

**Baroness Penn:** The noble Baroness will be aware that local authorities are obliged to borrow and invest with caution and prudence. On borrowing to invest in social housing, of course this Government have released the cap on borrowing to invest in precisely that.

**Lord Kirkhope of Harrogate (Con) [V]:** My Lords, I refer to my interests as set out in the register. Even without the Covid crisis, does my noble friend agree that the trading position of many of our high streets has become problematic? Will the Government consider amending the proposed business rates holiday to benefit property owners with vacant premises by extending the current short exemption period while new tenants are found for those premises?

**Baroness Penn:** The noble Lord is right to say that we need to do more to support our high streets. That is why we have a £1 billion Future High Streets Fund. On business rates, the Government committed to and published the terms of reference for a fundamental review of business rates in the March 2020 Budget.

**Lord Shipley (LD) [V]:** My Lords, I am grateful to the Minister for explaining that the Government are going to review business rates, which are part of this problem. Does she accept that the system of business rates, based on open market rental value, is effectively broken and that urgent action is required to reform the system?

**Baroness Penn:** The noble Lord will understand that that kind of question is exactly the type of thing the review will look at.

**Baroness Neville-Rolfe (Con) [V]:** My Lords, I declare my interests as set out in the register. I agree that property costs are a major issue for the retail and hospitality sectors. But as I have been saying for many weeks, the biggest concern affecting the ability of retail, including restaurants and pubs, to open economically is the two-metre rule. Perhaps I may press the Minister yet again for a speedy review of that and, over the longer term, as others have said, for a rebalancing of the business rates regime so that it bears less heavily and unfairly on physical outlets at a time of digital explosion?

**Baroness Penn:** The Government are very cognisant of the impact of the two-metre rule on businesses and it is kept under constant review. The biggest support we can give businesses is to bring transmission of the virus down. That will allow us to take steps forward out of lockdown, as we have been able to do with the opening of non-essential retail outlets today.

**Baroness Kennedy of Cradley (Lab) [V]:** My Lords, with consumer confidence at its lowest for a decade, and with local convenience shops, which have been a lifeline for many during the lockdown, relying on the extra hours of trading time on a Sunday evening to keep them viable, what is the economic case needed for the Government to consider a change to the Sunday trading laws?

**Baroness Penn:** The noble Baroness will know Sunday trading laws are a topic that has come up numerous times both in this House and elsewhere. There is an economic case for changing them, which is being considered alongside other arguments related to cultural cases with regard to Sunday trading.

**Lord German (LD) [V]:** My Lords, it will take a long time for shopping to return to normal and shops will need help throughout. As well as providing the short-term cash and rates relief help needed to help tide shops and their staff over during the coming autumn and winter, when the Government undertake their fundamental review of business rates, will they include looking at changing their structure to a fairer one, based on the sites the shops occupy?

**Baroness Penn:** I am afraid that I cannot anticipate the results of that review, but I can say to the noble Lord that I will take his point back to the Treasury for inclusion in its review.

**Baroness McIntosh of Pickering (Con):** My Lords, there are currently two categories of business, among others, not covered by support. Those are B&Bs and hotels that pay council tax in lieu of business rates and businesses operating on industrial estates and in shared workplaces. My understanding is that neither category of business currently qualifies for support. Will my noble friend look kindly on them, in particular B&Bs and hotels, which until now have been so badly hit by the lockdown?

**Baroness Penn:** I can happily make a commitment to my noble friend to take that back. My understanding is that local councils have also been given money to fund additional discretionary grants to address those kinds of gaps, but I will take her specific examples back to the Treasury.

**Lord Mann (Non-Aff) [V]:** My Lords, will the Minister ensure that no additional taxpayers' money finds its way into the pockets of commercial landlords who hold their entities offshore to avoid paying UK tax?

**Baroness Penn:** Our approach to commercial landlords and commercial tenants is to support the code of practice being developed so that between the two of them, they can resolve payment structures and solutions that work for both of them.

**Lord Lucas (Con) [V]:** My Lords, does my noble friend agree that at this time it is important that commercial landlords should bear their share of the pain? Will she therefore institute a register of those landlords that sign up to the code of practice and fulfil their obligations under it so that in the future, when businesses look to choose which landlord to contract with, they will know who behaved well during this time of crisis?

**Baroness Penn:** That is an interesting proposal from my noble friend. At the moment, our focus for the code of practice is to ensure that tenants, commercial landlords and lenders all find solutions so that viable businesses are able to continue working while we deal with the period of lockdown. However, we may want to look at such things in the future.