

COVID-19 – Weekend News Bulletin

Weekend Bulletin 20 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

- Over the weekend, the COVID-19 death toll for the UK rose above 16,000.
- Senior Government ministers have drawn up a new three-phase, 'traffic light' proposal to be presented to Boris Johnson when he returns to work, to provide the UK with an exit strategy from the present lockdown.
- New guidance and instructions were unveiled for local authorities, alongside an additional £2.4bn in financial aid for councils to ensure that they can continue to provide essential services while the lockdown measures remain in place.

Government Daily Covid-19 Press Conference - Sunday

- Sunday's Coronavirus press briefing from Downing Street was led by the Secretary of State for Education Gavin Williamson, who was joined by the Deputy Chief Medical Officer for England Dr Jenny Harries OBE.
- Despite repeated questioning, Williamson refused to provide a date for when schools across the country will begin to fully re-open, stating that a decision would only be made once the Government's five criteria set out by Dominic Raab on Thursday have been met. The Government has no plans for schools to remain open over the summer holiday period.
- Williamson thanked those working in schools, colleges, nurseries and universities for their part in the national effort against COVID-19. With 130,000 pupils remaining in schools, who are the children of key workers or are identified as vulnerable, Williamson thanked institutions for "helping to keep the country moving," in addition to their efforts for donating food parcels, equipment and to universities for providing intensive research into developing tests and a new vaccine.
- Williamson unveiled a package of measures to prevent the most vulnerable and disadvantaged children from falling behind in education as they remain isolated at home. Williamson announced that the Government is to order laptops for vulnerable and disadvantaged children taking exams next year to support home learning and will also provide a free 4G router for those without an internet connection.
- The Government is also working with telecoms providers to ensure that certain online education resources do not receive network charges, to save money for cash-short households.
- Williamson also hailed Monday's opening of the new online Oak National Academy which will provide 180 lesson resources per week for all years between reception and Year 10.
- Williamson claimed that no child about to leave care under the present circumstances must do so, with the announced £1.6 billion in funding for local authorities designed to facilitate this.
- The Government is also increasing their support to the charities Child Line and the NSPCC, providing an additional funding package of approximately £1.6 million.
- Dr Harries presented viral statistics and indicated that social distancing efforts are beginning to pay off, with the number of cases beginning to further plateau despite an increase in the UK's testing capacity.

- When questioned Harries refused to state whether the UK is now past the peak of the infection rate, claiming that the country “should remain guarded” and committed to social distancing to prevent a second peak occurring.
- When pushed on the comparison between the UK and Germany over testing, Dr Harries asserted that it is difficult to directly compare between countries due to both being in different stages of the virus.
- Dr Harries defended the UK’s approach by stating there is no present link between the quantity of tests conducted and the amount of cases present.
- Multiple media questions continued to focus on the ongoing shortages of PPE seen across the country. In response Dr Harries called for the need for an “adult conversation” on PPE, explaining that the UK pre-crisis had a robust state of PPE preparedness and that despite the current huge demand on stocks of PPE, commentators should be cautious in “lumping all PPE together,” with some forms able to be used for a session as opposed to single use. In turn, Williamson claimed that the UK’s response to delivering PPE is a “whole Government effort” and stressed that every action is being taken to provide a continuous supply. However, when pushed by journalists, Williamson was unable to guarantee an end to PPE shortage problems, recognising that it is a “big challenge.”
- Both Williamson and Harries stressed the vital importance of getting the correct distribution of PPE across the UK when it enters the country and highlighting that the care sector is critical in the response to the virus.
- Williamson was also asked if teachers should receive PPE in the course of their duties. In response, he stated that the Government has now issued guidance on this matter and has worked with industry and teaching unions to outline what exactly is required.

Ministers draw up three-phase lockdown exit plan

- On Sunday it was reported that Senior Government ministers have drawn up a new three-phase, ‘traffic light’ proposal to be presented to Boris Johnson when he returns to work, to provide the UK with an exit strategy from the present lockdown.
- Despite these reports, Michael Gove has stated that the Government will make a “balanced judgement” on deciding how to relax restrictions and claims that Government Ministers have created this new set of proposals is “not true.”
- Yet to be published, the proposals include provisions in the “green light” phase for schools to begin a gradual reopening, with pupils due to take GCSEs and A Levels next year invited back first. Also, non-essential shops, including clothes stores where social distancing can be maintained and full bus and rail services would be restored. The second, “amber” phase beginning in early June would see more businesses reopen with all employees urged to return to work. However, the over-70s and those identified as vulnerable will be stuck on “red” until a vaccine is discovered, potentially having to remain isolated until “the autumn of next year.”

Government Daily Covid-19 Press Conference – Saturday

- Saturday’s Coronavirus press briefing from Downing Street was led by the Communities Secretary, Robert Jenrick, alongside Dr Stephen Powis, the National Medical Director for England.
- Mr Jenrick’s headline announcement was that the Government is to provide £1.6bn of new funding to support councils across the country in the delivery of essential services, including adult social care, children’s services and waste collection.
- In addition, the Housing Secretary announced that the Government will defer £2.6bn in business rate payments due to central government over the coming months and pay councils a total of £850m in social care grants upfront this month.
- Mr Jenrick said that his will take the full amount of financial aid for councils to help through the pandemic to £3.2bn.
- These new funds were essential given the extensive action already taken by local authorities across the country, such as providing temporary shelter for the homeless, ensuring schools remain open to children of essential workers, providing supplies to clinically vulnerable people. Councils have also provided over £1bn in business grants to small businesses across the country.
- Mr Jenrick also took the opportunity to highlight the successful rollout of the Government’s essential supply scheme, which delivers free grocery boxes to those individuals deemed to be at the highest risk from COVID-19.
- Mr Jenrick expressed his ongoing concern at the misuse of parks by a small proportion of the population not abiding by the Government’s social distancing measures. However, he said that he recognised the need to keep parks open to alleviate difficulties that some people might face, particularly those without access to private outdoor space. As a result, Mr Jenrick confirmed that he has ordered all councils to keep parks open.

- Mr Jenrick also reflected on concerns raised regarding mourners being turned away from funerals, saying that this it is not right and should not happen. He reaffirmed that funerals can and will go ahead with close family being able to attend. Councils have accordingly been asked to ensure that cemeteries and graveyards remain open.
- Lastly, Captain Thomas Moore, the 99-year-old British Army veteran who has raised more than £23m to date for the NHS by walking the length of his garden one hundred times was picked out for special praise by Mr Jenrick. He will be rewarded as the guest of honour at the newly established NHS Nightingale in Harrogate this week.

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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