



## Budget 2020

### Support for those affected by COVID-19

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- The Chancellor has today set out a £12 billion package of temporary, timely and targeted measures to support public services, individuals and businesses through the economic disruption caused by COVID-19.
- The government continues to work closely with the Bank of England and international partners and has announced a three-point plan at the Budget:
  1. **To support public services:**
    - The government will provide any extra resources needed by the NHS and other public services to tackle the virus.
    - A COVID-19 Response fund, initially set at £5 billion, has been created for:
      - The NHS to treat Coronavirus patients, including maintaining staffing levels
      - Local Authority actions to support social care services and vulnerable people
      - Ensuring funding is available so other public services are prepared and protected
    - £40 million of new funding for the National Institute for Health Research and the Department of Health and Social Care to enable further rapid research into COVID-19 and increase the capacity and capability of diagnostic testing and surveillance facilitated by Public Health England. This follows the £91 million that the Government has already pledged to the international response.
    - A commitment of up to £150 million to the International Monetary Fund's Catastrophe Containment and Relief Trust, to help the effort to stop further transmission, including into the UK, and supporting vulnerable countries as they respond to the outbreak.
  2. **To support people affected by COVID-19:**
    - Statutory Sick Pay (SSP) will now be available for eligible individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating in line with Government advice. This is in addition to the change announced by the Prime Minister that SSP will be payable from day 1 instead of day 4 for affected individuals.
    - People who are advised to self-isolate for COVID-19 will soon be able to obtain an alternative to the fit note to cover this by contacting NHS 111, rather than visiting a doctor. This can be used by employees where their employers require evidence. Further details will be confirmed shortly.

- Those who are not eligible for SSP, for example the self-employed or people earning below the Lower Earnings Limit of £118 per week, can now more easily make a claim for Universal Credit or Contributory Employment and Support Allowance:
  - For the duration of the outbreak, the requirements of the Universal Credit Minimum Income Floor will be temporarily relaxed for those who have COVID-19 or are self-isolating according to government advice, ensuring self-employed claimants will receive support.
  - People will be able to claim Universal Credit and access advance payments upfront without the current requirement to attend a jobcentre if they are advised to self-isolate.
  - Contributory Employment and Support Allowance will be payable, at a rate of £73.10 a week if you are over 25, for eligible people affected by COVID-19 or self-isolating in line with advice from Day 1 of sickness, rather than Day 8.
- The government has announced a new £500 million Hardship Fund so Local Authorities can support economically vulnerable people and households. The government expects most of this funding to be used to provide more council tax relief, either through existing Local Council Tax Support schemes, or through similar measures. MHCLG will set out more detail on this funding, including allocations, shortly.

### 3. To support businesses experiencing increases in costs or financial disruptions:

- The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:
  - This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19
  - Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020
  - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
  - Employers should maintain records of staff absences, but employees will not need to provide a GP fit note
  - The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force
  - The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. Existing systems are not designed to facilitate employer refunds for SSP.
- The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21:
  - Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible

- Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount
- Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority
- Guidance for local authorities on the application of the expanded retail discount will be published by MHCLG by 20 March
- The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBRR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.
- A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in a matter of weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £1.2 million in value. This new guarantee will initially support up to £1 billion of lending on top of current support offered through the British Business Bank.
- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed. For Time to Pay support if you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559.
- For more information, please check the HMRC site [here](#).

### **[More information on other COVID-19 support](#)**

- The government's COVID-19 Action Plan can be found here: [gov.uk/government/publications/coronavirus-action-plan](https://www.gov.uk/government/publications/coronavirus-action-plan)
- If you want more information about the situation in the UK, along with guidance for what to do if you think you're at risk:
  - Visit [nhs.uk/conditions/coronavirus-covid-19/](https://www.nhs.uk/conditions/coronavirus-covid-19/) for information about the virus and how to protect yourself
  - Use the NHS 111 online coronavirus service to check if you need medical help
  - Visit [gov.uk/guidance/coronavirus-covid-19-information-for-the-public](https://www.gov.uk/guidance/coronavirus-covid-19-information-for-the-public) for more information