

# Covid-19 measures: 11 and 17 March 2020

Last week's Budget from the new Chancellor, Rishi Sunak, included £7 billion of expenditure targeting the impact of Covid-19 on employees, the self-employed and businesses. Six days later a further raft of measures was announced, amounting to an additional £20 billion of support expenditure plus £330 billion of loan guarantees.

The Chancellor's 17 March [statement](#) was accompanied by a repeated promise that he would do "whatever it takes" to counter the impact of the virus. Further announcements can therefore be expected.

We have pulled together a round-up of the key announcements so far for businesses and individuals including useful links to government sites.

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## Measures for business

### Statutory sick pay (SSP)

Businesses with fewer than 250 employees will be refunded the full cost of providing SSP to any employee off work for up to 14 days because of coronavirus.

### Loan guarantees

In his latest announcement, the Chancellor has vastly extended the government-backed loan guarantee scheme revealed in the Budget. The Government will now provide loan guarantees up to "an initial" £330 billion for *all* sizes of businesses:

- **For large firms**, the Bank of England is launching a [Covid Corporate Financing Facility](#) (CCFF), which "will provide funding to businesses by purchasing commercial paper of up to one-year maturity, issued by firms making a material contribution to the UK economy".
- **For small and medium sized businesses**, the loan limit on the Coronavirus Business Interruption Loan Scheme (originally announced in the Budget at £1.2 million) is now £5 million, with no interest due for the first six months.

Both loan schemes are intended to be "up and running by the start of next week", i.e. from 23 March.

## **Business Rates Retail Discount**

All shops, cinemas, restaurants, music venues and business operating in the leisure and hospitality sectors will have **no** business rates to pay in 2020/21.

On 17 March the Chancellor also promised an additional cash grant of “up to £25,000 per business” to businesses with a rateable value of less than £51,000 – i.e. those that would have benefited from the old version of Business Rates Retail Discount Scheme.

## **Businesses already eligible for small business rates relief**

There will be a flat £10,000 cash grant for each business that already benefits from zero or reduced business rates because of small business rate relief.

## **Insurance cover**

Although the government has not *required* the leisure and hospitality businesses to close, on 17 March the Chancellor said that “for those businesses which do have a policy that covers pandemics, the government’s action is sufficient and will allow businesses to make an insurance claim against their policy”. However, pandemic cover is not a feature of most business disruption cover, a point underlined by the Association of British Insurers in a [statement](#) it issued on 17 March.

## **Off-payroll working in the private sector (IR35)**

Also on 17 March, the Chief Secretary to the Treasury, Steve Barker, said in a statement to the House of Commons that the start date for the new IR35 tax rules would be deferred to 6 April 2021.

## **Time to Pay (TTP)**

In the Budget, the Chancellor announced that HMRC would scale up its Time To Pay service, giving businesses and the self-employed the chance to defer tax payments.

Government guidance for employers and businesses is [here](#).

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## **Measures for individuals**

### **Mortgage holidays**

For people who find themselves in financial difficulties because of coronavirus, mortgage lenders will offer at least a three-month mortgage holiday.

### **Statutory sick pay (SSP)**

SSP is currently paid at the rate of £94.25 a week, rising to £95.85 from April. It is now available to employees from day one, instead of day four, for those who are suffering from the virus or who have been advised to self-isolate. So far there has been no change in the minimum earnings threshold for SSP (£118 a week currently, rising to £120 a week in 2020/21).

### **Individuals ineligible for SSP**

Self-employed and gig economy workers generally do not qualify for SSP. Instead they may be entitled to [Contributory Employment and Support Allowance](#) (ESA – a basic £73.10 a week for those 25 and over, rising to £74.35 in 2020/21).

Covid-19 sufferers and self-isolators will be able to claim the benefit from day one instead of day eight. The minimum income floor in [Universal Credit](#) (UC) has been temporarily removed to ensure that time off work because of sickness is reflected in benefits,.

### **Hardship Fund**

The Chancellor announced in the Budget a £500 million Hardship Fund, which would be distributed to Local Authorities so that they could support the vulnerable.

### **Additional support**

On 17 March the Chancellor announced that he was developing “new forms of employment support to help protect people’s jobs and incomes”. More information should emerge in the coming days.

Government guidance for employees is [here](#).