

Dear Constituent

I am writing to update you on the virus crisis, and the damage to jobs, incomes and lifestyles that the virus response is causing.

The government has taken advice from epidemiologists, based on worldwide work through the World Health Organisation. This work concludes that because there is no current cure nor vaccine to prevent the spread of Covid 19, and because people with severe versions of the illness die, tough action has to be taken to slow or stop the spread of the disease. As it appears to be easily caught, this requires as much separation between people as possible.

The UK has adopted a range of measures similar to those in Italy, Spain, France and Germany who also have bad attacks. The measures are a bit less severe than those adopted in China, which claims to have tamed the virus, but more severe than the Swedish approach. The USA seems to be moving to join us with more severe measures as it spreads rapidly there.

I have constantly pointed out to the government that closing down more than a third of the economy for an unspecified period will put many people out of work, bankrupt many businesses and create hardship for people who lose their income. I suggested a number of measures to offset some of this damage. I am pleased to report that the government has announced a scheme to enable companies to furlough their staff, keep them on the payroll when not working, with the government paying 80% of the cost for the period of shutdown up to an individual pay ceiling. It has announced a similar scheme for many self employed people. It has also offered state guarantees for commercial banks to lend to keep companies with much reduced turnover going through the difficult period.

I welcome this big response, but do not think it goes far enough. I am trying to persuade the government to underwrite more jobs and incomes, and to make the payments earlier. Only if we keep company workforces in being can we be ready for recovery as soon as the restrictions are lifted.

I am also about to tackle the government on the all important timing of exit from these emergency measures. I understand cautious advisers wanting to stamp out the disease want maximum isolation for the maximum number of people for as long as possible. They are worried that if we lift the bans early with numbers ill falling there could be a second wave. The government, however, has to balance this risk against the undoubted substantial extra damage to jobs and incomes if we keep the closures in being for too long.

As capacity builds in the NHS to handle high numbers with pneumonia like symptoms, and as more people get the mild version of the illness and gain some immunity, so it should become easier to relax the tough economic sanctions against normal business activity. We clearly need to keep in place strict safeguarding measures for the ill and vulnerable whilst medical research works on treatments and vaccinations.

I am also conscious of continuing shortfalls in on line food delivery services, where I have proposed measures to harness volunteers and use delivery services from companies previously supplying non essential items. There is plenty of food but still problems with switching items like eggs from large catering packs to retail packs, leading to some empty shelves. Again I have proposed some measures to deal with this backlog.

I hope you and yours are keeping well and are managing in these difficult circumstances. I would like to say a big thank you to all of you who are going to work to maintain our essential services, ensure there is food for our tables, and to care for others. I am working from my home in Wokingham Borough, and doing as much as possible of my job on the phone and on line.

Yours sincerely

John Redwood

Getting eggs into boxes

Today I joined the MP call to the Cabinet office to provide feedback on virus related problems. One of the issues I raised was the continued empty shelf problem for a few products. I took the case of eggs as an example.

There are still the same number of eggs being produced as before the clampdown came into effect. Apparently there are plenty of eggs, but a large number are available in catering packs which are far too big to sell in supermarkets. According to the BBC Radio 4 Farming programme big caterers are more than happy to transfer their egg contracts temporarily to the supermarkets, but the eggs need to be packed in retail packs. There are few manufacturers of the egg boxes, with a main producer in Denmark said to be closed for virus reasons.

I suggested the Cabinet Office/DEFRA help the private sector come up with a solution to a shortage of retail egg packs. UK packaging firms may be able to respond to the need quickly. Retailers might be able to buy in the catering packs and let people buy loose eggs, as we buy loose vegetables, for those who keep their last egg box and take it back to refill. That would take some pressure off.

There are a few other lines in common short supply where there can be fixes.

I am also sending these thoughts to DEFRA, as filling all the shelves again would reassure the public and remind people who are thinking of hoarding they have no need to hoard.

Help for the self employed

Yesterday I sent the letter beneath to the Chancellor:

Dear Rishi

Thank you for developing and announcing a scheme to ensure many people currently self employed will receive an income top up from the state during a period when many of them are not allowed to work or are experiencing a big decline in activity over the virus restrictions. I am pleased you settled on ensuring 80% of past income up to a ceiling.

There are, however, some people in need that your scheme does not help at all. Will you please ensure that someone who has set up a self employed business more recently and who depends on that income is also covered? They should be paid on the basis of what they were earning on average per month in the period after start up, if the start up was before the beginning of 2020 and the start of the virus.

There are self-employed people who run their own small companies and paid themselves in dividends. Where they do not have other material accessible assets and are clearly living on the income from their self employment, they too should be able to claim assistance.

I understand your concern to avoid fraud. In these cases I suggest self certification in the claim, to be followed later after the immediate crisis by HMRC random sample testing of the sound basis of claims and of course follow up by HMRC in specific cases where fraud is suspected. HMRC should be able to impose tough penalties and to publish fraudulent conduct as a further penalty for the few cases where crooks abuse the system.

Yesterday's scheme is also delaying payments until June. Many self-employed people on modest earnings do not have large cash buffers waiting to pay all their family bills for three months. One of the main reasons given for the delay was the need to allow more self-employed people to submit tax returns. It seems unfair on the large majority who have done so to hold everyone up for this, so why not get on with dealing with all of those who have filed and give them earlier payments.

I do not agree with you about the possible need to tax the self employed more when this is over. Self-employed do not get the same benefits as employed. Giving them a scheme now for these quite unprecedented and we hope not to be repeated circumstances does not equalise their treatment generally. At a time when we wish to care for people being put through extreme financial distress by government actions taken on health grounds, they as taxpayers have as much right to help as anyone else.

Your general statement of aims and your understanding of the importance of

the self employed was great. Please persuade your officials to make the scheme friendlier to the sector as a whole which serves us well and will be needed again soon.

Yours

John

Cash shortages

Many self employed are worried that their business has dried up, removing their income. Many small companies are concerned that they have been closed down temporarily for an unspecified time period but still have to pay rent, other overheads and employees pay. They welcomed the government pledge to pay 80% of the wage bill up to a ceiling, but still have to wait for the scheme to deliver them some cash.

So what do they do? They will turn to the banks. On Wednesday the Chancellor and Governor of the Bank of England wrote to all the banks, reminding them of the various schemes set out to allow more lending to business. They told them to "take all action necessary to ensure the benefits of these measures outlined above are passed through to business and consumers".

That's fine advice, but the banks have to operate within the rules of the schemes and within the confines of the Regulatory system that governs them. As the lending to business schemes offer a government guarantee of 80% of the loan, the banks still need to take care with the 20% they could lose. As the scheme says the banks need to reclaim personal guarantees and cash in collateral assets before claiming losses under the scheme, banks will obviously feel the need to apply some criteria about collateral and future cashflow projections when making the loans.

There will be difficult judgements for banks to make. How much of a business case can they expect from a company that has lost all its turnover and does not know when it will trade again? How much of a personal guarantee or pledged asset can they require, when this lending is for an extraordinary purpose, a temporary collapse of revenue, which is not about to be reinstated but will be permanently lost?

Banks still have to keep capital buffers and ensure the future solvency of their businesses, so have to keep an eye on the possible loss rate on this type of lending. Meanwhile the companies suffering from the shock of no money coming in are not that keen on a loan as they wish to avoid becoming heavily indebted for past losses that cannot be easily replaced.

The self employed need the money they would be earning to pay their domestic bills as well as meet their business commitments. The scheme outlined

yesterday helps a bit, but leaves higher earners very short of cash though they may well have commitments commensurate with their normal earnings level. All this points to one inescapable conclusion. If this cessation of activity continues for too long there will be a lot of lost businesses and considerable longer term economic damage. In the short term the government has not done enough to avoid redundancies and the loss of some small businesses.

Further businesses and premises to close

I have just received the enclosed update from the Government:

As a country, we all need to do what we can to reduce the spread of coronavirus.

That is why the government has given clear guidance on self-isolation, staying at home and away from others, and asked that schools only remain open for those children who absolutely need to attend.

On 23 March the government stepped up measures to prevent the spread of coronavirus and save lives. All businesses and premises outlined in the table below must now close. Takeaway and delivery services may remain open and operational in line with guidance on Friday 20 March. Online retail is still open and encouraged and postal and delivery service will run as normal.

Employers who have people in their offices or onsite should ensure that employees are able to follow Public Health England guidelines including, where possible, maintaining a two metre distance from others, and washing their hands with soap and water often, for at least 20 seconds (or using hand sanitiser gel if soap and water is not available).

Parks will remain open but only for individuals and households to exercise once a day. Communal spaces within parks such as playgrounds and football pitches will be closed.

The following businesses and premises must remain closed:

1. Food and drink

Restaurants and public houses, wine bars or other drinking establishments, or other food and drink establishments including within hotels and members' clubs.

Exemptions: Food delivery and takeaway can remain operational and can be a new activity supported by the new permitted development right. This covers

the provision of hot or cold food that has been prepared for consumers for collection or delivery to be consumed, reheated or cooked by consumers off the premises.

2. Cafés and canteens

Exemptions: Food delivery and takeaway can remain operational (and as above).

Cafés and canteens at hospitals, police and fire service places of work, care homes or schools; prison and military canteens; services providing food or drink to the homeless.

Where there are no practical alternatives, other workplace canteens can remain open to provide food for their staff and/or provide a space for breaks. However, where possible, staff should be encouraged to bring their own food, and distributors should move to takeaway. Measures should be taken to minimise the number of people in the canteen / break space at any one given time, for example by using a rota.

3. Retail

Hairdressers, barbers, beauty and nail salons, including piercing and tattoo parlours All retail with notable exceptions.

Exemptions:

- Supermarkets and other food shops
- Medical services (such as dental surgeries, opticians and audiology clinics, physiotherapy clinics, chiropody and podiatry clinics, and other professional vocational medical services)
- Pharmacies and chemists, including non-dispensing pharmacies
- Petrol stations
- Bicycle shops
- Hardware shops and equipment, plant and tool hire
- Veterinary surgeries and pet shops
- Corner shops and newsagents
- Off-licences and licenced shops selling alcohol, including those within breweries
- Laundrettes and dry cleaners
- Post Offices
- Vehicle rental services
- Car garages and repair shops

- Car parks
- High street banks, building societies, short-term loan providers, credit unions and cash points
- Storage and distribution facilities, including delivery drop off points
- Public toilets
- Shopping centres should stay open if they contain units which are not required to close

4. Outdoor and indoor markets

Exemptions: Market stalls which offer essential retail, such as grocery and food.

5. Hotels

Hotels, hostels, B&Bs, campsites and boarding houses for commercial use

Exemptions: Where people live in these as interim abodes whilst their primary residence is unavailable, or they live in them in permanently they may continue to do so.

Key workers and non-UK residents who are unable to travel to their country of residence during this period can continue to stay in hotels or similar where required.

People who are unable to move into a new home due to the current restrictions can also stay at hotels.

Where hotels, hostels, and B&Bs are providing rooms to support homeless and other vulnerable people such as those who cannot safely stay in their home, through arrangements with local authorities and other public bodies, they may remain open.

Those attending a funeral will be able to use hotels when returning home would be impractical.

Hotels are allowed to host blood donation sessions.

6. Caravan parks/sites for commercial uses

Exemptions: Where people live permanently in caravan parks or are staying in caravan parks as interim abodes where their primary residence is not available, they may continue to do so.

7. Libraries

Exemptions: Digital library services and no-contact Home Library Services should continue.

8. Community centres, youth centres and similar

Exemptions: For the purpose of hosting essential voluntary or public services, such as food banks, homeless services, and blood donation sessions.

Public venues that host blood donation sessions can continue to open temporarily for these services only.

9. Places of worship

Exemptions: Funerals in places of worship and crematorium, where the congregation is immediate family (with provision for a carer, if required) or a friend – in the case that no family members are attending. A distance of two metres is to be maintained between every household group, as per Public Health England guidelines.

A minister of religion, to go to their place of worship may broadcast an act of worship, whether over the internet or otherwise.

For the purpose of hosting essential voluntary or public service, such as food banks, homeless services, and blood donation sessions.

10. Museums and galleries

Exemptions: None.

11. Nightclubs

Exemptions: None.

12. Cinemas, theatres and concert halls

Exemptions: Small group performances for the purposes of live streaming could be permissible where Public Health England guidelines are observed and no audience attend the venue.

13. Bingo halls, casinos and betting shops

Exemptions: None.

14. Spas and massage parlours

Exemptions: None.

15. Skating rinks

Exemptions: None.

16. Fitness studios, gyms, swimming pools or other indoor leisure centres

Exemptions: Leisure centres may stay open for blood donation sessions.

17. Arcades, bowling alleys, soft play centres and similar

Exemptions: None.

18. Funfairs

Exemptions: None.

19. Playgrounds, sports courts and pitches, and outdoor gyms or similar

Exemptions: None.

These premises and other venues must close as they involve prolonged close social contact, which increases the chances of infection spreading.

Providers of funeral services such as funeral directors and funeral homes conducting funerals may remain open, subject to Public Health England guidelines as mentioned in the table above.

Work carried out in people's homes

Work carried out in people's homes, for example by tradespeople carrying out repairs and maintenance, can continue, provided that the tradesperson is well and has no symptoms. Again, it will be important to ensure that Public Health England guidelines, including maintaining a two-metre distance from any household occupants, are followed to ensure everyone's safety.

No work should be carried out in any household which is isolating or where an individual is being shielded, unless it is to remedy a direct risk to the safety of the household, such as emergency plumbing or repairs, and where the tradesperson is willing to do so. In such cases, Public Health England can provide advice to tradespeople and households.

No work should be carried out by a tradesperson who has coronavirus symptoms, however mild.

Takeaway and delivery facilities should remain open and operational

This means people can continue to enter premises to access takeaway services, including delivery drivers. Businesses are encouraged to take orders online or by telephone, and businesses should not provide seating areas, indoors and outdoors, for customers to consume food and drink on. Ordering in advance is strongly encouraged to avoid waiting in, as per Public Health England guidelines.

Planning regulation has been changed to enable restaurants, cafés and pubs which do not currently offer delivery and hot food takeaway to do so. The legislation can be accessed online. People must not consume food or drinks on site at restaurants, cafés or pubs whilst waiting for takeaway food. Those venues offering takeaway or delivery service must not include alcoholic beverages in this list if their license does not already permit.

Length of closure

We are asking the businesses and premises and other venues outlined above not to open for trade from close of trade 23 March 2020.

The first point of review for these measures will be in three weeks. This review will consider their necessity and effectiveness in light of changing circumstances.

Compliance

Everyone is instructed to comply with the rules issued by the government in relation to coronavirus, in order to protect both themselves and others.

As of 2pm on 21 March 2020, closures on the original list from 20th March are now enforceable by law in England and Wales due to the threat to public health. The government will extend the law and enforcement powers to include the new list of premises for closure. Further measures on enforcement could be taken following the passage of the Coronavirus Bill through parliament.

A business operating in contravention of the Health Protection (Coronavirus, Business Closures) Regulations 2020 will be committing an offence. As agreed with the devolved administrations these measures will be extended to Scotland and Northern Ireland by Ministerial Direction once the Coronavirus Bill is in force.

Environmental Health and Trading Standards officers will monitor compliance with these regulations, with police support provided if appropriate. Businesses and premises that breach them will be subject to prohibition notices, and potentially unlimited fines.

Financial Support

Her Majesty's Treasury also announced on 20 March 2020 a comprehensive series of measures supporting wages, cash-flow for businesses, and the welfare system.

Business support

In England, under the Retail, Hospitality and Leisure Grant (RHLG) announced on Monday March 16, businesses and premises in England in the retail, hospitality and leisure sectors will be eligible for cash grants of up to £25,000 per property.

Eligible businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000. Eligible businesses and premises in these sectors with a property that has a rateable value of between £15,001 and £51,000 will receive a grant of £25,000. Businesses with a rateable value of over £51,000 are not included in this scheme. For more information please visit [gov.uk](https://www.gov.uk).

Business rates

In England, as announced on Monday 16 March, the government will provide a business rates holiday for businesses and premises in the retail, hospitality and/or leisure sector. This includes the businesses and premises in scope for closure listed above. This will apply automatically to your next business rates bill in April 2020.

Further information

This guidance will be updated regularly as the situation develops. For information about support for business, please go to the Government's Business Support webpage or visit [gov.uk](https://www.gov.uk).

Devolved Administrations may issue further guidance on these matters within their nations.