

## High-level summary of evidence provided by individuals and organisations to Treasury Committee “Economic impact of Coronavirus” inquiry

The main information source for the summary of below is representations received from individuals, organisations, trade unions and business representation groups across a wide range of sectors (e.g. TV and film, beauty, supply teachers, childcare) in response to the Committee’s call for evidence. The Committee would like to thank those who provided evidence.

Please note that the summary relates to evidence submissions made between 20 and 26 March before further significant Government announcements were made such as the Chancellor’s announcement on support for the self-employed.

Summary
<p><u>Support for self-employed:</u> Many applaud the steps taken to cover 80% of PAYE salaries but cannot understand why there is not the same support for freelancers and the self-employed. Many call for an extension of wage protections to self-employed workers on the same basis as other workers; perhaps via a temporary Income Protection Fund to provide all self-employed with a monthly income.</p>
<p><u>Guidance on eligibility for support:</u> Not having an income stream is a new situation for a lot of people and they are unsure where to turn or what to apply for. Clearer guidance is needed as people need to know what support is available to them. Simplify the application processes and ensure that relevant information has been cascaded to business-facing staff. Communicate clearly to business on what support they are entitled to and how they can access it.</p>
<ul style="list-style-type: none"> <li>• <u>Entitlement to Universal Credit (UC):</u> Calls for the elimination of the 5-week wait for UC, and requests that people are not forced to empty their savings pots; a level playing field with the abolition of the £16k savings figure, so everyone is entitled to the same level of benefit. Some submissions received from individuals who are not eligible for UC because their partner is working.</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Entitlement to Statutory Sick Pay (SSP):</u> The self-employed are still not entitled to SSP and have no other wider income protections. Calls for an increase in the level of Statutory Sick Pay and broader access to it. SSP is a very low rate and many have raised concerns that this will not be sufficient to cover their regular household expenses, e.g. mortgage and bills.</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Entitlement to business rates relief:</u> Extend business rates relief to all businesses. Some businesses will not qualify for rate relief under current measures; self-employed like hairdressers and therapists do not pay business rates anyway.</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Access to finance (lending):</u> Government needs to remove the statutory impediments which prevent lenders offering quick and simple support to struggling customers. But loan finance is not a panacea and will not be advisable/available for many. There are concerns about potential adverse effects on future credit ratings if bills cannot be paid on time.</li> </ul>
<p><u>Cash flow assistance:</u> Introduce assistance to help businesses to meet fixed and variable costs (e.g. rent and utility bills plus sector-specific overheads)</p>
<p><u>Relaxation of tax rules and compliance activity:</u> Calls for suspension of tax payments, introduction of VAT holidays and freeze of other VAT commitments. Consider an Employers National Insurance holiday, a deferral of tax and NI payments until 2021 and the removal of business rates</p>
<p><u>Debt management:</u> Establish a moratorium on debt payments and mortgage payments</p>
<p><u>Seasonal work considerations:</u> Many submissions mention that their work is seasonal (e.g. weddings) and, as such, should they not be able to work now, they will not be able to make the money in the summer which typically gets them through the winter.</p>
<p><u>Impacts of coronavirus is exacerbating existing issues:</u> Individuals who are ‘Mortgage Prisoners’ or ‘WASPI women’ are seeing the issues they face made more difficult.</p>

Insurance: Government should demand clarity from insurers and brokers regarding Business Interruption Insurance and the grounds for pay-outs, and further support measures.

Charities: Calls for emergency funding for frontline charities, voluntary organisations and social enterprises who are supporting the response, especially where these are alleviating pressure on the health service or providing support to people suffering from the economic and social impact of Covid 19. Calls to establish a 'Stabilisation Fund' to enable charities to stay afloat and continue operating during the course of the pandemic. Charities should be eligible to benefit from the measures announced by the Chancellor for businesses.

Renters: Whilst mortgage payers can get a 'mortgage payment holiday', renters are concerned that there is no similar scheme for them. They are also concerned that landlords who take a 'payment holiday' may not pass this saving on to renters, or would not take a 'payment holiday' if the renters requested they did.

Payment of bills for individuals: Given the reduced salary many employed people are facing, as well as the lack of income faced by self-employed people, there are calls for the Government to suspend the need to pay utility and council tax bills, and make medicines free.