

The top priority in today's Budget was the UK government's fiscal response to the significant economic disruption expected to be caused by COVID-19.

The measures announced followed, and are designed to coordinate with, the monetary measures announced (including a 50 basis point cut in the base rate) earlier in the day by the Bank of England.

The measures are intended to be "temporary, timely and targeted", but amount to a package worth a total of £12 billion. However, the Chancellor was absolutely clear that the government is committed to "continue to monitor the situation" and extend additional support wherever it is needed and "for as long as it is needed".

The fiscal COVID-19 plan provides support for three broad areas:

- Public services
- Individuals
- Businesses

Public Services

The Chancellor announced that it will provide any resources needed by any public services to combat COVID-19.

There are three main components:

- **COVID-19 Emergency Response Fund**

The £5 billion emergency response fund is set aside to ensure:

- The NHS is able to treat COVID-19 patients (including maintaining staffing levels)
- Local authority are able to maintain social care and services for vulnerable people
- Other public services are prepared and protected

The size of the fund will be kept under review as the pandemic unfolds and will be increase as necessary.

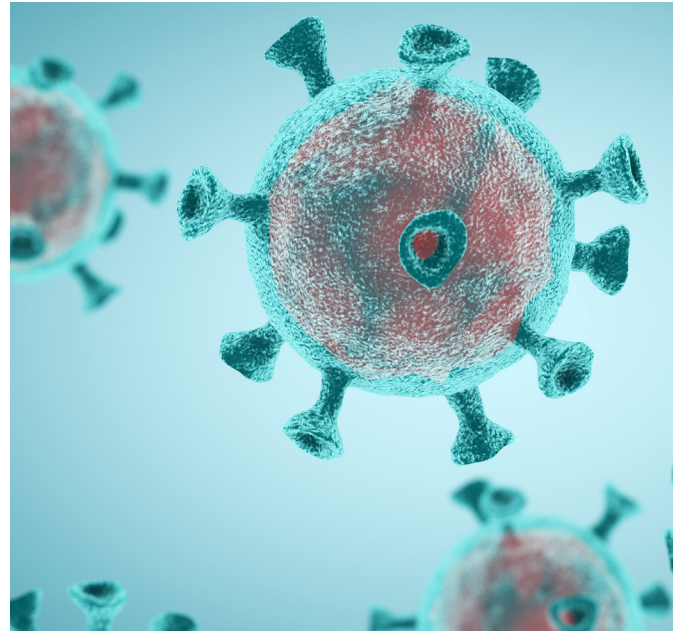
- **Funding for Research and Development**

The National Institute for Health Research and the Department of Health and Social Care will receive £30 million for research into the virus. Public Health England will receive a further £10 million to increase diagnostic testing and surveillance.

A further £91 million has already been pledged by the UK to the international response.

- **International Monetary Fund's (IMF) Catastrophe Containment and Relief Trust Funding**

The UK government has committed up to £150 million to the IMF's efforts to contain the global spread of the disease and to support more vulnerable and less prepared countries with their response.



Individuals

The Chancellor announced special measures to support individuals unable to work because of COVID-19.

The measures are wide-reaching and include:

- **Statutory Sick Pay (SSP)**

SSP will now be available for individuals diagnosed with COVID-19 *and* those self-isolating or who are caring for someone in the same household who is self-isolating. As previously announced, in such circumstances, SSP will be payable from day one of the period individuals are unable to work. A GP "fit note" will not be required for COVID-19 related absence where a notification has been obtained via the NHS111 service.

- **Universal Credit or Employment and Support Allowances**

For those ineligible for SSP (including self-employed and those earning less than £118 per week):

- The Universal Credit Minimum Income Floor will be removed for the duration of the outbreak
- The requirement to attend a Job Centre before making claims for Universal Credit will be relaxed
- Employment and Support Allowance will be payable (from day one) to those eligible who are affected by COVID-19 or self-isolating

- **Hardship Fund**

A new £500 million Hardship Fund is being set-up to help local authorities support economically vulnerable people and households (for example, through measures such as council tax relief).

Businesses

Measures to support businesses experiencing increased costs or cash-flow pressure as a result of COVID-19 also encompasses numerous aspects:

- **Statutory Sick Pay (SSP)**

The enhanced provision of SSP outlined above will normally be borne by employer businesses. However, the government has announced that it will refund small- and medium-sized enterprises (SME) (broadly, any business employing fewer than 250 individuals as of 28 February 2020) in full, for up to two weeks' of SSP paid in respect of any single employee.

- **Business Rates: Business Rates Retail Discount (BRRD)**

The BRRD, which gives certain businesses relief from business rates, will be temporarily increased to 100% for the year 2020 – 2021. It will also be extended to cover both the leisure and hospitality sectors.

The discount will be provided by local authorities and businesses are advised to contact their local authority to claim the discount. The Chancellor confirmed that local authorities would be fully compensated for the costs they incur.

- **Business Rates: Small Business Rate Relief**

The government will also assist smaller businesses that do not pay Business Rates (because they are eligible for Small Business Rate Relief and, so, will not benefit from the enhancements to BRRD) by providing one-off grants of £3,000. The measure will cost £2.2 billion and, again, will be provided via local authorities.

- **Coronavirus Business Interruption Loan Scheme**

The British Business Bank will launch a new loan scheme (worth up to £1 billion) to assist SMEs with access to financial support and credit. Loans up to £1.2 million will be supported. Subject to certain caps, the government will provide lenders with a fee-free guarantee of 80% on any loans or overdraft extended under the new scheme.

- **Tax Liabilities: Time to Pay**

HM Revenue and Customs (HMRC) has set up a new "Time to Pay" helpline – 0800 0159 559 – dedicated to assist businesses and self-employed individuals that are experiencing financial difficulties as a result of COVID-19.

Under Time to Pay, HMRC will support those eligible meeting outstanding tax liabilities. Any assistance or arrangement under Time to Pay is provided on a case-by-case basis and is specific to the facts and circumstances of the business or individual concerned. The government has also announced that HMRC will waive any late payment penalties and interest where a business experiences administrative difficulties paying taxes due to COVID-19.

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