women's businesses failing due to lack of financial support.¹⁵ The group estimates that this gap in the SEISS could be affecting approximately 87,000 women.¹⁶ These, and other concerns affecting new parents, have been the focus of detailed inquiries by both the Petitions and Women and Equalities Committees.¹⁷

12. Despite some early changes to SEISS—which were overwhelmingly welcomed by our witnesses—figures from the National Audit Office indicate that 1.6 million self-employed people have not met the scheme's eligibility criteria.¹⁸ In some cases, these individuals may also not be able to access Universal Credit, because their savings exceed £16,000.¹⁹

13. Self-employed workers are disadvantaged in comparison to PAYE workers due to the £50,000 earnings eligibility cut-off applying to SEISS. As the Treasury Committee noted, it is strikingly inconsistent that an employee who earns over £50,000 per year could be eligible for up to £2,500 per month through furlough, but a self-employed person with profits above £50,000 per year will be ineligible for support.²⁰ We also echo the Committee's call for the Government to utilise data—including 2019–20 tax returns—to expand coverage as much as possible for self-employed people.

14. Those excluded from the furlough and SEISS schemes, such as freelancers and short-term workers, are disproportionately represented in particular sectors—such as the arts and recreation. Concerns were raised that long-term damage could be done to these sectors if short-term support is insufficient, as skilled and experienced workers may leave the sector to secure employment elsewhere.²¹ Christine Payne, former General Secretary, Equity, commented in relation to theatres and studios: “once [they] close, they are very unlikely to come back”.²²

15. Gaps in support have also affected many company directors. Directors whose income is accrued via dividends, rather than through the PAYE tax system, are ineligible for support. This therefore excludes many directors “some of whom quite legitimately rel[y] on dividends to help support their earnings”, and that approximately 710,000 directors could be affected in this way.²³ The Government has previously responded to the Committee on this point, noting that “support for those who pay their wages via dividends was much more complex than existing income support schemes”.²⁴

14 Q305

15 House of Commons Petitions Committee, [The impact of Covid-19 on maternity and parental leave](#), First Report of Session 2019–21, HC 526

16 Pregnant then Screwed written evidence to Women and Equalities Committee inquiry into Unequal impact: Coronavirus (Covid-19) and the impact on people with corrected characteristics, [CVG0032](#)

17 House of Commons Petitions Committee, [The impact of Covid-19 on maternity and parental leave](#), First Report of Session 2019–21, HC 526; House of Commons Women and Equality Committee, [Unequal impact? Coronavirus and the gendered economic impact](#), Fifth Report of Session 2019–21, HC 385

18 Q305; National Audit Office, [Implementing employment support schemes in response to the COVID-19 pandemic](#), HC 862, 23 October 2020

19 Q297; House of Commons Work and Pensions Committee, [DWP's response to the coronavirus outbreak](#), First Report of Session 2019–21, HC 178

20 House of Commons Treasury Committee, [Economic impact of coronavirus: Gaps in Support and Economic Analysis](#), Eleventh Report of Session 2019–21, HC 882

21 Q265; Q358; Q368

22 Q264

23 House of Commons Treasury Committee, [Economic impact of coronavirus: Gaps in support](#), Second Report of Session 2019–21, HC 454; Q285

24 [Letter from Secretary of State in response to the Chair's letter on the impact of coronavirus on businesses and workers](#), dated 15 September 2020

16. Overall, the Committee has heard evidence suggesting approximately 3 million people remain effectively excluded from financial support because they do not meet the eligibility criteria set out by the Government.²⁵ A number of changes to the eligibility criteria of furlough and SEISS have been suggested, but the Government has cited administrative difficulties and the risk of fraud as the reason for current eligibility. For example, the Government says fixing the gap in support affecting directors would be “much more complex than existing income support scheme[s]”, and presents an unacceptable risk of fraud.²⁶ Similarly, the Government says addressing some of the gaps in coverage in SEISS would “significantly increase the risk of abuse”.²⁷ The Government has acknowledged that some workers “do not have a scheme that expressly caters for them”, and suggests that such individuals can benefit through mortgage and consumer credit holidays.²⁸

17. We commend the Government for moving quickly at the start of the pandemic to implement novel and wide-ranging financial support schemes. We welcome these measures, which have delivered unprecedented levels of financial support to individuals and have shielded vast numbers from the potentially devastating economic impact of the pandemic.

18. Whilst we welcome the overall level of support offered, we are disappointed that the Government has repeatedly chosen not to adapt and refine its support to address identified gaps in coverage. It is unacceptable that 11 months into the pandemic approximately 3 million people have fallen through the cracks. Mothers being discriminated against by virtue of having taken parental leave in the last three years is a particularly egregious example of the failure to refine support. We agree with the Treasury Committee (in its Eleventh Report, *Economic impact of coronavirus: gaps in support and economic analysis*) that the Government’s approach to employees and self-employed people has in practice been inconsistent, unfair and discriminatory.

19. The Committee accepts that there are some groups who have been at a comparative disadvantage, such as those remunerated by dividends. The Government has cited administrative difficulties and the risk of fraud. The Government should consider solutions put forward on how income from dividends can be distinguished from unearned income from dividends.

20. We welcome that many individuals who have not been able to access furlough or SEISS will have had support through Universal Credit, discretionary grants from local authorities, and mortgage and consumer credit holidays. However, we are disappointed by the Government’s suggestion that these are a sufficient replacement for individuals unable to access furlough or SEISS support. The repeated use of the risk of fraud as an adequate justification for not addressing gaps in support for workers is also unconvincing.

21. We are also concerned that gaps in support appear to have fallen disproportionately

25 Q305

26 House of Commons Treasury Committee, [Economic impact of coronavirus: Gaps in support: Government response to the Committee’s Second Report of Session 2019–21](#), Third Special Report of Session 2019–21, HC 662; [Letter from Secretary of State in response to the Chair’s letter on the impact of coronavirus on businesses and workers](#), dated 15 September 2020

27 [Letter from Secretary of State in response to the Chair’s letter on the impact of coronavirus on businesses and workers](#), dated 15 September 2020

28 [Letter from Secretary of State in response to the Chair’s letter on the impact of coronavirus on businesses and workers](#), dated 15 September 2020

on particular sectors, such as the creative industries. Further Government action is required to support those sectors of the economy.

22. *We recommend that the Government reviews the coverage of current support to make sure that the greatest support is provided to those individuals facing most hardship, and that any gaps in provision are addressed. We expect the Chancellor to announce measures to this effect in his Budget statement next week.*

Longer-term recovery from unemployment

23. Since the beginning of the pandemic, the number of payroll employees has fallen by 828,000. The UK's unemployment rate, in the three months to November 2020, was estimated at 5.0%, which is 1.2% higher than a year earlier. 370,000 workers were made redundant between August and October 2020—a record high.²⁹ Moreover, it is likely that we have not yet seen the full extent of unemployment caused by the pandemic, as measures such as furlough continue to support jobs which may ultimately be lost when support ends.³⁰

24. The impact of unemployment has not been felt equally across all demographics of the labour market. Women, BAME workers and young people are disproportionately represented in insecure work, or in sectors particularly affected by the pandemic, such as health and social care, hospitality, transport and the platform economy, and have therefore been particularly hard hit during the pandemic.³¹ For example, 15% of workers in sectors locked-down during the pandemic are from a minority ethnic group, compared to 12% of all workers.³² According to the Institute for Fiscal Studies, employees aged under-25 were roughly two and a half times more likely compared to other employees to work in a sector that is now shut down, partly because under-25s are more exposed to jobs which cannot be worked from home.³³ Similarly, research by the Trades Union Congress shows that a quarter of mothers are worried about their job security, and fear redundancy, sacking or being denied hours.³⁴ As the Women and Equalities Committee highlighted in its recent report: “[the] gendered impacts of the pandemic were predictable given that women, particularly BAME women, were disproportionately employed in less secure, low quality work arrangements”.³⁵

25. We heard that the challenges faced by women, BAME workers and young people are likely to be long-term:

It is not just about the impact now. These are the very sectors that are going to find it very difficult to return to whatever normal may look like. Therefore, the disproportionate impact on growing unemployment levels across the economy [is] going to fall disproportionately on these sectors and therefore these groups of workers as well.³⁶

29 Office for National Statistics, [Labour market overview, UK: January 2021](#)

30 Q358

31 Q357; Q252; Q254

32 House of Commons Library analysis of the Labour Force Survey, 2019 Q4, using IFS definition of vulnerable sectors

33 Institute for Fiscal Studies, [Sector shutdowns during the coronavirus crisis: Which workers are most exposed?](#), 6 April 2020

34 Q378

35 House of Commons Women and Equality Committee, [Unequal impact? Coronavirus and the gendered economic impact](#), Fifth Report of Session 2019–21, HC 385

36 Q254

26. Witnesses cautioned that during the recovery from the 2008 recession, there was an increase in low-quality and low-paid jobs, which should be avoided in the post-COVID recovery.³⁷ Rob Joyce, Deputy Director, Institute for Fiscal Studies, told us that a key issue when trying to foster employment recovery will be “how effectively we can get [people] reallocated into not just other jobs, but hopefully other good jobs with good prospects of progression”.³⁸ In order to facilitate this, we heard calls for the Government to direct policy efforts “towards encouraging decent work”, in part by “encourag[ing] good-quality jobs in emerging industries such as green energy”.³⁹ If Government policy strategically links education, further education, skills retraining and the Industrial Strategy, with economic incentives, there is the potential to create high-quality jobs across the UK, avoid economic ‘scarring’ on generations of young people, and also meet goals such as net zero.⁴⁰

27. On the other hand, witnesses warned that if the Government prematurely withdraws support for workers whose jobs are likely to return post-COVID there is a significant (and avoidable) risk that unnecessary long-term damage could be done to key sectors affected by the pandemic. The creative industries were frequently raised in this context; as Mike Clancy, General Secretary, Prospect said, continued financial support for workers in this sector means “people can be kept in the sector and do not have to go elsewhere because they have simply been made redundant once furlough starts to unwind”, which could thereby cause a structural loss of skills across the industry.⁴¹ Businesses, business representatives, workers and trade unions also expressed concern that the loss of skilled and experienced workers in particular sectors—such as engineering, manufacturing, and aerospace—could also threaten the UK’s ability to deliver on key goals such as increasing exports, improving infrastructure and achieving net zero.⁴²

28. As Mr Joyce explained, it is difficult to find the ‘sweet spot’ between retaining skilled people with “a lot of valuable experience in that job” through schemes such as furlough, and not “clogging up the labour market more than we need to” by financially supporting them when their old/current job may not exist in a post-COVID world.⁴³ He argued that where jobs are unlikely to return post-COVID, the Government should help facilitate the transition to new jobs or sectors.⁴⁴

29. Mr Joyce further explained that the labour market and economy is also undergoing disruptive structural readjustment as a result of Brexit.⁴⁵ Similar structural adjustments are also likely to occur as the UK transitions to net zero, and as the UK’s population ages.⁴⁶ Witnesses called on the Government to present a coherent, long-term strategy for dealing with these structural adjustments. Mike Brewer, Chief Economist and Deputy Chief Executive, Resolution Foundation, urged the Government to begin setting out this strategy in the Budget:

37 Q359

38 Q358

39 Q359

40 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers](#), dated 27 July 2020; Q385; Q384

41 Q265

42 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers](#), dated 27 July 2020

43 Q376

44 Q376

45 Q358

46 Q363; Q365

It is really up to the Chancellor to come forward with those ideas in the March Budget and show us what the country's strategy is for dealing with a formidable set of changes that are facing us, as well as recovering from the pandemic. It is not so much the individual micro-policies that are needed but more about having a coherent strategy for changing our economy, our workforce and the skills.⁴⁷

30. We appreciate that not every job can be saved as the Chancellor has set out, but are nonetheless concerned about rising unemployment, which is particularly affecting women, BAME workers and young people because they are more likely to be employed in insecure work. We are concerned that damage may be done to some sectors by the premature withdrawal of furlough and the Self-Employment Income Support Scheme, which would hamper the UK's ability to recover quickly with a focus on good quality work.

31. We recommend the Government urgently produces an economic assessment which sets out the opportunities and risks posed by structural long-term changes to the economy from the combined impacts of COVID-19, Brexit, and the net zero transition. We welcome the publication of the Skills for Jobs White Paper, and the Government should continue to build a comprehensive, long-term cross-departmental plan on education, skills and jobs to create good quality employment opportunities for the future.

32. This plan should form part of the Industrial Strategy to ensure our educational institutions, key business sectors, the workforce and broader economy are strategically geared towards achieving long-term goals such as the net zero transition, our aging society and the technological modernisation of our economy. We recommend that the Government provide a detailed outline of their approach in its response to this report.

2 Support for businesses

Targeted support for businesses

33. As of January 2021, the Government and British Business Bank had approved over 87,000 Coronavirus Business Interruption Loans worth £20.84bn; over 1.4m Bounce Back Loans worth £44.74bn; over 696 Coronavirus Large Business Interruption Loans worth £5.14bn; and, over £1.06bn of convertible loans through the Future Fund.⁴⁸

34. The Government has also provided additional, targeted support to some sectors—most notably, the retail, tourism and hospitality sectors. These sectors have benefited from business rates relief and payment holidays for VAT, as well as various sector specific grant schemes such as the Closed Business Lockdown Payment, the Retail, Hospitality and Leisure Grant Fund, and the Kick-starting Tourism Package.⁴⁹ Our witnesses broadly welcomed this support, which has helped prevent store closures and supported jobs for many businesses.

35. However, a frequently raised concern during our inquiry was that other, equally badly affected sectors—such as automotive, aerospace, aviation, arts, health, beauty and wellbeing—have been disadvantaged by not receiving any comparable targeted support. As Humphrey Cobbold, Chief Executive, PureGym, told us: “[We have not] benefitted from any of the targeted measures that other sectors have benefited from: we have had no equivalent of Eat Out to Help Out, no VAT cuts and no targeted support whatsoever”.⁵⁰

36. Similar issues were raised by representatives from the wedding and events industry, which supports a wide range of ancillary businesses within its supply chain, such as bakers, caterers, dressmakers, venues, florists, photographers and more—many of whom say they have not received targeted support. Industry bodies told us that businesses in this sector have been unfairly excluded from Government support, due to the fact that they have not been legally forced to close. Representative group We Make Events told us:

Rightly, those venues that have been unable to open have received grants to support them [while] they are unable to earn income. However, it is not just venues that are unable to operate due to live events not taking place—the whole live event supply chain is equally impacted. Lighting companies and sound technicians, for example, have no business if the events aren’t happening. As such, they have been effectively closed—but the Government currently refuses to acknowledge this, and still considers live event supply chain businesses as able to operate.⁵¹

37. Witnesses also noted the disparity between those who have been in receipt of targeted measures, and those who have not, has in some cases had the effect of unnecessarily financing large retailers whilst many smaller businesses which rely on customers physically accessing their premises, have suffered.⁵² Whilst many businesses have adapted—for example, by shifting towards on-line and click and collect—and performed well during

48 HM Treasury, [Coronavirus \(COVID-19\) business loan scheme statistics](#), correct as of time of writing

49 House of Commons Library, [Support for the tourism industry after the Covid-19 lockdown](#), 4 September 2020

50 Q281

51 [Letter from We Make Events to the Chair on businesses excluded from Government support](#), dated 6 January 2021

52 [Letter to the Secretary of State on impact of Covid on business workers](#), dated 19 November 2020

the pandemic as a result of higher consumer demand, others have not been able to adapt in the same way, and have received no targeted support.⁵³ As Mr Cobbold explained:

Let us be honest: large grocers have not really required a rates holiday... They have done pretty well through a period when they have traded up rather than down. It is a bad use of Government spending to put that money into the hands of people like that. Give it to sectors in hospitality, leisure, gyms and fitness, theatres and many other areas that are much more deserving of that support, where it would be much more helpful.⁵⁴

38. The Government has said in response that it “has chosen not to penalise businesses that adopt different trading models” (such as on-line trading and click-and-collect), and says it has targeted businesses which have had to close through a number of discretionary grants delivered through Local Authorities—including the Local Restrictions Grant, Local Restrictions Support Grant, and the Additional Restrictions Grant.⁵⁵

39. **We welcome the sheer scale of financial support the Government has provided to businesses since March 2020. For many businesses, this support has allowed them to stay afloat during the pandemic. We also welcome the Business Rates Review announced in the March 2020 Budget to help business in the coming years. Whilst some sectors have understandably received targeted support and not every individual circumstance can be catered to, we recommend that the Government considers further tailored support for sectors heavily affected by the pandemic.**

40. **We are particularly concerned for ‘bricks-and-mortar’ retail which is unable to compensate for physical closure, as well as businesses such as those in the ‘live events’ industry which, though not legally forced to cease operations, have seen a collapse in business due to health restrictions. The lack of targeted support for these businesses is exacerbating the divide between those which have had to close, and those which have not. We are also concerned that the lack of a targeted approach may be resulting in the perverse situation of the taxpayer inadvertently propping up large businesses which have done well during the pandemic.**

41. *We recommend that if the Government returns to any form of tiered system or localised lockdowns, that financial support for business should reflect that.*

42. *We expect the Government to respond to the pandemic with more nuanced and targeted policies in future, and recommend that the Government uses the Budget to review the support it has offered to businesses and announce more targeted support aimed at the sectors most in need.*

Conditionality and corporate behaviour

43. Many businesses—such as Greggs, Admiral Insurance and Bunzl—have behaved responsibly through the pandemic, be it through their continued support for workers and customers, the returning of unutilised furlough funds, or their unwillingness to claim economy-wide payments (such as the Job Retention Bonus) where this is not required.⁵⁶

53 Q280; Q281

54 Q294

55 [Letter from the Secretary of State to the Chair on the impact of tiered restrictions and nationwide lockdowns](#), dated 30 November 2020

56 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers](#), dated 27 July 2020

Similarly, many large supermarkets—including Sainsbury’s, Asda, Tesco and Morrisons—have repaid emergency taxpayer-funded support, with over £1.8bn in business rates relief having been returned to the Exchequer at the end of 2020.⁵⁷

44. On the other hand, we have been disappointed by the behaviour of some corporations who have accessed taxpayer-funded support. Some businesses appear to have accessed Government-backed financial support as a commercial opportunity instead of a pandemic-related necessity, and have subsequently refused to return funds even when it appears they are no longer required.⁵⁸ In addition, during our inquiry thousands of members of the public have been in touch to raise concerns about the conduct of their employer – many of which are some of the largest businesses in the UK, and household names.⁵⁹ These concerns include health and safety issues in the workplace, late payment of suppliers, ‘fire and rehire’ tactics, and threats of redundancy. We brought many of these concerns to the Government’s attention in previous correspondence.⁶⁰ In response, the Department for Business, Energy and Industrial Strategy has said businesses receiving loans under certain schemes are subject to some conditions, such as restrictions regarding dividends, but that the Government has no plans to introduce further conditionalities.⁶¹

45. We have previously called on the Government to attach conditions to the use of taxpayer-funded support and are disappointed that, on each occasion measures have been extended, the Government has failed to do this. We recommend that the Government reviews what enforcement powers it has to ‘claw back’ support where appropriate, and what additional checks or conditions could be applied to support for businesses in order to reduce instances of fraud, and to sanction businesses which have accessed public funds in bad faith.

Commercial rent obligations

46. Throughout our inquiry we received evidence of longer-term issues which are profoundly affecting businesses, but to which the Government has failed to offer solutions, for example, commercial rent obligations. The Government’s moratorium on evictions for shop rent arrears was overwhelmingly welcomed by witnesses to our inquiry. For many businesses across the country, this has provided them with the immediate security they need to remain in their premises.

47. However, the moratorium does little more than delay the inevitable, unless longer-term measures are put in place. Many businesses—particularly small businesses—will have lost almost all of their income as a result of both national and regional lockdowns. Yet, whilst there has been a ban on evicting commercial tenants, businesses are ultimately expected to meet their rent obligations. With the moratorium currently due to expire at the end of March 2021, this means businesses of all sizes will be faced with up to a year’s worth of rent arrears coming due in a matter of weeks, unless the Government

57 [The Guardian, £1.8bn-plus in COVID rates relief to be handed back as B&M joins list, 3 December 2020](#)

58 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers, dated 27 July 2020](#)

59 [Emails from the public on businesses response to Covid19 dates 24–25 March 2020; Selection of emails from the public on businesses during Covid-19](#)

60 [Letter from the Chair to Secretary State regarding the Impact of coronavirus on business and workers, dated 27 July 2020](#)

61 [Letter from Secretary of State to Chair, regarding the ability of private equity-backed businesses to access Government guarantee schemes, dated 10 October 2020](#)

intervenes.⁶² UKHospitality has estimated that rent debt will reach an estimated £3bn for the hospitality sector alone when the moratorium expires in April.⁶³

48. The uncertainty caused by the lack of a long-term solution is having a corresponding negative impact on businesses, jobs and the wider economy; many businesses and representative groups have been clear about the potentially devastating impact on our high streets if this commercial rent issue is not resolved quickly.⁶⁴ Kate Nicholls, Chief Executive, UKHospitality, warned that growing rent debt is the “single biggest issue” facing hospitality and will “cripple” the sector without further support.⁶⁵

49. In response to these concerns, the Government says its existing measures are intended, “to give time and space to landlords and tenants to agree reasonable adjustments to rent and lease terms, including terms for the payment of accumulated rent arrears”.⁶⁶ The Government also says it is working to “encourage constructive dialogue between tenants and landlords”.⁶⁷ However, we received evidence of landlords failing to cooperate with tenants with an expectation that all rent arrears due will be paid.⁶⁸ Whilst larger companies can take further action against their landlords, many small high street shops have a power imbalance and have little leverage to encourage their landlords to be more accommodating.⁶⁹ Equally, we received evidence that some landlords have little option but to collect rents in order to meet their own financial obligations. This conundrum can only be solved with Government intervention.⁷⁰

50. With the moratorium on commercial rent obligations due to expire soon, the Government does not appear to be any closer to identifying or facilitating a long-term solution to the difficulties faced by landlords and commercial tenants. While many landlords and tenants have been able to come to an accommodation, we are unconvinced that landlords and businesses will be able to identify a solution on their own in every case.

51. The Government should use the time afforded by current time-limited support measures wisely to identify long-term solutions. The Government should consider active measures to address the issue of growing commercial rent arrears, and proactively work with businesses, landlords, banks and other stakeholders to identify an appropriate long-term solution.

62 [Letter to the Secretary of State on impact of Covid on business workers](#), dated 19 November 2020

63 Big Hospitality, [Hospitality in crisis: what will happen when the lease forfeiture moratorium expires?](#), 28 January 2021

64 [Letter to the Secretary of State on impact of Covid on business workers](#), dated 19 November 2020

65 UKHospitality, [UKH warns over sector multi-billion pound rent bill due this week](#), 23 March 2020

66 [Letter from the Secretary of State to the Chair on the impact of tiered restrictions and nationwide lockdowns](#), dated 30 November 2020

67 [Letter from the Secretary of State to the Chair on the impact of tiered restrictions and nationwide lockdowns](#), dated 30 November 2020

68 Q306; [Letter to the Secretary of State on impact of Covid on business workers](#), dated 19 November 2020

69 Q289

70 Q292

3 Moving forward

52. There has been broad support for the Government’s interventions during the pandemic, but there has also been significant criticism of the Government’s approach. We have heard that the effectiveness of the support provided to businesses and workers has been limited in some circumstances by the Government’s timing in making decisions, as it responded to the changing circumstances of the pandemic.

53. An oft-cited specific example is the furlough scheme. After initially being introduced on 20 March 2020, to coincide with the first UK-wide lockdown, the scheme has since been extended on four occasions in response to ongoing economic disruption from public health restrictions. Whilst stressing that the extensions to the scheme have been extremely welcome, witnesses argued that late announcement of the extensions created artificial deadlines which caused redundancy cliff edges.⁷¹ On one occasion—the third extension of the scheme announced on 31 October—the announcement of the extension came just a matter of hours before the scheme was due to expire. For many this “came too late to save some jobs” because businesses “had already taken decisions on the basis of what sort of support mechanism they were going to have”.⁷²

54. Some witnesses argued that the Government’s approach appears to have suffered from chronic short-termism; as Mike Cherry, National Chair, Federation of Small Businesses, summarised: “there seems to be a lack of forward planning”.⁷³ Considering the experience of previous attempts to phase out the furlough scheme, witnesses cautioned the Chancellor against phasing the scheme out prematurely, and highlighted that the existing expiry date of 31 April is unrealistic. Summarising the calls we have heard from business and sector representatives, Mike Brewer, Chief Economist and Deputy Chief Executive, Resolution Foundation, called on the Government to set out a clear long-term strategy for recovery, and to learn from the indecision and lateness of announcements in the autumn.⁷⁴

It does not look like the economy is going to be functioning normally as of 1 May, so I think his first decision is to make sure he phases the ending of that scheme perfectly in line with the easing of the restrictions, without gaps either side.⁷⁵

Mr Brewer argued that removing support measures such as furlough will inevitably result in a spike in unemployment, for both COVID and non-COVID-related reasons, but that the Chancellor’s attempt to remove the support in the autumn was premature. He suggested that by aligning the phasing out of support with the easing of health restrictions—as the Chancellor did not do in the autumn—major job losses could be avoided.⁷⁶

55. Last-minute decision-making on the easing of lockdown restrictions has also had a significant impact on business. Ralph Findlay, Chief Executive, Marston’s told us in November 2020 that the lateness of the Government’s announcement on how restrictions would be eased following the second lockdown, deprived his business of the certainty needed to operate efficiently and profitably:

71 Q196
 72 Q301
 73 Q297
 74 Q364; Q375
 75 Q358
 76 Q375

I do not know what restrictions I am going to be working to [in two weeks' time, when lockdown ends]. I do not know how many people of the 10,000 I have on furlough I can bring back. I do not know what discussions I need to have with my supply and logistics teams about getting food and beer into our pubs. This [uncertainty] is incredibly difficult.⁷⁷

56. In response, The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer, has said: “there is no perfect moment at which to enact measures that have far-reaching and damaging consequences for the people and businesses of our country. We should only enact such measures when it becomes truly unavoidable”.⁷⁸

57. Other policy reversals have further compounded the sense of uncertainty and instability for businesses. A frequently raised example was the £1,000 Coronavirus Job Retention Bonus.⁷⁹ The Bonus was announced in July 2020, but was abandoned in November when the furlough scheme was extended for the third time. Witnesses explained that many businesses had factored the Bonus into their planning, and its scrapping was therefore a “significant hit” which left a “black hole” in their finances.⁸⁰

58. Businesses and workers ideally require months, rather than weeks or even days of notice of the ending, extending or altering of support measures.⁸¹ Many of the measures in the Government's current economic support package are due to expire in March and April 2021. There is currently no clarity on whether they will be extended, altered or ended.

59. UKHospitality said a longer-term strategy is required if vulnerable sectors such as hospitality and events are to survive long-term:

We will need enhanced grant support to keep venues alive and a solution to the ongoing rent debt problem that continues to linger over the sector. These must come alongside a clear roadmap for a return to business. Without these, the extended furlough scheme alone is not enough to keep hospitality alive and will have been a wasted investment of public funds.⁸²

60. Tony Dale, Head of Research, Union of Shop, Distributive, and Allied Workers expressed similar concerns: “we need to think about whether certain sectors which... will not return to business as usual as quickly because of the social distancing rules, such as retail and hospitality, should get more support”.⁸³ Extending the existing support measures specifically for businesses unable to re-open as quickly as others or adapt, for as long as they are unable to re-open, was suggested as an appropriate long-term and targeted solution by Tony Dale, Head of Research, USDAW.⁸⁴

61. In response to concerns about the lateness of announcements, the Chancellor said:

The Government must be flexible to ever-changing circumstances. It is not a weakness to be agile and fast moving in the face of a crisis, but rather a strength; and that will not change.⁸⁵

77 Q282

78 HC, Vol. 683, Col. 506

79 Q280

80 Q288

81 Q375

82 UKHospitality, [Furlough extension welcome, but broader support still needed – UKH](#), 5 November 2020

83 Q262

84 Q262

85 HC, Vol. 683, Col. 506

62. Throughout the pandemic the Government has attached expiry dates to support measures, which have since been found to be premature. In most cases, the measures have ultimately ended up being extended, which is undoubtedly the correct decision. In the early months of the pandemic, it was difficult to know long health measures would need to last. This has been further complicated by the discovery of new variants of the disease which appear to be significantly more infectious. However, the situation we find ourselves in is no longer novel. By continually failing to take a long-view, particularly now that we understand that health restrictions (and therefore business support) will be necessary for as long as the virus is prevalent, needless long-term damage is done to the economy and workers through repeated ‘cliff edges’, which ultimately turn out to be artificial.

63. As of mid-February, with weeks to go before many support measures expire, the Government has not yet set out which measures will be extended. We understand that the specific course of the pandemic is inherently uncertain, and new restrictions may be introduced at short notice. We hope that the Government will provide businesses and workers with the broad assurances of ongoing support, particularly now that the Government has a range of established measures it can adapt quickly in response to changing circumstances.

64. *As more of the population is vaccinated, the Government must shift its policy-making approach from reacting to rapidly changing circumstances towards long-term considerations. In his Budget, the Chancellor must give businesses and workers the security and certainty they need by extending the existing package of measures and committing to phasing them out only when the easing of health restrictions allows. To address the issue of debt affordability for businesses, the Government should also consider whether converting certain existing businesses’ COVID loan debt into grants, could provide an appropriate long-term solution. We also recommend that the Government sets out a clear strategy for business recovery, which addresses the challenges faced by many sectors which will not be able to re-open as early as others.*

Communication with the business sector

65. The destabilising effects of the lateness in decision-making explored above, has been compounded by periodically poor communication and engagement between the Government and the business sector.

66. Many witnesses spoke positively of a strong level of communication between the Government and businesses throughout the spring and summer of 2020, particularly in relation to the effectiveness of support measures such as the VAT reduction, furlough scheme, and business rates holiday.⁸⁶ Ralph Findlay, Chief Executive, Marston’s highlighted particularly effective collaboration in relation to the easing of restrictions on retail in July, as the Government engaged heavily in order to develop a comprehensive set of practice guidance for re-opening businesses after the first lockdown.⁸⁷ Speaking to the experience of businesses in the arts and culture sector, Paul Fleming, General Secretary, Equity similarly praised the Government’s “genuine willingness... to actively engage with anybody and really listen and try to understand” during “that moment of heightened panic”.⁸⁸

86 Q282

87 Q282

88 Q325

67. However, this level of engagement and consultation appears to have deteriorated over time, particularly after the easing of the first lockdown. Mr Findlay said this became particularly evident during autumn 2020:

The consequence of that was the industry lost confidence in Government, probably through two things: first, the amount of stuff that was coming out via leaks as opposed to direct; and, secondly, the amount of engagement that we had... Some of the things that have happened would have been avoided if we had had better communication.⁸⁹

Similarly, Mr Fleming argued that the Government’s position “hardened and solidified” in response to later criticisms of poor support for creative industries, and that the Government’s subsequent response has been “essentially, a shrug”.⁹⁰ Echoing the call we have heard from many witnesses, Mr Cobbold called for the Government to engage with businesses as much as possible: “more communication sooner, an openness of dialogue and a sense of partnership... the objective is to be part of the solution, not just a part of the problem”.⁹¹ Steve Turner, Assistant General Secretary, Unite the Union, told us that some of the business roundtables announced by the Department for Business, Energy and Industrial Strategy were “talking shops”, without any clear actions or follow-through from the feedback provided by business and trade union leaders.⁹²

68. In response, the Government told us that it has engaged closely with businesses “at all stages of the response to Covid-19”, that relevant bodies such as the Retail Sector Council are responding with high priority work, and that Government ministers regularly meet with business representatives.⁹³

69. We welcome the strong level of engagement between the Government and business in the early months of the pandemic. The Government must be as open with the business sector as possible, particularly by providing reasonable notice and detail of impending changes to health and business restrictions, and working as constructively as it did in spring and summer 2020 to develop comprehensive and practical guidance on how businesses should adapt to changing health measures. We recommend that the Government proactively engages with businesses and trade union leaders on an ongoing basis, to ensure feedback is built into Government policy-making as we recover from the economic consequences of the pandemic.

89 Q282

90 Q325

91 Q283

92 Q256

93 [Letter from the Secretary of State to the Chair on the impact of tiered restrictions and nationwide lockdowns, dated 30 November 2020](#)

Conclusions and recommendations

Support for workers

1. We commend the Government for moving quickly at the start of the pandemic to implement novel and wide-ranging financial support schemes. We welcome these measures, which have delivered unprecedented levels of financial support to individuals and have shielded vast numbers from the potentially devastating economic impact of the pandemic. (Paragraph 17)
2. Whilst we welcome the overall level of support offered, we are disappointed that the Government has repeatedly chosen not to adapt and refine its support to address identified gaps in coverage. It is unacceptable that 11 months into the pandemic approximately 3 million people have fallen through the cracks. Mothers being discriminated against by virtue of having taken parental leave in the last three years is a particularly egregious example of the failure to refine support. We agree with the Treasury Committee (in its Eleventh Report, Economic impact of coronavirus: gaps in support and economic analysis) that the Government's approach to employees and self-employed people has in practice been inconsistent, unfair and discriminatory. (Paragraph 18)
3. The Committee accepts that there are some groups who have been at a comparative disadvantage, such as those remunerated by dividends. The Government has cited administrative difficulties and the risk of fraud. The Government should consider solutions put forward on how income from dividends can be distinguished from unearned income from dividends. (Paragraph 19)
4. We welcome that many individuals who have not been able to access furlough or SEISS will have had support through Universal Credit, discretionary grants from local authorities, and mortgage and consumer credit holidays. However, we are disappointed by the Government's suggestion that these are a sufficient replacement for individuals unable to access furlough or SEISS support. The repeated use of the risk of fraud as an adequate justification for not addressing gaps in support for workers is also unconvincing. (Paragraph 20)
5. We are also concerned that gaps in support appear to have fallen disproportionately on particular sectors, such as the creative industries. Further Government action is required to support those sectors of the economy. (Paragraph 21)
6. *We recommend that the Government reviews the coverage of current support to make sure that the greatest support is provided to those individuals facing most hardship, and that any gaps in provision are addressed. We expect the Chancellor to announce measures to this effect in his Budget statement next week.* (Paragraph 22)
7. We appreciate that not every job can be saved as the Chancellor has set out, but are nonetheless concerned about rising unemployment, which is particularly affecting women, BAME workers and young people because they are more likely to be employed in insecure work. We are concerned that damage may be done to some sectors by the premature withdrawal of furlough and the Self-Employment Income Support Scheme, which would hamper the UK's ability to recover quickly with a focus on good quality work. (Paragraph 30)

8. *We recommend the Government urgently produces an economic assessment which sets out the opportunities and risks posed by structural long-term changes to the economy from the combined impacts of COVID-19, Brexit, and the net zero transition. We welcome the publication of the Skills for Jobs White Paper, and the Government should continue to build a comprehensive, long-term cross-departmental plan on education, skills and jobs to create good quality employment opportunities for the future. (Paragraph 31)*
9. *This plan should form part of the Industrial Strategy to ensure our educational institutions, key business sectors, the workforce and broader economy are strategically geared towards achieving long-term goals such as the net zero transition, our aging society and the technological modernisation of our economy. We recommend that the Government provide a detailed outline of their approach in its response to this report. (Paragraph 32)*

Support for businesses

10. We welcome the sheer scale of financial support the Government has provided to businesses since March 2020. For many businesses, this support has allowed them to stay afloat during the pandemic. We also welcome the Business Rates Review announced in the March 2020 Budget to help business in the coming years. Whilst some sectors have understandably received targeted support and not every individual circumstance can be catered to, we recommend that the Government considers further tailored support for sectors heavily affected by the pandemic. (Paragraph 39)
11. We are particularly concerned for ‘bricks-and-mortar’ retail which is unable to compensate for physical closure, as well as businesses such as those in the ‘live events’ industry which, though not legally forced to cease operations, have seen a collapse in business due to health restrictions. The lack of targeted support for these businesses is exacerbating the divide between those which have had to close, and those which have not. We are also concerned that the lack of a targeted approach may be resulting in the perverse situation of the taxpayer inadvertently propping up large businesses which have done well during the pandemic. (Paragraph 40)
12. *We recommend that if the Government returns to any form of tiered system or localised lockdowns, that financial support for business should reflect that. (Paragraph 41)*
13. *We expect the Government to respond to the pandemic with more nuanced and targeted policies in future, and recommend that the Government uses the Budget to review the support it has offered to businesses and announce more targeted support aimed at the sectors most in need. (Paragraph 42)*
14. We have previously called on the Government to attach conditions to the use of taxpayer-funded support and are disappointed that, on each occasion measures have been extended, the Government has failed to do this. We recommend that the Government reviews what enforcement powers it has to ‘claw back’ support where appropriate, and what additional checks or conditions could be applied to support for businesses in order to reduce instances of fraud, and to sanction businesses which have accessed public funds in bad faith. (Paragraph 45)

15. With the moratorium on commercial rent obligations due to expire soon, the Government does not appear to be any closer to identifying or facilitating a long-term solution to the difficulties faced by landlords and commercial tenants. While many landlords and tenants have been able to come to an accommodation, we are unconvinced that landlords and businesses will be able to identify a solution on their own in every case. (Paragraph 50)
16. *The Government should use the time afforded by current time-limited support measures wisely to identify long-term solutions. The Government should consider active measures to address the issue of growing commercial rent arrears, and proactively work with businesses, landlords, banks and other stakeholders to identify an appropriate long-term solution.* (Paragraph 51)

Moving forward

17. Throughout the pandemic the Government has attached expiry dates to support measures, which have since been found to be premature. In most cases, the measures have ultimately ended up being extended, which is undoubtedly the correct decision. In the early months of the pandemic, it was difficult to know how long health measures would need to last. This has been further complicated by the discovery of new variants of the disease which appear to be significantly more infectious. However, the situation we find ourselves in is no longer novel. By continually failing to take a long-view, particularly now that we understand that health restrictions (and therefore business support) will be necessary for as long as the virus is prevalent, needless long-term damage is done to the economy and workers through repeated ‘cliff edges’, which ultimately turn out to be artificial. (Paragraph 62)
18. As of mid-February, with weeks to go before many support measures expire, the Government has not yet set out which measures will be extended. We understand that the specific course of the pandemic is inherently uncertain, and new restrictions may be introduced at short notice. We hope that the Government will provide businesses and workers with the broad assurances of ongoing support, particularly now that the Government has a range of established measures it can adapt quickly in response to changing circumstances. (Paragraph 63)
19. *As more of the population is vaccinated, the Government must shift its policy-making approach from reacting to rapidly changing circumstances towards long-term considerations. In his Budget, the Chancellor must give businesses and workers the security and certainty they need by extending the existing package of measures and committing to phasing them out only when the easing of health restrictions allows. To address the issue of debt affordability for businesses, the Government should also consider whether converting certain existing businesses’ COVID loan debt into grants, could provide an appropriate long-term solution. We also recommend that the Government sets out a clear strategy for business recovery, which addresses the challenges faced by many sectors which will not be able to re-open as early as others.* (Paragraph 64)
20. We welcome the strong level of engagement between the Government and business in the early months of the pandemic. The Government must be as open with the business sector as possible, particularly by providing reasonable notice and

detail of impending changes to health and business restrictions, and working as constructively as it did in spring and summer 2020 to develop comprehensive and practical guidance on how businesses should adapt to changing health measures. *We recommend that the Government proactively engages with businesses and trade union leaders on an on-going basis, to ensure feedback is built into Government policy-making as we recover from the economic consequences of the pandemic.* (Paragraph 69)

Formal minutes

Tuesday 23 February 2021

Virtual meeting

Members present:

Darren Jones, in the Chair

Alan Brown	Mark Jenkinson
Judith Cummins	Charlotte Nichols
Richard Fuller	Sarah Owen
Ms Nusrat Ghani	Mark Pawsey
Paul Howell	Alexander Stafford

Draft Report (*The impact of Coronavirus on businesses and workers: interim pre-Budget report*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 69 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Second of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 2 March at 9:45am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 17 March 2020

Rain Newton-Smith, Chief Economist, Confederation of British Industry; **Martin McTague**, Policy and Advocacy Chair, Federation of Small Businesses; **Alasdair Hutchison**, Policy Development Manager, Association of Independent Professionals and the Self-employed; **Paul Nowak**, Deputy General Secretary, Trades Union Congress

[Q1-56](#)

Thursday 30 April 2020

Philip King, Interim Small Business Commissioner, Department for Business, Energy and Industrial Strategy; **Martin McTague**, National Vice Chair Policy and Advocacy, Federation of Small Businesses; **Adam Marshall**, Director General, British Chambers of Commerce

[Q57-97](#)

Helen Dickinson OBE, CEO, British Retail Consortium; **Andrew Goodacre**, CEO, The British Independent Retailers Association; **Melanie Leech CBE**, CEO, British Property Federation

[Q98-128](#)

Thursday 14 May 2020

Tej Parikh, Chief Economist, Institute of Directors; **Sue Davies**, Head of Consumer Protection and Food Policy, Which?; **Paul Nowak**, Deputy General Secretary, Trades Union Congress

[Q129-154](#)

Dr Adam Kucharski; **Professor David Heymann**

[Q155-184](#)

Thursday 04 June 2020

Stephen Phipson CBE, Chief Executive, Make UK; **Mike Hawes**, Chief Executive, Society of Motor Manufacturers and Traders; **Paul Everitt**, Chief Executive, ADS Group; **Gareth Stace**, Director General, UK Steel

[Q185-209](#)

Gillian Cooper, Interim Head of Energy Policy, Citizens Advice; **Fintan Slye**, Executive Director, National Grid ESO; **Jonathan Brearley**, Chief Executive, Ofgem; **Audrey Gallacher**, Interim CEO and Director of Policy, Energy UK

[Q210-243](#)

Thursday 18 June 2020

Gary Smith, Secretary, GMB Scotland; **Steve Turner**, Assistant General Secretary, Unite; **Christine Payne**, General Secretary, Equity; **Mike Clancy**, General Secretary, Prospect; **Tony Dale**, Head of Research, Usdaw

[Q244-275](#)

Tuesday 17 November 2020

Helen Dickinson OBE, Chief Executive, The British Retail Consortium; **Mike Cherry OBE**, National Chair, Federation of Small Businesses; **Kate Nicholls**, Chief Executive, UKHospitality; **Ralph Findlay**, Chief Executive, Marston's PLC; **Humphrey Cobbold**, Chief Executive, PureGym

[Q276-300](#)

Dr Sonali Joshi, Founder and Director of Policy and Communications, ExcludedUK; **Paul Fleming**, General Secretary, Equity; **Tony Dale**, Head of

Research, Union of Shop, Distributive and Allied Workers; **Mike Brewer**, Deputy Chief Executive and Chief Economist, Resolution Foundation; **Henry Chango Lopez**, General Secretary, Independent Workers Union of Great Britain

[Q301–328](#)

Tuesday 02 February 2021

Chris O’Shea, Chief Executive Officer, Centrica; **Justin Bowden**, National Officer, GMB Union

[Q329–356](#)

Tim Sharp, Senior Employment Rights Officer, Trades Union Congress (TUC); **Mike Brewer**, Deputy Chief Executive, Resolution Foundation; **Rob Joyce**, Deputy Director, Institute for Fiscal Studies; **Matthew Taylor**, Chair, Good Work Review

[Q357–386](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

COV numbers are generated by the evidence processing system and so may not be complete.

- 1 Anderson, Mrs Rachel (Assistant Director of Policy, North East England Chamber of Commerce) ([COV0070](#))
- 2 Archer, Mr Ross (Lead Manager - Public Policy, Chartered Institute of Management Accountants (CIMA)) ([COV0160](#))
- 3 Arndt ([COV0087](#))
- 4 Arnold, James (Assistant Economic Growth Officer, Cornwall Council) ([COV0060](#))
- 5 Authors' Licensing and Collecting Society (ALCS); The British Equity Collecting Society (BECS); The Design & Artists Copyright Society (DACS); Directors UK; Equity; The Musicians' Union; The Royal Society of Literature; The Society of Authors; and The Writers Guild of Great Britain (WGGB) ([COV0178](#))
- 6 Bailey, Ali (Directors of Strategy & Development, Directors UK) ([COV0129](#))
- 7 Balermpla, Ms Maria (Operations and Public Affairs Manager, Specialist Engineering Contractors' (SEC) Group) ([COV0095](#))
- 8 Bhutta, Mubeen (Joint Head of Policy and Influencing, Mubeen Bhutta) ([COV0045](#))
- 9 Biffen, Mr Craig (Membership Services Manager, Gas Storage Operators Group) ([COV0127](#))
- 10 Bragg, Caroline (Head of Policy, Association for Decentralised Energy) ([COV0135](#))
- 11 British Retail Consortium ([COV0189](#))
- 12 Budd, Mr Liam (Senior External Affairs and Policy Manager, Incorporated Society of Musicians) ([COV0117](#))
- 13 Caleb, Mr Ian (Public Affairs Officer, Cancer Research UK) ([COV0092](#))
- 14 Carnegie UK Trust ([COV0172](#))
- 15 Clayton, Dr C; R Clayton; and M Potter (Research, Leeds Trinity University) ([COV0151](#))
- 16 Clarke, Mr Alex (Campaigns and Public Affairs Officer, Citizens Advice) ([COV0112](#))
- 17 Collins, Helen (Senior Lecturer, Liverpool John Moores University) ([COV0103](#))
- 18 Cooper, Mr Joe (External communications support, Institute for Family Business) ([COV0104](#))
- 19 Cox, Professor Anna (University College London), Dr Sandy Gould (University of Birmingham), Dr Marta Cecchinato (Northumbria University), Dr Joseph Newbold (Northumbria University), Dr Anna Rudnicka (University College London), and David Cook (University College London); and Researchers (UCL, University of Birmingham, Northumbria University) ([COV0188](#))
- 20 Dowling, Mr Steve (Public Affairs Manager, Association of Convenience Stores) ([COV0088](#))
- 21 Dunstan, Richard (Public Affairs Officer, Maternity Action) ([COV0042](#))
- 22 Edwards, Mr Tom; and Mr Chris Cathrine ([COV0098](#))
- 23 Edwards, Mr Tom; and Mr Chris Cathrine ([COV0043](#))
- 24 Ellis, Mr Daniel (Policy and Public Affairs Manager, ICAEW) ([COV0076](#))

- 25 Evans, David (External Affairs Adviser, OGUK) ([COV0116](#))
- 26 Farmer, Miss Yselkla (Director - Policy and Marketing, BEAMA Ltd) ([COV0143](#))
- 27 Fletcher, Dr Ian; and Dr Sabir Giga ([COV0147](#)) Flude, Tom (Director of External Affairs, Centre for Cities) ([COV0139](#))
- 28 Fox, Mel (Director, Training and Enterprise, St John Ambulance) ([COV0066](#))
- 29 Gale, Mr Mark (Policy and Campaigns Manager, Young Women's Trust) ([COV0074](#))
- 30 Gladwin, Joel (Head of Policy, The Coalition for a Digital Economy (Coade)) ([COV0165](#))
- 31 Glanville, Mayor Philip (Directly elected Mayor, Hackney Council) ([COV0049](#))
- 32 Gonzalez, Dr Sara (Principal Investigator, Markets4People research project, University of Leeds; and co-investigator, NMTF) ([COV0145](#))
- 33 Goshawk, Ms Rebecca (Public Affairs Manager, The Law Society) ([COV0078](#))
- 34 Greene, Professor Francis ([COV0058](#))
- 35 Grigson, Emma (Head of Public Affairs and PR, PeoplePlus) ([COV0084](#))
- 36 Gutierrez, Isabelle (Head of Government Relations, Musicians' Union) ([COV0146](#))
- 37 Haine, Caroline (Head of Utility Networks, EUA) ([COV0126](#))
- 38 Handley, Ms Felicity (Public Affairs Officer, Chartered Institute of Building) ([COV0131](#))
- 39 Heales, Steven (Head of Innovation and Science Commercialisation (Economic Resilience Group Lead), Greater Manchester Combined Authority) ([COV0065](#))
- 40 Hemming, Miss Marie-Claude (Director of External Affairs, Civil Engineering Contractors Association) ([COV0149](#))
- 41 Horada, Mr. James (Chairman, Shepherd's Bush Market Tenants' Association) ([COV0138](#))
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- 43 Houston, Professor Donald ([COV0124](#))
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- 47 Johnson, Mr Mark (Senior Public Affairs Executive, The Advertising Association) ([COV0133](#))
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- 53 Kocen, Mr Pete (Press & Public Affairs, Energy Networks Association) ([COV0122](#))
- 54 Leftly, Mr Mark (Consultant to Halfords, Halfords Group plc) ([COV0046](#))
- 55 Lillis, Mr Paddy (General Secretary, Usdaw) ([COV0140](#))
- 56 Lodh, Dr Suman; and Dr Monomita Nandy ([COV0108](#))
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- 58 Lumsden, Mr Ashley (Director of Government and Public Affairs, Huawei Technologies) ([COV0128](#))
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- 62 Marley, Miss Frances (Senior Public Affairs & Policy Executive, British Marine) ([COV0102](#))
- 63 McCormack, Laura (Head of Policy and Public Affairs, The Booksellers Association) ([COV0137](#))
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- 65 McIlveen, Mr Robert (Director of Public Affairs, Mineral Products Association) ([COV0089](#))
- 66 McMullan, Louise (Head of Policy, Equity) ([COV0164](#))
- 67 Meikle, Ms Anne (Policy Manager, Women's Enterprise Scotland) ([COV0071](#))
- 68 Muirhead, Mr Martin (Chairman, The Association of Practising Accountants) ([COV0073](#))
- 69 Nolan, Mr Sam (External representative , IVC Evidensia) ([COV0085](#))
- 70 Occhipinti, Mr Isaac (Head of External Affairs, Heating and Hotwater Industry Council (HHIC)) ([COV0120](#))
- 71 Officer, Chief (Chief Officer of Business Board (the LEP within the CPCA) & Chair of the COVID 19 economic recovery sub-group, Cambridgeshire & Peterborough Combined Authority) ([COV0063](#))
- 72 Oliver, Dr John (Deputy Dean (Business School) and Associate Professor, Bournemouth University) ([COV0047](#))
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- 74 Overton-Edwards, Ms Romy (Parliamentary and Public Affairs Officer, Office for National Statistics) ([COV0109](#))
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- 98 Stride, Mr Mark; Dr Subashini Suresh; and Dr Suresh Renukappa ([COV0118](#))
- 99 Summerell, Ms Nicky ([COV0067](#))
- 100 Summers, Miss Jennifer (Public Affairs Officer, Centre for Ageing Better) ([COV0113](#))
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