



PRIVATE AND CONFIDENTIAL

Treasury Committee
House of Commons
London
SW1A 0AA

23th March 2020

Inquiry: Economic Impact of Coronavirus

We appreciate the opportunity to participate in this inquiry. We are constantly receiving feedback from our members on the package of measures announced by the Government in response to the outbreak. As this is an evolving issue, please find below a live snapshot of responses to a survey we sent to our members on March 20, alongside headline thematic issues collated from them so far. We will provide an update in due course.

About the IoD

The IoD was founded in 1903 and obtained a Royal Charter in 1906. It is an independent, non-party political organisation of approximately 27,000 members. Its aim is to serve, support, represent and set standards for directors to enable them to fulfil their leadership responsibilities in creating wealth for the benefit of business and society as a whole. The membership is drawn from right across the business spectrum, with 70% consisting of directors from small and medium-sized enterprises (SMEs).

1. Headline reaction to the Government's coronavirus financial package

Our members welcome the Chancellor's pledge to "do whatever it takes" to support the business community through the Covid-19 outbreak, and on balance expect the measures announced so far to be helpful in some way (**Figure 1**). Further efforts from the government will however still be fundamental to ensure; the measures are accessible and operable as soon as possible, gaps in coverage are filled, and, as the pandemic develops, additional commitments are made to support cashflow and employment. To that end, here are the key messages we are receiving from our members:

-Businesses need immediate access to the existing measures, including grants and loans, as many are concerned that their cashflow challenges will worsen in the time it takes to receive support. This means simplifying application processes, ensuring relevant information has cascaded to business-facing staff, and communicating clearly to business on what, and how, they can access support (**Figure 2**).

-While the initial focus on retail, hospitality and leisure business on the frontline is sensible, we are concerned that gaps in support will become clearer as more self-isolation takes place. Across all sectors broader efforts around grants, business rates relief, tax holidays (e.g. on NICs, PAYE etc), commercial rent, mortgage, bill payment support, and measures to support self-employed incomes, (akin to the 80% wage guarantee for employees), will be necessary, particularly as we continue to

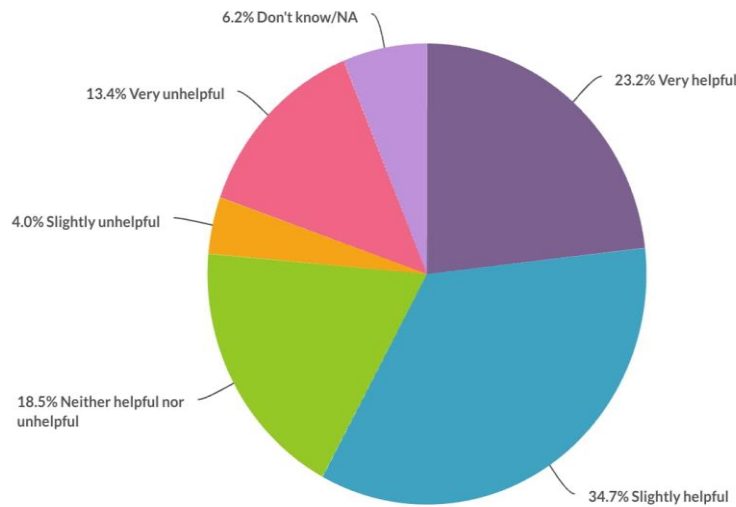
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receive concerns from our member about taking on additional debt, in the form of loans, at this time (even with interest free periods) (**Figure 3**).

2. Live survey responses (March 23):

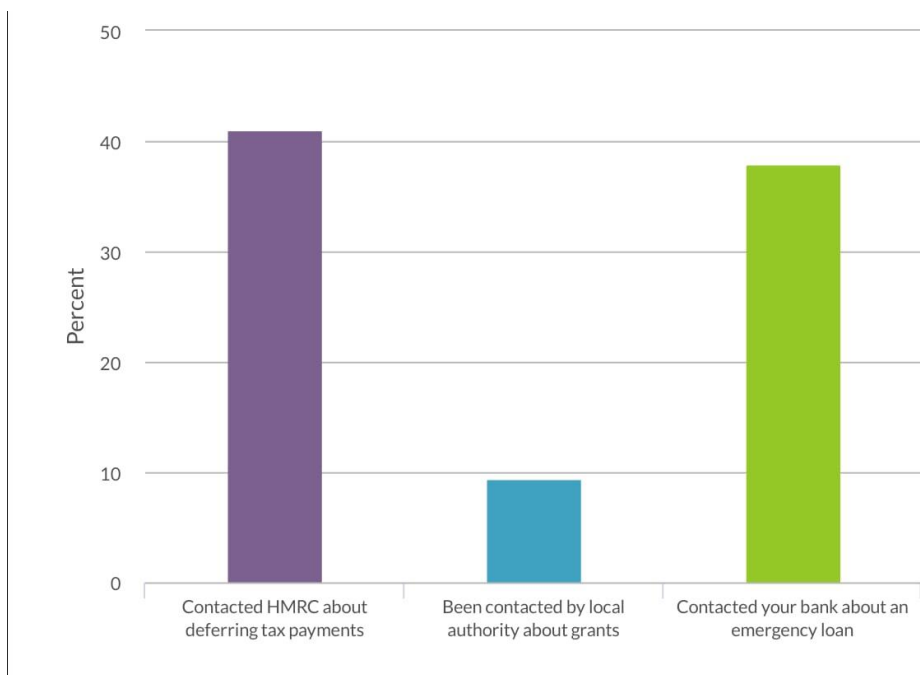
Businesses have generally found the government’s initial response helpful, but more is needed...

Figure 1: How helpful for your organisation is the support that is being provided by government in relation to coronavirus?



Supporting the delivery and engagement around measures will be crucial in their effectiveness..

Figure 2: Have you pursued any of the support mechanism that have been announced so far?



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The government will need to add to existing measures to provide support across the business community..

Figure 3: Including existing announcements, which policy measures are most helpful for your organisation?

Value	Percent	Responses
Direct cash grants	54.4%	325
Access to low/no-interest loans	25.6%	153
Ability to defer some tax payments to HMRC	49.4%	295
Temporary holidays on employment taxes (eg. National insurance)	40.4%	241
Relaxing/pausing business or employment regulation	12.9%	77
Temporary holiday on other bills (e.g. rent, mortgage payments, and energy bills)	35.7%	213
Business rate reliefs/holidays	27.8%	166
Temporary holidays on other taxes (eg. VAT, Corporation tax)	38.5%	230
Support to pay and retain staff/short-term work scheme	41.0%	245
Income guarantees for self-employed	34.2%	204
Tax credits/investment incentives	10.7%	64
Allowing companies to defer payments into pension schemes	14.7%	88
Don't know/NA	2.8%	17
Other - Write In (click to view)	6.4%	38

Tej Parikh
Chief Economist
 Institute of Directors
 116 Pall Mall, London SW1Y 5ED

[@tejparikh90](https://twitter.com/tejparikh90)
 W: iod.com

IoD Coronavirus Support Hub

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