



House of Commons
Environment, Food and Rural
Affairs Committee

**COVID-19 and the
issues of security
in food supply:
Government Response
to the Committee's
Seventh Report of
Session 2019–21**

**Second Special Report of
Session 2021–22**

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The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and associated public bodies.

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Second Special Report

The Environment, Food and Rural Affairs Committee published its Seventh Report of Session 2019–21, *COVID-19 and the issues of security in food supply* (HC 1156), on 7 April 2021. The Government response was received on 10 June 2021 and is appended to this report.

Appendix: Government Response

Introduction

The Government thanks the Committee for its seventh report on Covid-19 and food supply.

As noted by the Committee, the Covid-19 pandemic has had a significant impact on the daily activities of individuals and organisations in the way they go about their daily lives. As demonstrated by the pandemic, the UK has a highly resilient food supply chain.

Many households have faced challenges in purchasing food and essential supplies. From the outset of the pandemic, the Government took action to ensure that everyone had access to the food and essential supplies that they need.

Within this report, the Committee looked at a number of issues, which the Government has addressed below. For reference, the conclusions and recommendations provided by the EFRA Committee are presented in italic font and Government responses are listed directly below in non-italic font.

Response to EFRA's conclusions and recommendations

Food Security

Conclusions and Recommendations 1,2 and 3: *We support the principle that schools and local authorities should have multiple options, such as food parcels and vouchers, for providing free school meals to their pupils. They are best placed to know what works best for their communities. It is important that families have the flexibility to meet their specific needs and preferences.* (Paragraph 12)

We heard evidence that many wholesalers who were providing pupils with food parcels, provided them in line with Government guidance. However, a minority of parcels were clearly unacceptable. It is therefore unfortunate that the failings of some suppliers, in terms of quality and value for money, led to a fall in public confidence in England given that parcels are the best option in some circumstances. It is important that the sector and Government learns from these failings and ensures that any future offering is consistently up to standard and delivers value for money. The problems with food parcels exacerbated the difficulties for wholesalers caused by short-notice school closures and led to significant losses for a sector that was already struggling. (Paragraph 13)

We know that during lockdown food insecurity is particularly likely amongst those eligible for free school meals. Therefore, in the event of another lockdown, Government should ensure that families of children who would normally receive free school meals continue to be able to feed their children. (Paragraph 14)

Response: Now that schools have fully reopened, children are able to access their meals, free to those eligible, at school. Although the National Voucher Scheme is no longer in operation following the re-opening of schools on 8 March, schools are asked to continue to support eligible children that may be self-isolating due to Covid-19. They are encouraged to provide a food parcel, however they also have the option to purchase food vouchers locally where parcels are not practicable.

The advantages of providing a food parcel or meal include:

- the confidence that a nutritious and varied range of food is being provided in line with information published by the Lead Association for Catering in Education, and that meets the [school food standards](#);
- being able to quickly set up provision as many school caterers will have experience of delivering lunch parcels;
- supporting safeguarding through the opportunity to maintain regular contact with vulnerable pupils and ensure they receive healthy nutritious food;
- reducing the risk of food waste, which catering suppliers may have already purchased.

The Department has been acutely conscious of the potential for losses to the wholesale food and catering sector during lockdown, especially where this has run alongside concurrent loss of income from the private sector hospitality industry. That is why we set up a supplier relief scheme which ran up until 5 March. This allowed schools to continue to cover supplier costs for free school meals and universal infant free school meals in order to maintain delivery of critical services where schools considered the suppliers to be at risk.

Learning from the experience of shortfalls in quality of some lunch parcels, the Government has worked closely with the school food industry to explore the best possible arrangements where lunch parcels are needed in future. We have published guidance that parcels should:

- contain food items rather than pre-prepared meals due to food safety considerations;
- minimise the fridge and freezer space that schools and families will need to store foods;
- contain items which parents can use to prepare healthy lunches for their child/children across the week;
- not rely on parents having additional ingredients at home to prepare meals;
- not contain items restricted under the [school food standards](#);

- cater for pupils who have special dietary needs, for example, vegetarians, religious diets, or pupils who cannot eat certain ingredients due to an [allergy](#) or other medical condition - schools should ensure there are systems in place to avoid cross-contamination;
- contain appropriate packaging sizes for household use, rather than wholesale sizes. We have also worked with LACA, the school food catering industry body, and Public Health England, to publish [general principles](#) for putting together a lunch parcel which will allow parents and carers to prepare simple and healthy lunches for their children at home across the week.

To maintain standards, we continue to ask schools to work collaboratively with their school food suppliers to ensure high standards are in place. If the contract is held by a Multi Academy Trust or at Local Authority level, we ask that the school engage with the contract holder to ensure the contract expectations are upheld. We have also urged schools, academy trusts and councils to take robust action, including cancelling a contract where necessary.

Throughout all national and local lockdown periods, the Department for Education has continued to provide the full extent of funding to schools to cover free school meals and universal infant free school meals. Their guidance continues to advise schools to make provision for those pupils eligible for FSM who are unable to attend due to Covid-19. Additionally, the Government has made significant further investment to deliver healthy food and enriching, engaging activities to disadvantaged and vulnerable children via the Holiday Activities and Food Programme (HAF). At a cost of £220m this unprecedented scheme will now be available to children in every local authority, covering Easter, Summer and Christmas in 2021.

During the summer of 2020, Defra designed and administered, with support from MHCLG, a £63 million grant to Local Authorities. This grant was to enable Local Authorities to provide further support to families struggling to afford food and other essential items.

Building on this grant, and alongside the HAF, the Covid-19 Winter Grant Scheme was introduced in November as a further package of support. This provided an additional £170 million for local authorities in England to support families with children and other vulnerable people with the cost of food and essential utilities. This grant has now been extended until June 2021, with an extra £40 million available. As part of the Winter Grant Scheme, £16 million was allocated to Defra to work with the food redistributor FareShare who worked with local charities across England to provide food for those struggling due to the impacts of the pandemic.

Conclusion and Recommendation 4: *Although the intention of the food parcels scheme during the first lockdown was to provide food to the Clinically Extremely Vulnerable, it also had the effect of supporting wholesalers. However, it is right that in designing its support for the vulnerable, the Government has focussed on the needs of recipients and not suppliers.* (Paragraph 22)

Response: The Government has continued to take this recipient-first approach forward to subsequent stages of food access support for the Clinically Extremely Vulnerable (CEV). Following the first lockdown, priority access to delivery slots with seven supermarkets (Asda, Iceland, Morrisons, Ocado, Sainsbury's, Tesco and Waitrose) became the primary

offer for CEV individuals. Once again, the focus of this scheme has been the needs of recipients instead of suppliers: firm regulation around how supermarkets may use the data they receive from Government ensures they cannot target marketing at anyone who does not already have an account with them. This regulation has ensured that the scheme always serves the needs and interests of the recipients before the retailers.

Conclusion and Recommendation 5: *During the 2021 lockdown, the Government has relied more heavily on supermarkets to provide food to vulnerable groups. We support the principle that where possible people should be supported to shop for themselves. However, if the Government is directing custom towards supermarkets, it should be publicly asking them to accommodate the needs of the Clinically Extremely Vulnerable (CEV), elderly and disabled people. For example, by lowering minimum spends and removing delivery charges for CEV customers. However, a disproportionate number of people with disabilities are digitally excluded through not having access to the necessary equipment or skills. Therefore, whilst recognising the good work of the charitable sector, the Government must ensure that local authorities are properly resourced, and that retailers recognise their responsibility, to assist those who are digitally excluded in making food orders for delivery. (Paragraph 23)*

Response: Defra is grateful for the support of supermarkets to enable vulnerable individuals to access prioritised home delivery slots, as we continue to hold regular conversations with each of the seven supermarkets participating in the offer of priority access to online deliveries: Asda, Iceland, Morrisons, Ocado, Sainsbury's, Tesco and Waitrose. The department uses these meetings as an opportunity to convey any concerns raised by charities or Local Authorities around topics such as delivery charges. Although Defra cannot legally dictate the delivery costs charged by supermarkets, our regular conversations ensure that supermarkets understand the impact that delivery charges can have in preventing a CEV person from being able to access food.

Alongside encouraging supermarkets to seriously consider the impact delivery charges can have on CEV people, Defra also monitors delivery charges and circulates this information to Local Authorities in the form of a “supermarket toolkit” to allow them to advise their residents accordingly. This document contains information on where a retailer's service can be accessed by phone instead of through the internet, which Local Authorities may use to support digitally excluded residents.

Lastly, guidance provided to the CEV (through gov.uk webpages and shielding letters) includes a phone number for the NHS volunteer responders service. CEV individuals can call this number if they are not able to access food through the priority access to supermarket delivery slots scheme – for instance if they are digitally excluded.

Since November 2020, Government has provided councils with funding at a rate of £14.60 per CEV individual per four weeks whilst their local area has been subject to shielding guidance, to enable councils to support those CEV individuals in need. To date, MHCLG has provided over £113 million to Local Authorities through this funding formula, with a further £60 million to be provided by the end of May. The funding was not ringfenced to provide maximum flexibility, but councils were expected to use it to deliver the activities and outcomes outlined in the Shielding Framework.

There are numerous examples of Local Authorities using their funding to support digitally excluded residents. In Hampshire, classes are being run by the Local Authority at local libraries, aimed at people who have internet connections and equipment but lack confidence in using them. Derby City Council has loaned tablets to vulnerable people and installed Wi-Fi in the homes of some CEV individuals. Essex County Council has created a network of digital-buddy volunteers. These volunteers called CEV residents who required assistance and wherever possible support was provided at home. A campaign was also put in place to encourage residents to help older CEV family members to improve their digital literacy.

Conclusion and Recommendation 6: *It is imperative that food retailers ensure that their stores are accessible to disabled people. We recognise the challenges faced in adapting stores to social distancing in the early months of the pandemic, but there is no excuse for ongoing barriers. All food retailers must ensure that reasonable adjustments are made to ensure that disabled people are not disproportionately hampered by additional in-store Covid-19 measures. Where reasonable adjustments are not made the law should be properly enforced. (Paragraph 24)*

Response: The Government is clear that all service providers - including shops and supermarkets selling food - must at all times comply with the law and make reasonable adjustments for their disabled customers. In this context the duty is anticipatory, meaning that retailers should not wait to be asked, but should be planning for the fact that some of their customers will have mobility or breathing problems, for example, and have help and support ready for when this is needed. We welcome the opportunity to re-state this publicly.

Defra has taken, and will continue to take, an active stance in promoting the EHRC's guidance during the pandemic. For example, Defra worked closely with the EHRC and British Retail Consortium (BRC) about concerns raised by the EHRC. These were around retailers failing to uphold their duties under the Equality Act 2010 to make reasonable adjustments for disabled people under the exceptional circumstances caused by Covid-19, both in store and online. In light of the concerns raised, work was undertaken with the EHRC and BRC to look at what could be done in the context of social distancing and acute pressure on online delivery capacity.

Defra continues to be a part of ongoing discussions with the retail sector through forums such as the fortnightly Retailer Forum. In September the EHRC published guidance for retailers. Defra facilitated a discussion with retailers ahead of guidance being published to assist retailers to meet their duties under the Equality Act 2010 during the Covid-19 pandemic.

Conclusion and Recommendation 7: *Without proper data, we cannot take action on the scale required and targeted at those in greatest need to tackle the causes and consequences of food insecurity. Data from charities indicate that many more people are food insecure as a result of the pandemic. The Food Security Report under the Agriculture Act due by the end of this year must contain up-to-date data on the scale of food insecurity, as well as the make-up of households that have food insecurity (for example, data that is broken down into age groups to assess the prevalence of food insecurity in households that contain children). We welcome the Government's decision to reduce the maximum gap between these reports to three years from five. However, as the Minister said, there is nothing stopping it producing*

more regular reports. It should use that flexibility to produce annual reports, at least for the next few years while we understand the impact of the pandemic and also the impact of Brexit and other changes to the UK's trading relationships. (Paragraph 32)

Response: The Government agrees that robust official Government data is required to understand the full scope of the food security picture and support future policy decision making.

The report, under the Agriculture Act, which will be published at the end of 2021, will provide a comprehensive analysis into a range of current issues relevant to food security. The key themes as set out in the Agriculture Act include Global Food Availability, Supply Sources for Food, the Resilience of the Supply Chain for Food, Household Expenditure on Food, and Food Safety and Consumer Confidence in Food. This section will include an assessment of food poverty in terms of economic and physical access to food, along with the ability to afford nutritious foods. Available data will be combined with case studies to demonstrate the impacts that Covid-19 has had on food poverty.

The report is a major undertaking, drawing on evidence and trends from a wide range of sources. Many of these trends are slow-moving and do not change significantly year on year, but over a longer period of time. The Government agreed to reduce the frequency of the report from five to three years following debates in Parliament. Any period shorter than this would not allow for sufficient time to effectively analyse key trends from a variety of sources.

The report is not the only source of evidence on food security and will draw on a range of regularly reported and publicly available statistics and data, many of which are produced annually. The Government routinely tracks such data to spot any unexpected changes and the Government intends to use such data to provide a deeper analysis to help identify long-term trends to support policy development in this area.

In order to provide an analysis of the Covid-19 pandemic's impacts on the UK's food supply, the Government has also committed to publishing the first report before the end of 2021.

Due to the nature of how these reports are produced and the forward-look attached to the analysis, it would be more appropriate to update the committee on progress for specific themes through other Parliamentary instruments, such as Written Ministerial Statements.

Alongside this, the Government also introduced the internationally recognised food security questions to the annually produced DWP Family Resources Survey. The Family Resources Survey questions were developed in consultation with users, including experts from academia and others with experience of the subject, and with the Office for National Statistics, who deliver the survey for DWP. The first set of results of this survey were produced in March 2021.

Conclusion and Recommendation 8: *Ensuring everyone, and especially the vulnerable, have access to enough food is a fundamental duty of society and Government. We recognise that this is a goal the Government shares, even if there are differences over how best to achieve it. Although there have been failings, Ministers have mobilised their departments to support vulnerable people's access to food during the pandemic, giving a sense of what would be possible if the issue was prioritised in normal times. Therefore, we reiterate our previous*

recommendations that a Minister for Food Security is created to maintain this momentum after the pandemic. This Minister needs to be supported by robust cross-Government structures to ensure that all interested departments prioritise the issue of food insecurity. (Paragraph 33)

Response: Since the start of the pandemic, Government departments have come together to coordinate support for the most vulnerable. For example, the Food to the Vulnerable Ministerial Taskforce was set up in Spring 2020 to respond to some of the initial challenges of Covid-19, for a limited time and with a defined remit. The taskforce’s membership spanned Departments across government including Housing, Communities and Local Government, Work and Pensions, and Ministers from the Devolved Administrations. The taskforce was instrumental in putting in place support for the most vulnerable individuals. This included:

- £63 million for the Local Authority Grant Scheme, delivered by Defra with support from MHCLG, to enable Local Authorities to provide further support for individuals struggling to afford food and essential items;
- £10.5 million to the food redistributor FareShare;
- £1.8 million to the Covid-19 emergency food redistribution scheme, delivered by Defra and the Waste and Resources Action Programme;
- £3.4 million to support individual charities through the Food Charity Grant Scheme.

Defra, DfE, DWP and DHSC also worked together on the Covid Winter Support Package in November 2020 – ensuring that we could provide support to those impacted by the pandemic throughout the winter period.

This principle of cross-departmental collaboration will guide us as we recover from the pandemic. Through the priority outcomes that accompanied the 2020 Spending Review, departments committed to working together to deliver a number of cross-cutting outcomes. Those outcomes include addressing poverty through enabling progression into the workforce and increasing financial resilience. DWP is leading this outcome, working with HMT, DfE and MHCLG, and others as necessary, including Defra.

Conclusion and Recommendation 9: *We agree that enshrining principles in law is not a “silver bullet”, however, giving the “right to food” a legislative footing would drive action on food insecurity across Whitehall and Government. We therefore recommend that the Government should consult on how a “right to food” could be implemented in England as part of its White Paper following the publication of the National Food Strategy. We appreciate that the right to daily nutritious food as part of a national food strategy will need to consider the need for people to have food security along with other essential needs. (Paragraph 34)*

Response: We are committed to helping people with the cost of living and providing a safety net for those that need it through our well-established social security systems. The level of support that this Government has put in place throughout the Covid-19 pandemic such as the Winter Grant and furlough scheme reflect this.

Part One of Henry Dimbleby’s independent review of the food system was published on 29 July 2020 and contained recommendations relating to the Covid-19 pandemic and preceding the end of the transition period. Several of these recommendations were aimed at addressing food insecurity, including the expansion of the Holiday Activities and Food programme and increasing the value of the Healthy Start vouchers, which the Government has already acted on. His second and final report is due later this year. Having already taken steps to adopt some of the recommendations from the first report, we look forward to considering recommendations made in the second.

Since 1976, the United Kingdom has recognised the International Covenant on Economic, Social and Cultural Rights. Article 11 notes “the right of everyone to an adequate standard of living for himself and his family, including adequate food”, and seeks “to improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of the principles of nutrition and by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources”; and “taking into account the problems of both food-importing and food-exporting countries, to ensure an equitable distribution of world food supplies in relation to need.”

The Covenant is not incorporated into domestic law, as the Covenant does not require States Parties to do so. The Government considers that its method of implementation of the Covenant fulfils the UK’s obligations under Article 2(1).

The UK is also committed to delivery of the Sustainable Development Goals, including on ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture and on ending poverty in all its forms everywhere.

Conclusion and Recommendation 10: *Food redistribution helps to provide nutritious food to those who might not otherwise have access to it, as well as minimising waste. We reiterate our recommendation that the Government should provide ongoing funding to FareShare and other charities, so they can continue to redistribute surplus food from the farmgate and across the supply chain to frontline food aid providers. (Paragraph 36)*

Response: The Government is committed to reducing and preventing food waste. To that end a holistic programme of action is in place to reduce and prevent food waste from the home and from business and includes helping to redistribute more surplus food from the food chain.

The total amount of surplus food redistributed in the UK in 2018 was nearly 56,000 tonnes, almost doubling (a 96% increase) between 2015 and 2018. Since, 2018, the Department either directly or through the Waste and Resources Action Programme (WRAP) awarded grants totalling over £11m to the redistribution sector. This includes nearly £4 million for not-for-profit organisations to carry out key redistribution activities such as storage and repackaging and redistributing to charities and / or end beneficiaries through the Covid-19 emergency food surplus food redistribution programme.

The final grant award to the sector was made as recently as February 2021 for nearly £800k for a warehouse in London. Here, the Felix Project aims to double the organisation’s food surplus redistribution figures to 5,000 tonnes per year by 2023.

This award, and hundreds of other grants, are now providing the infrastructure such as vehicles, freezers and fridges to redistributors both large and small across the country to make sure more surplus food goes to those who have a need in the months and years to come. We are monitoring the return on this investment and are now beginning to see the results with a significant increase in surplus food redistributed predicted in the next set of survey results for 2020 due in May.

There are no plans at the present time to tender further grant opportunities (and no funds allocated in the 21/22 financial year to do so) but we continue to work with the sector and the supply chain to break down the barriers to redistribution. This includes developing new resources, such as updating labelling guidance, to make it easier for businesses and redistributors alike to form partnerships and to redistribute more.

The redistribution sector wants to see a greater focus on businesses making food surplus available. To that end we are working closely with partners such as WRAP and the Institute of Grocery Distribution (IGD) and across the supply chain to highlight the opportunities for business to redistribute their surplus. This includes our support, through WRAP, of the Target Measure and Act (TMA) approach to waste prevention. Part of a Food Waste Reduction Roadmap, through tools and guidance businesses are encouraged and helped to understand, measure and then act on their food waste including by getting more food to the redistribution sector. To date, 276 businesses have committed to TMA.

Food Supply Chain

Conclusions and Recommendations 11: *We support the Chancellor's announcement in the Budget that the hospitality sector will continue to receive at least the same level of financial support. However, we remain concerned that those who supply them have not received the same level of financial support. Many of these suppliers are small businesses, who will be particularly vulnerable as the economy starts to re-open. Both hospitality providers, and many public sector organisations, are reliant on them. The Government's support to hospitality businesses will be wasted if their supply chain collapses. We therefore recommend that the Government urgently assesses the impact of the closures to the hospitality sector on its suppliers, especially small businesses, and provides additional financial support to them during the period of reopening. (Paragraph 50)*

Response: The closure of the hospitality sector has had a major impact on suppliers within the food supply chain. The Government has welcomed continued engagement and close collaboration with industry, and this has helped us to understand the implications.

The Government will continue to use proven mechanisms to engage with industry and monitor risks and impacts as they develop. We acknowledge that small businesses face particular challenges. We conduct regular one-to-one discussions with food and drink Small and Medium Sized Enterprises (SMEs) to understand the issues affecting them. We also hold a monthly SME forum where attendees can raise concerns about issues affecting their business and where we can direct them to relevant Government guidance and support measures. This engagement allows us to monitor and seek to resolve the issues affecting SMEs, and helps to ensure their concerns are properly considered in development of Government policy.

The Government has set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by Covid-19. This applies across the economy, and those supplying food into the hospitality sector are eligible for many of the schemes.

There are, and have been, numerous support options available for suppliers to the hospitality sector, especially small businesses. These include the Coronavirus Job Retention Scheme (extended to September 2021) and the Coronavirus Business Interruption Loan Scheme, which has now closed. The Recovery Loan Scheme is a further scheme in which the Government guarantees 80% on loans of £25,000-£10m for UK businesses, whose operations have been impacted by Covid-19, including those already in receipt of support. This scheme is open until 31 December 2021 and is available to businesses already in receipt of support.

There is also support available through the Additional Restrictions Grant (ARG), and a further £425m has been made available to local authorities for discretionary funds. This can be used in financial years 2020/21 and 2021/22. The ARG supports businesses that are not covered by other grant schemes or where additional funding is needed. Local authorities determine which businesses to target and the amount of funding awarded from the ARG, and guidance specifically encourages the support of businesses that have been severely impacted by restrictions, including businesses which supply the retail, hospitality, and leisure sectors.

In addition, the Trade Credit Reinsurance (TCR) Scheme has seen government reinsuring the credit insurance market since April 2020 in order to ensure businesses can continue to access insurance through the pandemic. This has provided stability and confidence to businesses across the UK, allowing supply chains to keep trading through offering over £210bn of insurance cover under the government scheme, helping to support an estimated £575bn of business turnover.

Employers of all sizes can apply for funding from the Kickstart scheme which provides funding to create new job placements for 16 to 24-year olds on Universal Credit who are at risk of long-term unemployment. Employers can spread the start date of the job placements up until the end of December 2021. There is no minimum number of placements to be eligible.

On 25 March 2021, the Government announced a new Business Rates relief fund of £1.5 billion, for businesses affected by Covid-19 outside the retail, hospitality, and leisure sectors; wholesalers and other suppliers will be eligible to apply. Although this will not be available until primary legislation is introduced, the Government will be working to ensure that businesses are able to apply as soon as possible.

The Government is pleased to see that the phased reopening of the hospitality sector in April and May is having a positive impact on businesses supplying the hospitality sector. To support this, the reduced rate of VAT (cut from 20% to 5%) applied to most tourism and hospitality-related activities will continue until 30th September 2021; followed by a 12.5% rate until 31st March 2022.

Conclusion and Recommendation 12: *We welcome the Minister’s assurances that there is no intention to extend the relaxation of competition law for retailers. We repeat our recommendation that the Government and Competition and Markets Authority should review whether the relaxation of competition law has been detrimental to consumers and suppliers to large retailers during the pandemic. The Government should also proactively seek to reverse the loss of market share by small retailers and the hospitality sector; and to encourage greater market access for locally produced foods. It should also help facilitate digital support for local businesses. (Paragraph 51)*

Response: Throughout the Covid-19 response, the Government worked closely with the appropriate bodies to ensure the protection of consumers and suppliers.

In March 2020, the CMA launched a programme of work to identify, monitor and respond to competition and consumer problems arising from coronavirus and the measures taken to contain it. To ensure protection of consumers, the CMA has continued to monitor complaints received during the pandemic. In March 2021, the CMA’s report ‘Protecting consumers during the Covid-19 pandemic’¹ showed that complaints about high pricing (which might reflect a lack of competition), which were high at the start of the crisis in March 2020, have fallen sharply since then. The volume of price-related complaints declined since early April 2020 and remains at low levels: fewer than 100 in February 2021, compared with over 16,000 in March 2020 across all channels.

Direct suppliers to the large supermarkets continue to be protected by the Groceries Supply Code of Practice. The Government extended the appointment of the then Groceries Code Adjudicator (GCA), Christine Tacon, until October 2020 to oversee any Covid-19 related issues that may have arisen. The GCA had urged suppliers to report any Code-related issues and maintained regular contact with the retailers’ Code Compliance Officers to monitor whether any issues linked to the pandemic had been raised with them. None were reported. The GCA’s latest annual survey of suppliers has found the number of suppliers reporting they had experienced any Code-related issues at any stage in the past year had fallen to a record low - down to 29% compared to 36% in 2020. The current GCA, Mark White, will continue to work with the sector to ensure suppliers are protected by the Code as retailers respond to the impact on their margins of the structural changes made at speed during the pandemic.

With counterparts across Government, and through engagement with industry, we continue to monitor the impacts of Covid-19 on the food sectors, including small retailers and the hospitality sector. The Government remains committed to working in partnership with industry to respond to these challenges as they evolve. Small retailers and hospitality outlets are eligible to apply for cross-economy schemes, such as: the Recovery Loan Scheme (providing £25,001-£10m in financing per business with a Government guarantee of 80%); the extended Coronavirus Job Retention Scheme (CJRS); eviction protection for commercial tenants (extended until 30 June 2021); and the extended Trade Credit Reinsurance Scheme, to support businesses and sectors reliant on Trade Credit Insurance.

1 <https://www.gov.uk/government/publications/update-on-work-of-the-cma-during-the-coronavirus-pandemic-15-march-2021/protecting-consumers-during-the-coronavirus-covid-19-pandemic-update-on-the-work-of-the-cma>

The Government has also provided enhanced support to the retail, hospitality, and leisure sectors through business rates relief, given the direct and acute impacts of the Covid-19 pandemic on those sectors. All eligible businesses in the retail, hospitality, and leisure sectors will pay no business rates in England to 30 June 2021; followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021. There is no rateable value threshold on this support – businesses large and small will benefit. There is further support available to support the hospitality sector as it begins to re-open. Businesses in the sector are eligible for Restart Grants of up to £18,000 per premises. The VAT cut to 5% for hospitality will continue until 30th September 2021, followed by a 12.5% rate until 31st March 2022; while there has also been a freeze on alcohol duty.

In order to encourage greater market access for locally produced foods, the Government is stepping up delivery of its manifesto commitment to build demand for and promote British food both at home and abroad. Domestically, we want to celebrate the quality, provenance and heritage of our wonderful food across all regions of the country, working with local organisations, retailers and Regional Food Groups to raise consumer awareness and demand for local produce. We are taking forward a programme of work to build capability of local producers and SMEs to capitalise on growing demand in their communities, for instance by developing innovative routes to market to increase their reach to local consumers. In parallel we are working with retailers to enhance promotion of local, seasonal and sustainable products.

The Government's 'Help to Grow: Digital' scheme will provide digital support to SMEs; through this scheme we will launch a new online platform where up to 100,000 businesses can access impartial advice on software, and a voucher to reduce the costs of buying that software, worth up to £5000 a year per business. Due to launch in the autumn, the new platform will help businesses to understand the benefits of different software types and identify which could help them achieve their business goals. Support will be provided through interactive tools and technology specific guides.