



Economy, Energy and Fair Work Committee

The RT Hon Rishi Sunak MP,
Chancellor of the Exchequer,
UK Government

The Scottish Parliament
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Sent by email only

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Dear Chancellor,

COVID-19 – impact on businesses, workers and the economy

I am writing on behalf of the Scottish Parliament's Economy, Energy and Fair Work Committee.

The Committee acknowledges that these are challenging times for workers and businesses across the UK and welcomes the assistance that is being offered by both the UK and Scottish Governments at this time.

We have issued an open [call for views](#) on the impact of COVID-19 on Scotland's businesses, workers and economy. A number of issues have been highlighted which come within the remit of the UK Government. I have set out these matters below and would be grateful to receive a response at your earliest convenience.

Self-Employment Income Scheme

The Committee is aware that these are difficult times for self-employed people across the country. Whilst we welcome the Self-Employed Income Support Scheme, we note the funds are not being made available immediately and this is causing significant difficulty for many self employed individuals.

- 1. The Committee asks you whether the access date for the schemes can be brought forward to give access to funds as soon as possible?**

Job retention scheme

Some businesses have highlighted that the strict rules, which make it clear that workers should not carry out any work whilst on furlough, are causing difficulties. In some circumstances, businesses need to furlough workers as there is not enough activity to sustain the business. However, they have a small level of orders (through e-commerce for example) that, if they are unable to service, could affect their market positioning and viability going forward. Allowing certain work to continue, so that a business can operate at a low level, providing the company tops up furloughed wages for those employees who attend to complete a small number of hours, could ensure a more sustainable economy going forward.

- 2. The Committee asks you what flexibility can be applied under the furlough scheme to allow businesses to carry out limited work, which will assist with re-opening when the restrictions are lifted.**

Statutory sick pay (SSP)

Businesses have called for the UK Government to extend its commitment to reimburse all SSP due to COVID-19 from SMEs (under 250 employees) to all employers. There are also some concerns that the level of SSP is not high enough to cover living costs of some claimants and that consideration should be given to increasing SSP to the equivalent of a week's pay at the Real Living Wage during this crisis.

- 3. The Committee would ask whether the UK Government is considering extending SSP to make it available to larger companies and what scope there is to increase the level of SSP available to workers.**

Universal credit

It has been reported that 1.4 million applications have been received from people who have had a loss of earnings or made redundant.

- 4. What steps are being taken to address this unprecedented demand, timescales for individuals receiving funds and how will any errors in calculations be dealt with?**

Banks

Some businesses have highlighted issues with receiving financial support from the banks, including prohibitive interest rates.

- 5. The Committee asks the UK Government what action it is taking to ensure that the banks offer assistance to businesses in these challenging times, with reasonable terms.**
- 6. The Committee would ask the UK Government to provide statistics on how many applications have been received for a coronavirus business interruption loan from businesses in Scotland and how many have been granted.**

Divergence in guidance

Some businesses have called for more consistent and coordinated guidance and messaging from UK Government and Scottish Government. You will be aware that the guidance on what economic activity can take place is different north and south of the border. The Committee has had feedback that this can cause confusion and difficulties for some businesses.

- 7. The Committee invites you to consider this feedback and to set out what steps could be taken to address the issue.**

An early response to these questions would be appreciated.

Yours sincerely



Michelle Ballantyne MSP, Convener