



What are we going to cover?

- Support for businesses – including the furlough scheme and emergency loans
- Support for employees and individuals – including mortgage holidays, protection from eviction, Universal Credit
- Support for self-employed people – grants to cover trading profits
- Timeline for these support packages
- What's changed in the last week
- Gaps we know about in support
- How you can help
- Our plans



Coronavirus Job Retention Scheme

- Grant to cover 80% of wage costs for staff who are furloughed rather than made redundant
- Can claim up to £2,500 per month per employee for wages, plus NICs and employer pension contributions
- Must have been on payroll on 28 Feb – covers full time, part time, agency contracts or flexible/zero-hour contracts
- Based on salary before tax (not inc bonuses, commission etc unless compulsory/contracted) – employees are then taxed as normal on the 80%
- Employment and contract law are not suspended – there's a process to follow
- Gov now saying end of April for the online service to be open

Pros:

- **Allows you to keep staff employed, paid and maintain your workforce while reducing costs**
- **Can be backdated to 1st March**
- **Flexible enough to bring workers back if demand picks up or you need to cover sickness**

Cons:

- **Does not cover reduced hours or make up difference in reduced pay**
- **Staff can do no work for you while furloughed**
- **No money expected until the end of April (at the very earliest)**



Coronavirus Business Interruption Loan Scheme

- Designed to help businesses cover pay, rent, supplier costs etc when experiencing short term cashflow problems
- Available to all UK businesses up to a turnover of £45m (initially it was just those who had been turned down for commercial lending)
- Loans of up to £5m, repayable over periods up to 6 years
- Interest and fees paid by Government for the first 12 months
- Government offering 80% guarantees, aiming to turn a no into a yes from a lender
- Scheme has been tweaked since launch, need for personal guarantees below £250,000 has been removed
- A version of this for larger businesses - £45-500m turnover – is expected this month

Pros:

- Available now
- Big government backing
- Multiple lenders
- Can help bridge the gap until other schemes come online

Cons:

- Need to have lending proposal, showing the business was viable before the pandemic and will be long term
- Banks will try to lend on commercial terms first
- Debt which must be paid back, and borrower remains liable for 100% of it



Other measures for businesses

Measure	Detail
VAT Deferral	VAT due next quarter deferred until the end of the financial year. File as normal. CANCEL YOUR DIRECT DEBITS.
Commercial tenants protected from eviction	No new eviction proceedings can begin for the next three months, so can't be forced out for missed rent payments.
Statutory Sick Pay relief for SMEs	SSP can be reclaimed for any employee off work sick or isolating as a result of Coronavirus. But no mechanism to pay this back yet.
HMRC Time to Pay	Dedicated team on 0800 0159 559 to help spread payments etc for existing tax liabilities.
£10,000 grant for some SMEs	For those in receipt of Small Business Rates Relief or Rural Rates Relief – LAs will automatically contact you
Business Rates holiday for retail, leisure and hospitality businesses	You Local Authority will be in touch (many have been already) if you're eligible
£25,000 grant for retail, leisure and hospitality businesses	Rateable value under £51,000 only. LAs will be in touch.



Coronavirus Self-employment Income Support Scheme

- Available if you make the majority of your income from self-employment, and have trading profits of less than £50,000 a year
- Must have submitted a self-assessment tax return for 2018-19 (you have until 23 Apr to do so, if you're late filing) and have been trading in 2019-20 and into 2020-21
- Can get a taxable grant of up to £2,500 per month for initial period of three months
- The process for this will be built after HMRC have completed the mechanism for the furlough scheme, and so no money will be available until June, when you would receive three months in bulk

Pros:

- Able to claim but also continue working (unlike the furlough scheme for employees)

Cons:

- NO MONEY UNTIL JUNE
- Doesn't cover those who have only recently become self-employed



Individual Support Measures

- Increased Universal Credit and Working Tax Credit allowances
- Increased Housing Benefit and UC support to renters
- Mortgage lenders required to offer a three month mortgage holiday for those in financial difficulty
- Protection of energy supply
- Ban on new eviction proceedings for three months

- Apprentices:
 - Easier to take a break in learning (e.g. when furloughed)
 - More flexible assessment (again, e.g. when furloughed)
 - Greater efforts to find new placements if an apprentice is made redundant



Timeline

Business Interruption Loan Scheme Launched	23 March (low take up, subsequently tweaked
Larger Business Loan Scheme	Launch before end of April
Job Retention (furlough) Scheme due to open	Online service now due end of April
Grants for 80% of pay due through	Unclear
Grants for small businesses and for retail etc	Now being distributed
Self-employed income support applications open	Unclear, but will follow the furlough scheme
Self-employed income support grants due through	June
Statutory Sick Pay repayment	Not known
VAT Deferral	Until end of June



Gaps we know about in support

- Home-based small businesses, which aren't eligible for small business rates relief
- Those in managed offices, who don't pay rates directly and so aren't eligible for relief
- Directors of small limited companies who take dividends rather than a salary – not eligible for furlough scheme
- Those who've become self-employed since April 2019, or who make a minority of their income from self-employment
- Those who changed jobs and missed out on furlough scheme
- Those wanting to reduce hours of staff, but not furlough them – essentially businesses looking for help to keep running through the outbreak, rather than temporarily close the doors
- Any others we've missed?



What's changed in the last week?

- Tweaks to the emergency loan scheme – 130,000 enquiries, but less than a 1,000 loans agreed – so the Chancellor made it more widely available and has pushed banks to lend
- Grants via local authorities now reaching businesses
- More clarity on the furlough scheme (e.g. employees can work elsewhere while furloughed)
- Guidance on social distancing in the workplace for those business which remain open – some sector-by-sector advice



How can you help?

- Government has a general call out to businesses for support in a number of areas – including things like testing equipment, PPE, hotel rooms, logistics, manufacturing equipment, other expertise – there's a Gov.uk form to fill in
- Many businesses are switching production to hand sanitiser – there's guidance on doing that
- Specific calls for rapid sanitising technology for ambulances, and for innovative projects to support communities and businesses
- Locally – we're helping connect NHS Trusts and care providers with sources of PPE. In particular we know people need clinical gowns and aprons, masks, visors, clinical waste bags, hand sanitiser and cleaning products
- Sharing your best practice, supporting other members



Our plans

- More of these weekly update webinars – sharing the guidance and answering questions if we can
- Practical webinar series with advice on how to run your businesses remotely – looking after mental health, getting the technology right, maintaining productivity of your teams
- Campaigning for what the region needs – keep giving us your feedback to take to the British Chambers and to local and national government
- Global updates for those trading internationally



North East England
Chamber of Commerce

Questions? Thoughts?

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Lots more detail on neechamber.co.uk/covid-19