

COVID-19 – Daily News Bulletin

22 April 2020

Heart of London Business Alliance is committed to ensuring our members receive the support they need while the situation in relation to COVID-19 is fast-changing. Our Daily Bulletin provides you with an update on the important announcements and guidance from the Government. In addition, it is recommended that our members monitor the [GOV.UK](https://www.gov.uk) website for guidance regarding COVID-19.

Together with our local Member of Parliament, Nickie Aiken, Heart of London will continue to lobby Government for support for our members and your employees during this difficult time.

Headlines

- Deaths in the UK were reported to have hit a 20-year high at double normal levels.
- The Secretary of State for Health & Social Care, Matt Hancock, announced that one of the UK's COVID-19 vaccine research projects will begin clinical trials in people this Thursday.
- The Prime Minister's recovery from the virus continues as it was reported he spoke with President Trump.
- Following the opening of the Government's Job Retention Scheme, designed to cover the wages of employees furloughed due to COVID-19, over 144,000 companies have applied for support in a single day.
- Parliament returns with reduced sitting hours, virtual committee meetings and strict social distancing measures within the Palace of Westminster.

Government Daily Covid-19 Press Conference - Tuesday

- Tuesday's Coronavirus press briefing was delivered by the Secretary of State for Health and Social Care, Matt Hancock, who was joined by the Deputy Chief Medical Officer for England, Professor Jonathan Van-Tam, and Professor John Newton, the National Co-ordinator of the UK coronavirus testing programme.
- Hancock began by stating that the Government's battle plan to defeat COVID-19 "is working." He cited the latest figures that show a new record in the NHS's spare bed capacity, with 2,963 spare critical beds now available. Also, no one requiring treatment during the current crisis has been denied care due the NHS being under strain.
- Hancock also claimed that the Government is conducting a Personal Protective Equipment (PPE) delivery operation of "unprecedented scale" and is currently working with 159 potential UK manufacturers to domestically produce more PPE.
- Hancock announced new funding pledges to support the UK's two leading vaccine development projects. The Government has now pledged £22.5 million to Imperial College London and £20 million to a separate team in Oxford, which is due to begin human trials on Thursday. Anticipating success, Hancock said the Government is already investing in uprating the UK's vaccine manufacturing capability.
- Professor Van-Tam said the UK "remains in a situation of danger." While hospital admissions are beginning to decline in London, the curve has only plateaued elsewhere, justifying the decision to extend social distancing measures.
- Repeatedly questioned on claims that the UK had declined to participate in the EU's PPE scheme, Hancock stated that – contrary to earlier claims – he has approved the UK's participation, dismissing suggestion this was avoided on political grounds. However, Hancock also claimed that, as the scheme has yet to produce a single item of PPE, the question is irrelevant.
- Professor Newton said that the Government is now piloting methods to allow virus testing to be delivered remotely, for example in care homes, which was on the back of the UK's testing capabilities now meeting hospital demands.

- On the potential for asymptomatic transmission of the virus, Professor Van-Tam claimed that, thanks to growing data, the evidence for this was becoming clearer. However, the largest threat of a revived transmission rate remains from individuals displaying symptoms and as such, this remains the Government's primary area of concern.

Government employs a million people in a day

- Following the opening of the Government's Job Retention Scheme, designed to cover the wages of employees furloughed due to COVID-19, over 144,000 companies have applied for support in a single day.
- This leaves UK taxpayers now responsible for the wages of approximately 1 million people, at a cost of £1 billion.
- The Chancellor of the Exchequer Rishi Sunak has stated that employers will receive grants within six days so they can pay furloughed staff.
- Analysis shows that this intervention by the Government may eventually cost the Government more than £40 billion and that nearly 8.3 million people could apply.

House of Commons returns

- Parliament returned from its Easter recess and at 14:30 this afternoon implemented a new "hybrid" system of operation to help maintain social distancing rules.
- Under new practices currently intended to last until 12 May, Parliament will see reduced sitting hours, virtual committee meetings and strict social distancing measures within the Palace of Westminster.
- Screens have now been installed into the House of Commons to allow Ministers to take virtual questions from MPs.
- The number of MPs sitting in the Commons chamber at any time will be limited to approximately 50, with the Speaker of the House of Commons Sir Lindsay Hoyle able to decide how many may sit at any time.
- It is currently unclear what procedures have been devised to allow MPs to cast votes.

Summary of UK COVID-19 Business support schemes

The UK Government has announced a series of economic interventions aimed at supporting employees, employers and businesses through the uncertainty and potential loss of income resulting from the Covid-19 crisis and the restrictions on business activity as a result.

The Government has established a business support [web portal](#) with details on eligibility and how businesses can apply for support. A summary of those measures is listed below. Please see overleaf.

Summary of UK COVID-19 Business Support Schemes (with hyperlinks)

Employment Retention Measures

- **COVID-19 Job Retention Scheme:** Employers can claim 80% of their usual monthly wage costs for furloughed employees, limited to £2,500 per individual, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. The temporary scheme will be open to all UK employers for at least three months, backdated to 1st March 2020. The scheme is expected to be operational by the end of April. This scheme has been extended to the end of June to account for extended social distancing measures.
- **Statutory Sick Pay Rebate:** The Government will refund eligible SSP costs to all employers with fewer than 250 employees. This applies to a claim as a result of COVID-19 self-isolation and is limited to two weeks per employee. While existing systems are not designed to facilitate such employer refunds for SSP, the Government will work with employers to set up a repayment mechanism as soon as possible.
- **Self-employed Income Support Scheme:** Most self-employed workers will be able to apply for a grant of up to 80% of average monthly profits from the last three years, capped at a maximum of £2,500 per month. The scheme will cover three months' earnings with the first lump sum payments anticipated in June. The scheme will be open to those with trading profits of up to £50,000 in 2018-2019 or an average annual trading profit of up to £50,000 from 2016-17, 2017-18 and 2018-19. At least half of a claimants' income must come from self-employment.

Bridging Loans to Mitigate Business Disruption

- **COVID-19 Commercial Financing Facility:** The Bank of England's Covid-19 Commercial Financing Facility is intended to support large companies of investment grade standing. Loans, through the purchase of commercial paper of up to one-year maturity, will be provided to support short term liquidity, mitigating against cashflow disruption. The scheme has been extended to include those businesses that are too large to qualify for the Coronavirus Business Interruption Loan Scheme (see below) but do not have an investment-grade rating. This will be achieved by constructing a credit rating from information about firms' relationships with their banks.
- **Coronavirus Business Interruption Loan Scheme:** To support small business access to bank lending and overdrafts, the Government is guaranteeing 80% on loans provided through the scheme, up to an individual value of £5m (subject to a per lender cap on claims). Most UK businesses with turnover of under £41 million will be eligible. The scheme is being facilitated by the British Business Bank through participating partners (which includes most high street banks). For borrowers, no interest will be charged for the first twelve months of the loan, which will be paid by the Government. The Government will not charge businesses or banks for this guarantee. As of April 3, the Government has extended the scheme so that all viable small businesses affected by COVID-19, and not just those unable to secure regular commercial financing, will now be eligible should they need finance to remain operational.
- **Coronavirus Large Business Interruption Loan Scheme:** The Large Business Interruption Loan Scheme will provide a government guarantee of 80% to enable banks to offer loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million. This is intended to give banks the confidence to lend to more businesses which are impacted by coronavirus. Loans backed by a guarantee under CLBILS will be offered at commercial rates of interest and further details of the scheme will be announced later this month.
- **Bank of England Term Funding Scheme:** The Bank of England has introduced a new Term Funding Scheme with additional incentives for Small businesses financed by the issuance of central bank reserves. Over the next 12 months, the scheme will offer four-year funding of at least 5% of participants' stock at interest rates at, or very close to, Bank Rate.

Grant Funding measures

- **Grant Funding for Businesses who qualify for SBRR:** Individual grants of £10,000 will be made available through local authorities to businesses eligible for Small Business Rate Relief (SBRR) that already pay little or no business rates.

Tax Relief Measures

- **VAT Deferral:** The Government will defer VAT payment demands for the next quarter, meaning that no business will pay any VAT until the end of June. Businesses will have until the end of the year to reconcile any accumulated tax debts.
- **Temporary Changes to the Statutory Residence Test:** HM Treasury has proposed a series of changes to UK Tax legislation and the Statutory Residence Test to ensure that for "any period(s) between 1 March and 1 June 2020 spent in the UK by individuals working on COVID-19 related activities will not count towards residence tests that potentially bring global earnings within the purview of UK taxation. These changes are time limited and will only support those people whose skillsets are currently required." These changes are designed to allow skilled individuals to come to the UK and help respond to the pandemic.

- **Support for Businesses Paying Tax:** HMRC have established a dedicated COVID-19 helpline to support businesses and self-employed individuals unable to meet tax demands due to Coronavirus related disruption. Bespoke Time to Pay arrangements will be offered to those businesses with a legitimate need and support their recovery while operating through any temporary financial challenges. HMRC will also waive late payment penalties and interest where a business experiences administrative difficulty due to COVID-19.
- **Deferral of Self-Assessment Payment:** Income tax payments on account due under Self-Assessment on 31st July 2020 will be deferred until 31st January 2021. All self-employed individuals will be eligible.

Sector-Specific Support Measures

- **Retail and Hospitality Grant Scheme:** A cash grant of up to £25,000 will be made available to businesses in England operating in the retail, hospitality and leisure sectors with a rateable value of between £15,000 and £51,000. For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000.
- **Business Rate Relief for Retail/Hospitality/Leisure venues:** A 100% business rates holiday will be applied from 1st April for a period of one year to all retail, hospitality and leisure venue, including shops, pubs, restaurants and theatres. There is no limit to rateable values.
- **Business Rate Holiday for Nurseries:** Nurseries in England will not have to pay business rates for the 2020-21 tax year. This will apply to properties that are occupied by providers on the Government's Early Years Register and are wholly or mainly used for the provision of nursery education.
- **Support Package for Charities:** Charities across the UK will receive a £750 million package of support to ensure they can continue their work during the coronavirus outbreak. This will include hospices.
- **Supermarket Competition Law:** To address a spike in public demand, the Government has waived a selection of competition laws to allow supermarkets and food retailers to coordinate operations such as opening times, product resources and the pooling of staff.

Other

- **Extension Period on Filing Accounts:** Businesses can apply for an additional three months to file accounts with Companies House to help avoid penalties as they deal with the impact of Covid-19. Applications can be made through a fast-track online system.
- **Coronavirus Business Support Hub:** Businesses can now access a new online portal which aims to compile "key information for businesses including on funding and support, business closures, your responsibilities as an employer and managing your business during coronavirus. The hub also includes information for self-employed people and sole traders."
- **Business Interruption Insurance:** The Government has confirmed that the business impact of government advice restricting individuals' movements – and the knock-on impact on their financial activity – provides sufficient grounds for businesses to claim on their insurance where they have appropriate business interruption cover in place.
- **Protection for Commercial Tenants:** The Government has guaranteed that commercial tenants who are unable to pay their rent because of the COVID-19 outbreak will be protected from eviction. The measure applies for the next three months and is intended to support ongoing conversations between landlords and tenants about their arrangements.
- **Flexible Insolvency Rules:** Changes will include allowing businesses undergoing restructuring to continue trading and receive supplies. There will also be a temporary suspension of wrongful trading provisions for company directors to remove the threat of personal liability, which will apply retrospectively from 1st March.
- **Gender Pay Gap Reporting Suspension:** The UK Government has now also suspended enforcement of gender pay gap reporting deadlines for this reporting year (2019/20). "This decision means there will be no expectation on employers to report their data."

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