



Greater Manchester
All-Party Parliamentary Group

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The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
1 Horse Guards Road
London
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8th April 2020

Dear Chancellor

COVID-19 Business and Employee support in Greater Manchester

Sir Richard Leese, the GMCA's lead for business and the economy during the Coronavirus crisis, updated Greater Manchester MPs on how the existing package of COVID-19 business and employee support is working. At this difficult time, it is essential that the necessary help and support is in place if we are to ensure a strong economic recovery. He raised 5 issues of major concern for Greater Manchester's businesses and employers which we believe the Government needs to urgently address:

1. Guidance to employers about compliance with public health measures

The Government is clear that where businesses are able to keep trading, they should do so, but businesses and workplaces should move to home working unless it is impossible for them to do so. Many businesses across Greater Manchester have heeded that advice, doing all they can to protect their employees and customers. But for those employers that cannot move to home working, it is vitally important that they implement measures to protect both employees and customers in accordance with Public Health Guidelines on social distancing and personal hygiene, to help stop the spread of COVID-19.

Unfortunately, we have had reports that some employers are not fully following the current guidance, putting their employees and their families at risk. The current Government guidance says that it must be followed "where possible" but this is too ambiguous. We urge the Government update the current guidance by removing this ambiguity. New guidance should clearly state that employers who continue to trade "must" comply with Public Health Guidelines. This will help stop the spread of COVID-19 and take away a lot of unnecessary worry for many employees.

2. Self-employment Income Support Scheme

The measures outlined by the Chancellor of the Exchequer for the self-employed were welcome. However, the scheme needs to go further, with eligibility extended to allow access

for those who have set up their businesses since April 2019. This is an issue of fairness and it cannot be right that around 650,000 self-employed individuals, as estimated by the Institute of Fiscal Studies, will be excluded because they started their business after April 2019.

In addition, the expectation that those payments will not reach eligible individuals until June presents significant challenges to those with immediate cash flow issues. We recognise the huge amount of work that has gone into tackling this issue and the administrative difficulties involved in minimising fraudulent claims as well as processing payments, but we believe further action is required to avoid leaving many with minimal support for nearly three months.

3. Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme is a significant package of support and it will go some way in helping see off the threat of redundancies across Greater Manchester. It will also ensure that companies can retain the skills and talent that will be needed to drive the economy recovery. However, this scheme will only be able to fully deliver if payments to cover the salaries of furloughed workers reach businesses now. If a business has to wait until the end of April, this could have a detrimental effect on cash flow, potentially leading to redundancies.

We are therefore asking the Government to mobilise greater resources in administering the scheme so that furlough worker payments reach employers as soon as possible. Furthermore, at present, the scheme is only open for employees who were on PAYE systems on 28 February so we are also asking the Government to extend the definition of being employed to include those who accepted and signed contracts of employment prior to 28 February, with definite start dates in March 2020 – or to include all those in employment when lockdown was announced on March 23rd.

4. Eligibility for Business Rates relief schemes

Business Rates relief was a cornerstone of the package announced by the Chancellor of the Exchequer, and in particular the £10,000 grants being made to businesses in properties valued at less than £51,000. Local authorities across Greater Manchester are stepping up and administering support through this scheme as quickly as possible to help support local businesses.

However, it has been brought to our attention that the rateable value cap of £51,000 excludes companies that operate from shared premises where the individual companies can be making a contribution to paying the Business Rates for the whole property, but do not receive the grant as they are not paying the Rates directly. We are asking the Government to extend the £10,000 grant to all such small companies who do not directly pay Business Rates.

5. Business Interruption Loan Scheme

Cash flow for businesses is paramount, especially while many wait for support through a variety of schemes. The Government has recognised that asking business owners to make personal guarantees against through the Business Interruption Loan Scheme was creating

unnecessary stress for businesses. The new directive that banks must not treat this scheme only as an offer of last resort, was also welcome and will also go some way in helping overcome cash flow issues.

However, there are a number of additional measures that we believe would provide further help to businesses. First is capping the interest rates of the loan scheme so that businesses are not trapped with excessively high rates. Second is that the banks could streamline the application process, helping remove bureaucracy and speeding up the time it takes for businesses to access the support required. Finally, we are asking the Government to explore how it can work with a wider network of banks and financial institutions, to create further avenues of this support for businesses.

We recognise that at this time of national emergency the Government has taken decisive, necessary and welcome actions but we believe more can and should be done to help those that need support now, and to prepare the foundations for the economic recovery. As MPs from across Greater Manchester, we would welcome an urgent response and your assurances that the Government will do whatever it takes to address the concerns raised. We look forward to hearing from you and hope that we can work together to provide greater clarity and support.

Yours sincerely,



Lucy Powell MP

MP for Manchester Central

Chair of the Greater Manchester All Party Parliamentary Group

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