

COVID-19 – Weekend News Bulletin

4 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.

Headlines

- This week, the Prime Minister will lay out the government's plan to get the country back to work.
- The NHSX contact tracing app will be tested on the Isle of Wight this week, which is expected to form an important part of the test, track and trace programme.
- The Government announced that a new discretionary fund has been established, which will cover certain small businesses previously beyond the scope of the existing business grant scheme.
- Regarding rough sleeping, Jenrick announced that Dame Louise Casey, who is already leading a review on the matter, will lead a new Government taskforce to ensure that this group receives the support necessary during the outbreak.
- The Health Secretary, Matt Hancock, announced that the UK has met the Government's ambitious target of 100,000 tests per day.

Government Daily COVID-19 Press Conference - Sunday

- Sunday's Downing Street press briefing was led by Michael Gove, Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, supported by Professor Stephen Powis, the National Medical Director of NHS England.
- Gove began by outlining the latest coronavirus figures in the UK including the number of daily tests and deaths.
- He went on to thank the public for their diligence in following the lockdown measures especially those who are adhering to social distancing during the religious month of Ramadan.
- Gove confirmed that the Prime Minister will set out a plan for how the Government will restart the economy, by getting people back to work safely and children back to school.
- The Government has been consulting with employers and trade unions to ensure the guidance is as safe and effective as possible. Gove highlighted that for the lockdown measures to be eased it is important that all the Government's five tests are met. Later he also made it clear that there will be a phased approach to the easing of lockdown restrictions.
- To date the Government has tested over 200,000 key workers. The Government is continuing to expand those eligible for tests with those over 65 who present with symptoms now qualifying to be tested as well as anyone who must travel to work. An important part of the next phase will be the roll out of the test, track and trace programme. A key part of this is the NHSX contact tracing app which is being trialled next week on the Isle of Wight to assess its effectiveness.
- Moving on to the topic of PPE, Gove outlined that the Government has now distributed 1.8 billion items of PPE across the health and social care sector. This includes 149 million masks and 614 million gloves. Gove highlighted the efforts underway to ensure that children, especially vulnerable children, are receiving the support and education they need during this time. This includes providing vulnerable children with laptops and free routers for those who do not have access to the internet.
- Furthermore, the Government is continuing to support local authorities by providing free school meals for vulnerable children, with 49,000 children receiving the meals to date. However, this only accounts for 1 in 10 of the vulnerable individuals who are eligible for the funding and the Government is working with local authorities to expand this number.

- Gove praised the work of local authorities who have been essential in supporting the response to the virus. To assist with the localised response, the Government recently increased local council funding to a total of £3.2 billion. Stephen Powis outlined the most recent coronavirus figures. Underlining Gove's previous comments, he highlighted the importance of meeting the Government's five tests to allow the country to start lifting the lockdown.
- Powis highlighted that there has been a sustained decrease in travel demonstrating that the British public is maintaining the social distancing regulations. Similarly, the number of people in hospital has decreased and the number of people in critical care beds has consistently fallen for the last two weeks. In line with this the number of daily deaths on a rolling day average is continuing to fall. However, when the number of deaths in the UK are compared internationally, the UK has the second highest death rate, with only the USA exceeding Britain. Powis did note, however, that different countries measure deaths differently meaning they are not exactly comparable.
- When asked a question about the high numbers of BAME individuals dying from the disease, Gove and Powis pointed to the study that is currently being conducted by Public Health England on this issue. Gove added that there could be a higher rate of comorbidities within the groups being impacted or that it is the result of socio-economic factors.

Government Daily COVID-19 Press Conference – Saturday

- Saturday's Downing Street press briefing fell to Robert Jenrick, the Secretary of State for Housing, Communities and Local Government, who appeared alongside Dr Jenny Harries, the Deputy Chief Medical Officer for England.
- Jenrick stated that the Prime Minister Boris Johnson will outline next week how the UK will begin to lift the lockdown measures currently in place. He emphasised that the UK is not yet ready to begin easing the restrictions and that the Government "will be taking a careful and cautious approach". Throughout, he added, the situation will be carefully monitored to ensure that the R number of the virus remains below one. With respect to the R number, Jenrick stated that the Government will look to "build some headroom" in this regard. While Jenrick made clear that the Government's approach will be guided by the science, he acknowledged that there is evidence to suggest that outdoor spaces are safer than indoor environments, something which was echoed by Dr Harries. This will be taken into consideration by the Government in its approach to lifting the lockdown.
- Speaking to the Government's efforts to safeguard the most vulnerable in society, Jenrick announced an additional support package for victims of domestic abuse. £76m will be made available via a new fund, in order to support victims during the pandemic. In addition, the Government is progressing with the Domestic Abuse Bill, which received its second reading in the House of Commons last week.
- Regarding rough sleeping, Jenrick announced that Dame Louise Casey, who is already leading a review on the matter, will lead a new Government taskforce to ensure that this group receives the support necessary during the outbreak.
- Providing a statistical update, Dr Harries stated that whilst the UK is past the peak of the virus, there is still a lot to be done. While motor vehicle use is still at a higher level than in previous weeks, Dr Harries cited new evidence which suggests that levels of social interactions remain low.
- On the Government's "test and trace" policy, both Jenrick and Dr Harries reiterated that for the approach to be successful, it will "rely on all of society to play their part". Dr Harries added that prior to its implementation, a trial process will need to be carried out in order to verify its efficacy.
- With regards to the transparency of the Chinese Government during the early outbreak of COVID-19, Jenrick said that the Government's focus is entirely on responding to the crisis. He added, though, that "there will come a time when we will analyse the origins of the virus in detail and consider the actions of other countries".
- Responding to questions about the aviation industry, Jenrick reiterated the Government's intention to "support in any way we can". He was unable to provide further details.

Discretionary Small Business Grant Fund

- The Government announced that a new discretionary fund has been established, which will cover certain small businesses previously beyond the scope of the existing business grant scheme.
- Up to £617m will be made available, with the fund aimed at small businesses including those with ongoing fixed property-related costs, regular market traders, small charity properties, and bed and breakfasts that pay council tax rather than business rates.

- Local authorities will be able to use their discretion when allocating the funding, in order to cater to local economic needs. Recipients must have a fewer than 50 employees and be able to demonstrate that COVID-19 has had a significant impact on their business.
- Grants of either £25,000 or £10,000 will be issued, in addition to local authorities making discretionary payments of any amount below £10,000. Further information will be published soon.

Government Daily COVID-19 Press Conference – Friday

- Matt Hancock delivered Friday's press conference from Downing Street alongside Professor John Newton, the UK's national testing coordinator, and Professor Stephen Powis, Medical Director of the NHS.
- The Health Secretary's key announcement was that the UK had reached the goal of delivering 100,000 daily tests.
- Mr Hancock thanked a long list of organisations and individuals who were crucial in expanding testing capability, including British diagnostics companies, logistics companies, academics, Public Health England and the NHS.
- The Health Secretary was confident that the increased testing capacity alongside an initial 18,000 contact tracers and the development of new technology to locate cases would help control the spread of the virus.
- Building on his announcement earlier this week about the restoration of NHS services, Mr Hancock said that there are plans for fertility services to be restored.

Office for National Statistics COVID-19 figures

- New data released by the Office for National Statistics (ONS) shows that the rate of deaths involving COVID-19 is about twice as high in the most deprived areas of England and Wales compared to the least deprived.
- After taking age into account, the ONS says that between 1 March and 17 April 2020, there were 55.1 COVID-19 deaths per 100,000 people in the poorest parts of England and 25.3 deaths per 100,000 in the least deprived areas. In Wales, the numbers were 44.6 and 23.2 per 100,000 people respectively. Across the country the highest rates of deaths have been in urban areas.
- All of the highest age-standardised mortality rates are in London boroughs such as Newham, Brent and Hackney. London's overall mortality rate has been almost double that of the next highest region. There are also high death rates in the West Midlands, Merseyside and Greater Manchester. Please see here for more information.

UK Government response to struggling airlines

- The UK Government stands ready to help those affected by job cuts at Ryanair and other airlines and could discuss "bespoke support" for aviation firms "as a last resort".
- The Prime Minister's spokesman said: "We recognise this is a very difficult time for employees and their families" who he said would have access "to a broad range of support including Universal Credit and Jobseeker's Allowance".
- The aviation sector is an "important" part of the UK economy, the spokesman said, and firms could "draw upon the unprecedented measures we have put in place". "If airlines find themselves in trouble and have exhausted all the measures already available to them, we have said we are prepared to enter into discussions with individual companies seeking bespoke support as a last resort."
- Ryanair is set to cut 3,000 jobs - 15% of its workforce - as it restructures to cope with the coronavirus crisis. British Airways is set to cut up to 12,000 jobs from its 42,000-strong workforce due to a collapse in business.

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 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

- **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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