

New National Restrictions – Economic Support

I have received this update from the Chancellor:

I wrote to you in September highlighting the positive impact of the comprehensive and generous £200 billion package of support we have brought in since March to protect jobs, livelihoods and businesses.

In response to the new national restrictions announced by the Prime Minister to help tackle the spread of coronavirus, we are today confirming what support the Government will offer to help support businesses and individuals during this period.

Coronavirus Job Retention Scheme

I am confirming today that the Coronavirus Job Retention Scheme (CJRS) will be extended until 2 December 2020.

The scheme will operate on the same terms as the previous scheme and mirror the levels of support available under the scheme in August – this means that the government will pay 80 per cent of wages up to a cap of £2,500 for hours not worked.

Employers will not have to make any contribution to their employees' wages for the hours not worked – they will only be asked to cover National Insurance and Employer pension contributions, which for the average claim accounts for just 5 per cent of total employment costs (or £70 per employee per month). Claims can be made from next week and as previously, paid within 6 working days.

The extended scheme will be open to new entrants; specifically, employees must have been employed and on an employer's PAYE payroll on or before 30 October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30 October 2020.

Neither the employer nor the employee needs to have previously used the CJRS to make a claim. Employees employed as of 23 September (day of the Job Support Scheme announcement) and notified to HMRC by RTI on or before that date, who have since been made redundant can be rehired and placed on the Scheme.

Support for the self-employed

Today, the Government is also announcing that we will provide more generous support to the self-employed and will pay that support more quickly. We are increasing the support to the self-employed from 40 per cent of trading profits to 80 per cent for November. As SEISS grants are calculated over 3 months, this increases the total level of the grant from 40 per cent to 55

per cent of trading profits for November to January and the maximum grant will increase to £5,160.

This provides broadly equivalent support to the self-employed as we are providing to employees through the government contribution in the Coronavirus Job Retention Scheme in November and then the Job Support Scheme in the two subsequent months. HMRC will pay this more generous grant sooner than planned and in good time for Christmas – the window for claiming a grant will open on 30 November, two weeks earlier than previously announced.

Loan extensions

We have announced that we plan to extend our loan schemes – the Bounce Back Loan Scheme, Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme and the Future Fund – to the end of January.

We will also adjust the Bounce Back Loan Scheme rules to allow those businesses who have taken out less than their maximum (i.e. less than 25 per cent of their turnover) to top-up their existing loan giving businesses greater flexibility and support. Businesses will be able to take up this option from next week; they can make use of this option once.

Mortgage payment holidays

Mortgage payment holidays will continue to be available for homeowners. Borrowers who have been impacted by coronavirus and have not yet had a mortgage payment holiday will be entitled to a six-month holiday and those that have already started a mortgage payment holiday will be able to top up to a maximum of six months without this being recorded on their credit file. The FCA will announce further details on the scheme, including how customers can continue to apply for this support.

Support for local businesses in England

Throughout the crisis, we have provided support for businesses. We are today confirming that businesses which are forced to close due to the new restrictions will receive up to £3,000 per month – this is worth over £1 billion a month under the new national restrictions and will benefit over 600,000 businesses.

Businesses in the hospitality, leisure and accommodation sectors that have been suffering from reduced demand for a while due to local restrictions will receive back dated grants at 70 per cent of the value of closed grants (up to £2,100 per month) for this period.

We are also providing one off funding of £1.1 billion to local authorities to support businesses more broadly over the coming months, who are a key part of our local economies.

More funding for English Local Authorities to support their local healthcare response

Up to £500 million will be provided to local councils for local public health initiatives, such as additional contact tracing, testing for hard-to-reach groups and communications.

The Contain Outbreak Management Fund has already supported several English Upper Tier Local Authorities to fund local public health initiatives. Where necessary, they will have this funding topped up to a maximum of £8 per head of population. If they have not received any to date, they will be entitled to the full £8 per head.

We are also providing additional funding to local authorities to support the Clinically Extremely Vulnerable now that revised guidance is in place nationally. Funding will be provided of up to £14.60 per Clinically Extremely Vulnerable person for the 28-day period that the restrictions are in force. We will review this funding after the 28-day period should the strictest guidance remain in place in any one area once the initial 28-day period is over.

Alongside our £200 billion package of support committed since March, these announcements will give businesses the support and flexibility to adjust and plan over the coming months.

RT HON RISHI SUNAK MP

Dear Constituent

I am seeking changes to the way the government responds to the pandemic. I wish them to do all a government can to save lives, and to help the vulnerable find the protection they need and want from the disease. I also wish to see the government avoid measures which do substantial damage to jobs and livelihoods.

I am urging the government to work closely with medics and pharmaceutical researchers to identify more treatments to cut the death rates. There are various steroids, anti virals, clot busters and antibody treatments that have now been found to help or may emerge from trials as useful additions to treatment. Health professionals have also now discovered using non invasive ways of administering extra oxygen are often best. There are also issues about whether Vitamin D and zinc supplements can help. I have urged more emphasis on seeking new ways of treating and preventing.

I have been very critical of the data and forecasts used by government advisers to urge Ministers into adopting lock downs. The basis of defining a death has been changed several times during the pandemic and there are issues about whether CV 19 deaths have been overstated whilst understating other lung infections and serious co morbidities in the mainly elderly people dying. The latest forecasts for cases and deaths take the form of very wide

ranges where the upper figure is three times the lower figure, making them meaningless as planning forecasts. There is an absence of reliable published data on hospital bed occupancy which seems to be the main worry of NHS management and the scientific advisers. We must not close the economy down to save the NHS if it can now cope thanks to building the Nightingales, greatly expanding intensive care facilities and recruiting many more staff.

I am pressing for substantial changes to lock down plans. I see no need to close outdoor sports facilities. I think a range of specialist retailers should stay open with suitable measures to cut risks of infection spreading. Pubs and restaurants should be allowed to sell drink as well as food for take away. Government should work with business and offer help to improve air extraction so more can function safely indoors.

I do support the schools staying open as this is important to the development and future prospects of children and Teenagers. This disease is usually very mild in young people. I have urged the resumption of non CV 19 work by the NHS, as many more people die of causes other than CV19 every day.

If you are suffering particular problems with your job or business from the proposed lock down please let me know as I am pressing for change from Ministers. Without serious change to this policy I am unable to support it in a vote.

Yours sincerely

John Redwood

Remembrance

Last year Remembrance Day fell during the General Election. As a result there were no serving MPs and I was not able to lay a wreath.

This year there will be no official wreath laying owing to CV19 precautions. I have therefore delivered a wreath to Wokingham Town Hall so the staff can add the wreath from me as MP to the wreaths laid last year by others. I also agreed to attend a much slimmed down Church service next Sunday which I assume will be cancelled given the likely new lockdown rules.

The economic damage of lock down

Whilst the official advisers seem to find forecasting the possible incidence

of the virus and trends in future cases of the disease difficult, there is considerable agreement amongst economic forecasters that the anti virus measures are very damaging to jobs, output and incomes.

The latest proposed England lock down, allied to the lock downs already in force in other parts of the UK are particularly bad news for jobs and businesses in entertainment, hospitality, tourism, leisure, sport , travel and shop retail. Around one quarter of our economy will be subject to bans on trading altogether or will be trading in very restricted circumstances to comply with anti CV 19 requirements.

The damage will be mitigated by the extension of the Furlough scheme for another month, allowing 80% of the wages of people employed in affected sectors to be paid by taxpayers rather than by employers. There will also need to be more easy terms loans for struggling businesses losing some or all their cash flow owing to bans and controls.

The need for an Exit Plan is however paramount. We all need this to have something to look forward to. Businesses need it to know it is worthwhile borrowing, making do and bridging over a further period of lockdown. They need reasonable certainty that come next year they will be able to trade well, so keeping together expensive teams of people and maintaining plant and properties is worthwhile because they will trade again as they used to.

The immediate task is to seek to ameliorate the rules and controls, given the Opposition's intention to support the lock down on any vote we might get. The questions include

Can outdoor sporting facilities be used rather than all closed? The changing rooms and club houses could be shut to avoid larger gatherings indoors.

Can pubs and bars run an off licence trade with home delivery so they have some drinks turnover, as well as being allowed to sell take away food?

Can specialist shops which sell home items be allowed to open to compete with the multi purpose food led supermarkets?

Can Garden Centres be allowed to keep open their outdoors areas with the sale of a range of items for growing food, food, home care and gardening with allowance of some trading under awnings or with plenty of through fresh air flow? Their stock is perishable.

When will the government press further with advice to allow adaptation of buildings to extract air rapidly to allow more indoor use with low risk of concentrated and infected stale air harming people?

The large increased costs to taxpayers of the railways and other public services, allied to the large subsidies needed for private sector business and individuals banned from working, cannot be sustained indefinitely. I am all for spending enough whilst the controls last, but there does have to be a recognition that we cannot go on like this through more cycles of relaxation and lockdown. It also needs to be understood that with this second national lock down we will lose more jobs and businesses permanently. In more cases

their debts become too high and their owners will lose confidence in the longer term viability of businesses gravely damaged by these policies.

I remain critical of the wild ranges of the official forecasts and the highly selective and variable data being used to justify this policy.

What is the point of a lock down?

The first national lock down was said to be for one main reason – to save the NHS. The NHS was short of Intensive care beds and breathing systems at a time when that was thought to be the only treatment for bad cases of CV 19.

The time of that lockdown was used to procure many more ventilators, to put in four large new Nightingale hospitals and to expand ICU capacity in existing hospitals. More nurses and doctors were hired, and recently retired qualified staff were tempted back to help with the crisis. The peak demand in April was comfortably accommodated by the NHS. Serious cases came down, though some argued the peak had been reached at or before the lock down started. As we went into summer with more Ultra violet light and warmer temperatures which both damage the virus case numbers stayed relatively low.

The lock down also gave the medical and scientific establishments more time to research the virus, to understand more about its transmission and its impact on infected people. As a result we now know that some steroids, anti virals and clot busting drugs can make a difference to serious cases and can save some lives.

Today we are told there needs to be an extensive “circuit breaker”. It’s a strange analogy, because of course a circuit breaker immediately cancels all dangerous power in a system, whereas a lock down does not immediately turn the virus off. When you put a circuit breaker back on full power is restored immediately, but what I assume these scientists want to do is to use a period of lock down to bring virus spread down, before resuming some relaxation which on their analysis will allow some drift back up. How does this help? How much relaxation would they allow and how much extra virus circulation would they find acceptable? Why are we not given measurable targets in advance so we can see what they are trying to achieve?

The advisers rightly warn us there may be no magic bullet or solution early next year in the form of a vaccine which offers full protection. This means the true question to answer is how do we live with this virus? What is the right mix of policy to keep the spread down, to protect the vulnerable, but to allow more jobs and activity than we currently enjoy?

It is no good the government imposing a whole new raft of controls over people’s daily lives if there is insufficient buy in by the public. To work people have to be persuaded it is necessary to follow the rules, and the

rules have to be the minimum to keep virus spread down sensibly . What controls do you think are necessary?