

Budget 2020: Support for those affected by COVID-19



11 March 2020

In light of the continuing impact of the COVID-19 outbreak on UK businesses, individuals and public services, the Chancellor has announced in today's Budget a £12bn package of "temporary, timely and targeted" measures to support those affected by the virus. In addition, the Bank of England has also announced key measures to mitigate the effects on the UK economy. ABTA would encourage Members to speak to their financial advisors about whether these changes will affect them, and whether they could help to temporarily ease the cost of business operations.

For individuals

- 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, and will be payable from day 1 instead of day 4 for affected individuals.
- People who are advised to self-isolate will soon be able to obtain an alternative to the fit note to cover this by contacting NHS 111, rather than visiting a GP. 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 businesses

- For businesses with fewer than 250 employees the cost of SSP for employees off work due to COVID-19 will be refunded in full by the Government for up to 14 days.
- An increase to 100% of the business rates retail discount for properties with a rateable value below £51,000, for one year. The retail discount [already covers](#) properties which provide travel agent services.
- A new temporary [Coronavirus Business Interruption Loan Scheme](#) will be introduced within a matter of weeks, delivered by the British Business Bank, to support businesses to access bank lending and overdrafts. The Scheme will support loans of up to £1.2m in value, and the Government will provide lenders with a guarantee of 80% on each loan, with no fees charged.
- The Government will provide an additional £2.2bn funding for local authorities to support small business 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 help meet ongoing business costs. For a property with a rateable value of £12,000 this is one quarter of their rateable value, comparable to 3 months' rent.
- 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. Businesses should contact HMRC's new dedicated COVID-19 helpline for advice on 0800 0159 559, or online [here](#).
- The Bank of England has also reintroduced the [Term Funding Scheme](#) for SMEs to offer funding at interest rates, or very close to, the benchmark rate. It is expected to last for one year and to provide banks with £100bn in funding to support additional lending, providing insurance for SMEs against any adverse conditions in bank funding markets. Simultaneously, the Bank of England has cut interest rates by half a percentage point to 0.25%, which should help to reduce the cost of borrowing and of floating rate mortgages.

The full list of measures can be found on the Government's website [here](#), and official advice [here](#). The dedicated BEIS business support helpline is 0300 456 3565 (Monday to Friday, 9am to 6pm), or you can email enquiries@businesssupporthelpline.org.

More information: If you have any questions regarding this briefing note, please contact ABTA's Public Affairs Manager, Emma Wade (T: 020 3117 0586; E: ewade@abta.co.uk)