



BUDGET 2020

11

1. CORONAVIRUS SUPPORT
BRIEFING PAPER

What is the Budget?

The Budget, or Financial Statement, is a statement made to the House of Commons by the Chancellor of the Exchequer on the nation's finances and the Government's proposals for changes to taxation. The Budget also includes forecasts for the economy by the Office for Budget Responsibility (OBR).

The Budget takes place against the backdrop of the global outbreak of COVID-19. The Budget sets out a plan to support public services, individuals and businesses that may be affected by COVID-19.

This briefing paper, produced by the Black Country Chamber, highlights support measures introduced in the budget to support individuals and businesses through the COVID 19 outbreak.

Overview - Responding to COVID-19

The Budget announced a £12 billion plan to provide support for public services, individuals and businesses, whose finances are affected by COVID-19.

This includes;

- a £5 billion COVID-19 response fund to ensure the NHS and other public services receive the funding they need to respond to the outbreak as the situation develops and then recovers and return to normal afterwards.
- extending Statutory Sick Pay (SSP) for those advised to self-isolate, and those caring for others who self-isolate, and support through the welfare system for those who cannot claim SSP, as well as a hardship fund.
- support for businesses that experience increased costs or disruptions to their cashflow. This includes expanded Business Rates reliefs, a Coronavirus Business Interruption Loan Scheme to support up to a further £1 billion lending to SMEs, a £2.2 billion grant scheme for small businesses, and a dedicated helpline for those who need a deferral period on their tax liabilities.

Supporting those affected by coronavirus (COVID-19)

Support for public services:

- COVID-19 response fund - £5 billion to resource NHS, local authorities, social care and support for vulnerable people.
- Funding research and development - £30 million at National Institute Health Research.
- Funding for testing - £10 million for NHS/Department for Health and Social Care for increasing capacity and capability of Public Health England.

Support for individuals:

- Statutory Sick Pay (SSP) – SSP to be paid from the first day of sickness (previously fourth day), for those with COVID-19 (or self-isolating). SSP also to cover those caring for individuals with COVID-19 (or self-isolating).
- Medical Evidence for SSP – Employers to use discretion not to require a GP fit note for COVID-19 related absence. NHS to bring forward an alternative fit note and obtained through NHS 111.
- Support for those not eligible for SSP – Employment and Support Allowance to be available for people directly affected by COVID-19 (or self-isolating), available from first day of sickness (previously eighth day). Universal Credit claimants will be able to access advance payments where they are directly affected by COVID-19 (or self-isolating) without needing to attend a jobcentre. The minimum income floor for Universal Credit will be relaxed for those affected (or self-isolating) for length of the outbreak.

Hardship Fund:

- £500 million financial grant support for Local Authorities in England to support vulnerable people and households via Council Tax support/relief.

Support for businesses

- SSP – refund for SMEs paying SSP for COVID-19 related absence with the following criteria.
 - They employ less than 250 people as of 28th February 2020
 - Refund is limited to two weeks per employee
 - They have maintained records of staff absences (they do not require employees to have provided GP fit note)
 - the eligible period for the scheme will commence from the day on which the regulations extending SSP to self-isolators come into force
- Business Rates relief – Rate relief discount increased to 50% in 2020-21. For small businesses this is increased to 100% for 2020-21 and expand to leisure and hospitality sectors. Pubs will receive £5,000 Rates discount for rateable values below £100,000.
- Small Business Grant funding – £2.2 billion worth of funding for Local Authorities in England to provide £3,000 per business to those currently eligible for Small Business Rate Relief (SBRR).
- Time to Pay – HMRC established dedicated COVID-19 helpline to agree bespoke Time to Pay arrangements.
- Business Interruption Loan Scheme – Temporary scheme delivered by British Business Bank providing lenders with 80% guarantee on each loan when providing finance to SMEs.

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