

COVID-19 – Daily News Bulletin

Monday 11 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

- The Prime Minister outlined the Government’s “roadmap” for gradually easing the UK’s national lockdown.
- The Transport Secretary outlined a £2 billion package to prepare the transport network for the easing of lockdown restrictions.

The Prime Minister addresses the nation

- Boris Johnson addressed the nation, announcing the Government’s new plans for a gradual easing of the nationwide lockdown.
- Johnson called upon the British public to “stay alert,” continue to control the virus and save lives.
- Hoping to provide a “sense of the way ahead”, the Prime Minister moved to address the dual national concerns of tackling the virus whilst mitigating the economic impact of the lockdown.
- Johnson announced the implementation of a new national virus threat-level system. To be determined by a new “biosecurity alert centre”, the new scale will help chart the UK’s progress in meeting the Government’s five tests for easing the lockdown. With the threat the virus poses to public health ranked out of five, the new system will apply across England, with the UK Government to work with the devolved administrations to ensure a roll out across the country.



- Mr Johnson said that the UK is currently at level 4, moving towards level 3 on the new scale. Level 1 would mean that the virus is not present in the UK whilst level 5 would indicate a worst-case scenario resulting in the collapse of the NHS.
- As a second step beyond the tentative measures detailed below, Johnson said that if the data supports it the UK would consider the re-opening of shops and getting some pupils back to school by 1st June at the earliest. The Government has the “ambition” for all pupils with exams next year to have some time with their teachers before the summer break. As a third step, by July at the earliest, the Government will consider re-opening some elements of the hospitality industry and other public places.
- However, Johnson said that progress on this timeline would be “conditional” on “a number of big ifs.” To ease the lockdown over the next week, Johnson said that anyone who cannot work from home (e.g. in construction or manufacturing) should now be encouraged to go to work if safe to do so. However, workers should avoid public transport if possible, travelling by foot, car or bicycle.

- Furthermore, the restriction of only performing one form of exercise per day outdoors has been lifted, with individuals now able to play sports with members of their households and able to drive to other locations for exercise.
- The Government is also to increase fines for the minority who break the rules and in the coming weeks Britain will also impose a 14-day quarantine on all arrivals to the UK from abroad.
- Although not specified in the speech, it is anticipated that more detailed plans will allow for the re-opening of garden centres from Wednesday.
- Johnson re-committed the Government to reverse the outbreaks in care homes and the NHS, whilst also working to deliver a “world beating system of testing victims and tracing their contacts.”
- Johnson re-committed the Government to delivering 100,000s of tests per day with the ability to create a new system that can detect localised outbreaks.
- The Government is to release a document outlining its new proposals. Johnson is expected to present this more detailed version of the plan in Parliament on Monday and will take questions from the public and media at Monday’s daily press conference.

Government adjusts guidance to “Stay Alert”



- Prior to the Prime Minister’s address, the Government announced that it is replacing its official guidance in England from “stay at home, save lives, protect the NHS” to the new motto of “stay alert, control the virus, save lives.”
- The Government also issued renewed guidance, which calls upon individuals to:
 - Stay at home as much as possible
 - Work at home if you can
 - Limit contact with other people
 - Keep your distance if you go out (2 metres apart where possible)
 - Wash your hands regularly
- The Secretary of State for Housing, Communities and Local Government Robert Jenrick asserted that “it is right to update and broaden that message” now the country has passed the peak of new infections.
- The new message is intended to simultaneously persuade people who cannot work from home to go out and work, whilst also staying at home as much as possible.

Transport Secretary encourages cycling and walking

- On Saturday, Transport Secretary Grant Shapps outlined a £2 billion package to prepare the transport network for the easing of lockdown restrictions. With public transport services set to operate at 10% capacity due to social distancing guidelines, the cash injection is designed to prevent overcrowding by encouraging alternative means of travel.
- Shapps stated that due to social distancing guidelines the UK's public transport network is set to operate at 10 per cent of capacity once full-service resumes.
- He urged the public to give serious consideration to how and when to travel, and to continue to prioritise and support key workers.
- Mr Shapps highlighted the significant rise in the number of people that have taken to cycling and walking in recent months. He suggested that this be a long-term solution as the UK gradually returns to normality and highlighted the “lasting changes” to both mental and physical health.
- The Transport Secretary announced a £2 billion package of measures, including plans to publish a ‘National Cycling Plan’ in June 2020 with the ambition to double cycling and increase walking by 2025. A £250 million package of emergency measures to make cycling and walking safer will be implemented immediately, with a focus on increasing the number of bike lanes and cycling/bus only streets and widening pavements.
- The Government has also published new statutory guidance for local councils, effectively immediately, requiring them to cater significantly more for walkers and cyclists.
- To encourage employees to cycle to work, the Government is expanding the existing ‘Cycle to Work’ scheme - which provides discounts on the purchase of a bike - to encourage further uptake.
- The Transport Secretary also announced the creation of a new national ‘Cycling Champion’ position, the introduction of new standards for cycling infrastructure, and plans to enable GPs to prescribe cycling to improve fitness.
- The Government will introduce legal changes to support vulnerable road users, create “at least one” zero emission city with its centre restricted to bikes and electric vehicles only.
- Mr Shapps confirmed that these measures are part of a long-term programme and budget for cycling, which will put it on a par with the Government’s approach to roads.
- In line with efforts to support environmentally friendly travel, the Transport Secretary also announced that the Government will fast-track plans to bring e-scooters to UK streets, with trials beginning in June 2020. The trial scheme, which will assess safety and the impact of e-scooters on public spaces, will be extended from four local authorities to nationwide, so that every region of the UK is able to participate.
- Turning to the use of cars, Mr Shapps announced an additional £10 million of additional investment in electric car charging stations in support of efforts to ensure a “green recovery” from COVID-19, and the acceleration of plans to fill in potholes.
- Recognising the role of digital in the global response to COVID-19, the Transport Secretary detailed the Government’s plans to use technological solutions to ease congestion on the transport network. Following a roundtable this week with firms including Microsoft, Google and the destination planning app, Citymapper, the Government is exploring the use of data and apps to provide the public with real-time information on public transport capacity and overcrowding.
- Finally, the Transport Secretary completed his statement by announcing that the Government will take advantage of fewer road and rail journeys by making crucial upgrades to the road and train networks, in preparation for wide-scale use in the coming months.

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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