

## COVID-19 – Daily News Bulletin

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### Wednesday 13 May 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.

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### Headlines

- Chancellor of the Exchequer Rishi Sunak announced an extension of the Government's COVID-19 Job Retention Scheme, which will now remain open to October.
- In a significant revision reflecting the Government's phased approach to the lifting of restrictions set out on Monday, furloughed staff will be able to return to work part-time from August, with salary costs shared between employer and the Government.
- Transport Secretary Grant Shapps published new guidance on travel and transport, intended to help employers and operators manage risk.
- New guidance on wider opening of schools published.

### Chancellor extends COVID-19 Job Retention Scheme

- On his 40th birthday, Chancellor Rishi Sunak addressed the House of Commons announcing the revision and extension of the Government's COVID-19 Job Retention Scheme.
- Describing the scheme as a "world-leading intervention" that has provided a financial safety net for 7.5m individuals and almost 1m businesses, Sunak confirmed the scheme will be extended by four months to October 2020.
- Until the end of July, the scheme will continue in its current form; employers can claim 80% of their usual monthly wage costs for furloughed employees, limited to £2,500 per individual per month, plus the associated Employer National Insurance and minimum automatic enrolment employer pension contributions.
- Employees are not permitted to work while in receipt of support through their employer.
- From 1st August until 31st October, the scheme will continue, but with added flexibility. Furloughed staff will be able to return to work part-time (in accordance with the advice on workplace safety issued on Monday), with associated wage costs shared proportionally between the Government and the employer. During this phase, the limit of Government support for any individual will continue to be capped at the lower of either 80% of earnings, or £2,500 per month.
- Sunak justified the extension of the scheme on the principle that support should continue to be provided to those who, through no fault of their own, find themselves unable to work. He promised that the Government will not give up on individuals who have found themselves so reliant, saying that "[...] we stood behind Britain's workers and businesses as we came into this crisis, and we will stand behind them as we come through the other side."
- Questioned by MPs on the lack of detail provided for businesses on how the impending changes to the scheme will affect them, specifically the shared responsibilities for funding the wage bill of semi-furloughed staff, Sunak promised full guidance would be made available before the end of May.

## New Government guidance on Travel and Transport

- The Transport Secretary, Grant Shapps, published new [guidance](#) on travel and transport, intended to help employers and operators manage risk.
- The guidance is designed to support businesses, agencies and other organisations understand how to provide safer workplaces and services for themselves, their employees and passengers, which includes advice on assessing and addressing the risk of virus transmission in a variety of settings.
- Guidance is provided for both private and public modes of transport.
- Separate [guidance](#) was also issued by the Department for transport for commuters on how to travel safely, both in private and on public means of transport.
- For those who have to travel for work, the guidance is clear that individuals should first consider alternatives to public transport.
- Where that is not possible, the guidance recommends implementing measures including two metre distancing, face coverings and using contactless payments when travelling.
- For employers, it is noteworthy that the advice to individuals is to avoid rush hour travel where feasible.
- While the onus remains with the individual, the Government will ask businesses for pragmatism and flexibility when dealing with employees in recognition of the likely ongoing constraints on commuting.

## New guidance on wider opening of schools published

- Following Monday's announcement that the Government's working assumption for the phased return of pupils to schools and other educational and childcare establishments is from 1st June, [new advice](#) was issued on Tuesday aimed at parents and carers about how the phasing will be rolled out.
- The guidance provides information on when pupils can expect to return to schools, based on year group cohorts, what special circumstances will apply to the children of key workers and children identified as vulnerable.
- Commensurately, new [guidance](#) was issued to educational establishments themselves on what needs to be done in preparation for wider opening, including information on the scheduling of year groups that will return during the first phase of reopening, and practical advice on managing risk within an educational setting with a view to controlling the rate of virus transmission.

## Government Daily COVID-19 Press Conference – Tuesday

- Having earlier addressed the House of Commons on the new safety at work guidance issued by his Department on Monday, Business Secretary Alok Sharma led the daily Downing Street press briefing. He was joined by National Medical Director of NHS England Professor Steven Powis and Chief Executive of the Health and Safety Executive (HSE) Sarah Albon.
- Sharma reiterated the major announcements from Monday, stressing the legal duty of employers to provide a safe environment to their employees, risk16
- penalties in the case of non-compliance.
- Professor Powis reported that public compliance with social distancing measures remains high. As a result, number of daily confirmed new cases of virus transmission has remained static relative to testing levels, and the number of daily deaths continues a downward trend. It is this evidence that is guiding the Government's plan for a staged relaxation of lockdown measures.
- Questioned on what employees should do in event that an unscrupulous employer demands their return to an unsafe work environment, Sharma advised that employees should first bring this up with their employer, before reporting to the HSE if the situation could not be resolved.
- Asked to advise employees who fall within one of the vulnerable groups on their rights once their workplace reopens, Albon recommended that employers take note of the 'tier system' of risk and act accordingly in line with the guidance and government risk assessment. She later added that the HSE will act if necessary, and that its inspectors have legal powers to force companies to stop activities if there is a "risk of serious injury."

## Office for National Statistics: UK death toll surpasses 40,000

- New data released by the Office for National Statistics has revealed that the UK death toll from COVID-19 now stands at approximately 40,000, with nearly 10,000 care home residents having now died due to the pandemic.
- Reports on the matter have claimed that this revelation “cements the UK as the worst-affected country in Europe.”
- The figures reveal that 35,044 deaths from COVID-19 have been registered in England and Wales up to 9th May. When this total is combined with the latest available statistics for both Scotland and Northern Ireland and the current figures announced by the Government in NHS settings, the total official UK death toll now stands at approximately 40,011.

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## 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.
- **Future Fund:** The Government will offer a new unsecured convertible loan facility for amounts between £125,000 and £5,000,000 for a maximum 36-month term. The scheme will launch in May and will initially be open until September 2020. To qualify a company must have raised at least £250,000 in equity investment from third party investors in the last 5 years and be based in the UK. The Government loan must be matched by third party investment and be used for working capital.
- **Innovate Loans:** UK businesses driving innovation and development will be helped through the coronavirus outbreak with a £1.25 billion government support package to ensure firms in some of the most dynamic sectors of the UK economy – ranging from tech to life sciences – are protected through the crisis so they can continue to develop innovative new products and help power UK growth. The Innovate Loans scheme will be a £750 million fund for targeted support for small and medium sized businesses focusing on research and development and be made available through Innovate UK's [national innovation agency] grants and loan scheme and will accelerate up to £200 million of grant and loan payments for its 2,500 existing Innovate UK customers on an opt-in basis. An extra £550 million will also be made available to increase support for existing customers and £175,000 of support will be offered to around 1,200 firms not currently in receipt of Innovate UK funding. The first payments will be made by mid-May.

- **Bounce Back Loans:** From Monday 4 May, small businesses will be eligible for a fast-track finance scheme providing interest free loans with a 100% government-backed guarantee for lenders. The scheme will allow businesses to borrow between £2,000 and £50,000 (up to 25% of turnover) from accredited lenders, and will not need to begin repayments for the first year.

#### 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 31<sup>st</sup> July 2020 will be deferred until 31<sup>st</sup> 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 1<sup>st</sup> 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

- **Business Support Checker Tool:** The UK Government have released a new “support find tool” for businesses and self-employed people across the UK, to allow them to quickly determine what financial support is available to them, to handle the consequences of the pandemic. The new platform asks business owners and the self-employed to fill out an online questionnaire first.
- **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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