



Covid-19: Private Sector Contribution Debate on 21 May 2020

On 21 May 2020, the House of Lords is due to debate a motion moved by Lord Dobbs (Conservative) that “the virtual proceedings do consider the contribution made by businesses and the wider private sector in addressing the COVID-19 pandemic”.

Summary

Much of the private sector across the United Kingdom has been badly impacted by the coronavirus pandemic. From the closure of premises and disruption of supply chains to the numbers of workers who may be required to isolate themselves to limit the spread of Covid-19 and falling consumer spending, that impact is manifesting itself in crises of both supply and demand. Whilst the impact of the crisis across different sectors is deeply uneven, it is estimated that [7.6 million jobs \(around 24 percent of the UK workforce\) may be at risk](#) and the Chancellor of the Exchequer, Rishi Sunak, has acknowledged that [not all businesses will survive the pandemic](#). The Government has announced support measures worth more than £330 billion to assist businesses and employees, including:

- A Coronavirus Job Retention Scheme to pay 80% of furloughed workers’ wages and a Self-Employment Income Support Scheme for the self-employed.
- A Coronavirus Business Interruption Loan Scheme enabling banks to offer loans to SMEs and allowing businesses and the self-employed to defer tax payments over an agreed period.
- Statutory Sick Pay (SSP) costs for businesses with fewer than 250 employees.
- Business Rate Relief for eligible businesses and provisions to prohibit lease forfeitures.
- Cash grants to the smallest businesses in the retail, hospitality or leisure sector and for businesses in receipt of Small Business Rates Relief and Rural Rates Relief.
- The Covid-19 Corporate Financing Facility for large businesses.

There have also been a range of examples of the private sector mobilising to assist with the efforts to combat the spread of the coronavirus and mitigate its impacts. They include (but are not limited to) engineering and manufacturing firms shifting their production processes to assist in the manufacture of ventilators and ventilator components; breweries and cosmetic retailers producing hand sanitiser; the development of contact tracing and symptom recording apps; and continued cooperation across the pharmaceutical and research sectors in the search for viable vaccines and treatments for the disease.

However, the Government has also attracted criticism for appearing slow or reluctant to take up related offers of assistance, [notably from UK-based manufacturers of personal protective equipment \(PPE\)](#). In turn, the Government has contended it must be sure that all such equipment meets required safety standards and said it was [in dialogue with those who had offered to help](#).

James Tobin | 15 May 2020

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Key information

- House of Commons Library, [Coronavirus: Effect on the economy and public finances](#), 17 April 2020

Briefing examining the potential impacts of the coronavirus pandemic on UK businesses and workforce, including the types of supply and demand challenges faced across the country.

- McKinsey, [‘COVID-19 in the United Kingdom: Assessing jobs at risk and the impact on people and places’](#), 11 May 2020

Article providing further context on the uneven nature of the impact of the coronavirus pandemic across the private sector.

- House of Commons Library, [Coronavirus: Support for businesses](#), 1 May 2020

Briefing which outlines the full range of support packages available to businesses across the private sector and to employees to help them through the pandemic.

- Nick Watson, [‘Why the UK tech sector is key during COVID-19’](#), Grant Thornton, 6 May 2020

Article outlining some of the ways in which the private sector is helping address the coronavirus pandemic, including through the development of 3D printing of equipment, app development and cloud infrastructure.

Parliamentary question

- House of Commons, [‘Written Question: Protective Clothing: Coronavirus’](#), 12 May 2020, 44056

Press articles and comment

- Nikou Asgari and Laura Hughes, [‘PPE makers in the UK frustrated by Westminster red tape’](#), *Financial Times* (£), 23 April 2020
- GOV.UK, [‘Government launches Vaccine Taskforce to combat coronavirus’](#), 17 April 2020
- Caroline Bullock, [‘Britain’s small companies step up to make a giant contribution’](#), *Times*, 13 April 2020
- Anna Tims, [‘The firms that have turned Covid-19 crisis into a chance to serve’](#), *Guardian*, 29 March 2020
- Rob Davies, [‘British retailers and manufacturers in ‘wartime effort’ to fight Covid-19’](#), *Guardian*, 28 March 2020

- Luke O'Reilly, '[Private sector allocates 'almost entire' hospital capacity to NHS in historic Covid-19 deal including thousands more beds, ventilators, and healthcare staff](#)', *Evening Standard*, 21 March 2020
- Hannah Boland and Hasan Chowdhury, '[Companies step up to help the government fight coronavirus](#)', *Telegraph (£)*, 18 March 2020
- Association of the British Pharmaceutical Industry, '[What are pharmaceutical companies doing to tackle COVID-19?](#)', accessed 13 May 2020

Read more

- Confederation of British Industry, '[Coronavirus hub](#)', accessed 13 May 2020
- Federation of Small Businesses, '[Coronavirus \(COVID-19\): Advice and guidance for small businesses and the self-employed](#)', accessed 13 May 2020
- British Retail Consortium, '[Announcements](#)', accessed 13 May 2020