



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

22nd June 2020

Dear Peter, Daniel,

EAST OF ENGLAND'S APPG

1. Thank you for your letter of 12 May on recovery in the East of England after the Covid-19 pandemic.
2. The pandemic is the biggest threat this country has faced in decades, and I understand your concerns about the impact it will have on the East of England and its residents. That is why the Government has announced unprecedented support for public services, workers and businesses to protect against the current economic emergency. These measures are supporting millions of families, businesses and self-employed people to get through this crisis and emerge on the other side both stronger and more united.
3. I broadly welcome the recommendations you have set out in your letter, and would like to respond specifically to several of them.
4. You recommend clarity for businesses including SMEs. The Prime Minister has set out a clear roadmap through which we can begin to resume normal activities safely, including encouraging people to return to work where this can be done safely and they cannot work from home. Practical guidelines have been published to make workplaces as safe as possible and give people confidence to go back to work. The documents have been developed in consultation with approximately 250 businesses, unions, industry leaders as well as devolved administrations.
5. In addition, the Government has introduced a package of government-backed loans worth over £300 billion. As of 31 May, over 45,800 facilities have been approved through the Coronavirus Business Interruption Loan Scheme, worth over £8.92 billion. 700,000 loans worth more than £21.2 billion have been approved through the new Bounce Back Loans Schemes, supporting the very smallest businesses. And over £10 billion worth of grant payments have been made to over 819,000 business premises. Further Government support measures mean that almost half of all business properties in England will pay no business rates at all this year, notably in those sectors hardest hit by the lockdown; 2.3



million businesses have been offered a VAT deferral; and up to 2 million employers will be able to access the Statutory Sick Pay rebate. The Government recognises that Covid-19 is, to varying degrees, negatively impacting many sectors of the economy. The Government continues to work closely with businesses and sector leads to monitor the impacts of Covid-19 across the whole economy.

6. You recommend agility with regards to the Coronavirus Job Retention Scheme (CJRS). On 29th May, the Chancellor announced the details of the extension of the CJRS, including improved flexibility to bring furloughed employees back part time in July, and a new taper requiring employers to contribute modestly to furloughed salaries from August. From 1 July, employers can bring back to work employees that have been furloughed for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked. Detailed guidance on these changes will be published on the 12 June.
7. You recommend encouraging private sector investment. Our interventions have been targeted to protect UK jobs whilst also protecting the taxpayer. The private sector should be the first port of call for any business seeking new equity investment. The Government will keep policy under review, and rigorously test any proposals for their value for money.
8. You recommend that Government prioritises digital infrastructure. We are investing £5 billion to support the rollout of gigabit broadband to the hardest to reach areas, so no area of the UK is left behind. We have introduced new legislation to help accelerate the delivery of fast, reliable broadband to millions of homes. Through the Shared Rural Network, we are matching a £500 million investment by mobile network operators – which will see high-quality 4G coverage across 95% of the UK by the end of 2025.
9. Regarding environmental concerns, the Government continues to take its environmental responsibilities very seriously and is committed to meeting its climate change and wider environmental targets. The Budget reinforced the UK's strong track record in this area. Announcements included £640m for tree planting and peatland restoration, over £1bn of further support for ultra-low emission vehicles, at least doubling funding for energy innovation, and tax measures to encourage greater energy efficiency and reduce plastic waste, amongst others.
10. You refer to the importance of public transport. The Government has announced a multi million pound funding package to protect vital bus services across



England including £167 million to keep up to 50% of services running during the outbreak for those who need to travel. We have also committed to invest £250 million into cycling and walking infrastructure this year – the first stage of a £2 billion investment over this Parliament. In addition, we are supporting areas to take forward their own transport priorities. Cambridgeshire & Peterborough has received £95 million of devolved funding for local transport investment through the Transforming Cities Fund, and Norwich has been shortlisted to receive a share of £117 million competitive funding subject to further business case development.

11. You also highlight the importance of the skilled workforce. Our Adult Education Budget fully funds or co-funds the skills and learning adults need to equip them for work or to enable progression in work. From August we will also offer full funding for basic digital skills, recognising the barrier this can have to progression.
12. Despite the immediate challenges facing the UK, the Government is still committed to levelling up across the country, spreading opportunity and prosperity across every region and nation. Thank you for taking the time to write about these issues.

A handwritten signature in black ink that reads 'Steve Barclay'.

RT HON STEVE BARCLAY MP