



UK Policy and Legislative update (20 Apr – 22 May)

Workplace Guidance

On 11 May, the Government released guidance to help employers, employees and the self-employed understand how to work safely during the coronavirus pandemic.

There are 8 guides to cover different types of work environments. The Government advises businesses that they may need to use more than one of these guides when thinking through what they need to do to keep people safe. The guides can be found via the following link: <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19>

This guidance will apply for the duration of this first phase of reopening the economy. As the Government continues to open new sectors of the economy, Sharma stated that new guidance will be released on this and the Government will continue to encourage employers and employees to collaborate.

Coronavirus Job Retention Scheme

On 12 May, the Chancellor Rishi Sunak outlined an extension to the Government's flagship Coronavirus Job Retention Scheme, which will now remain in place until the end of October. There will be some alterations to the scheme which come into place from the start of August - these include:

- Employers who are on the scheme now will be able to bring furloughed employees back to work part time.
- Employers will be asked to share the full cost of paying employees' salaries with the Government.

Employees on the scheme will continue to receive the same level of overall support for the entire duration of the scheme as they do now, i.e. 80% of their current salary up to £2.5k per month. Full details on how both of these changes will operate in practice are expected to be published by the end of May.

Coronavirus Large Business Interruption Loan Scheme

Businesses will now be able to benefit from larger loans under the Coronavirus Large Business Interruption Loan Scheme (CLBILS), the government announced on 19 May. The maximum loan size available under the scheme will be increased from £50 million to £200 million to help ensure those large firms which do not qualify for the Bank of England's Covid Corporate Financing Facility (CCFF) to have enough finance to meet cashflow needs during the outbreak. The expanded loans, which have been



introduced following discussions with lenders and business groups, are available from 26 May.

Companies borrowing more than £50 million through CLBILS will be subject to restrictions on dividend payments, senior pay and share buy-backs during the period of the loan, including a ban on dividend payments and cash bonuses, except where they were previously agreed. These restrictions will also apply to CCFF participants that wish to borrow money beyond 12 months from today. This will ensure that the money is used to keep the company going through the crisis. The Bank will also publish a list of companies who have benefitted under CCFF on 4 June. Further information can be found here: <https://www.gov.uk/government/news/larger-businesses-to-benefit-from-loans-of-up-to-200-million>.

Economic Update

The Chancellor, Rishi Sunak has stated that, “it’s now very likely the UK economy faces a significant recession”. Official statistics show that overall UK GDP dropped by 2% in the whole first quarter of 2020 from January to March 2020. The 2% drop in GDP is not as big as the 3.0pc decline assumed in the Bank of England’s (BoE) Monetary Policy Report but is still huge.

The Office for National Statistics (ONS) also revealed that industrial production fell by 4.2% between February and March 2020. All but one of the 20 sub sectors of the UK economy saw a decline in the last quarter, public administration and defence was the exception. The Bank of England predict the second quarter will be the worst on record.

The ONS has also published research on Coronavirus and the impact on output in the UK economy in March 2020 alone. It reveals that the decline in GDP in March 2020 of 5.8% occurred within that single month. By comparison, during the global financial crisis, from the peak in February 2008 to lowest point of March 2009, a total of 13 months, GDP contracted 6.9%.

The Government has established 5 taskforces to look at how to reopen the economy in the following sectors;

1. pubs and restaurants.
2. non-essential retail (including salons).
3. recreation and leisure, including tourism, culture and heritage, libraries, entertainment and sport.
4. places of worship, including faith, community and public buildings.
5. international aviation.



The taskforces will look at three things:

1. Ensure that COVID-19 secure guidelines are developed in line with the phased approach and public health directions, building on the existing guidance and providing intelligence and sector-specific expert input.
2. Agree and ensure alignment of all relevant sectoral guidance.
3. Provide key sector stakeholders direct access to Ministers to shape the guidance.

For each of the 5 sectors how they reopen will be considered as part of Step 3 in the plan to end the lockdown. Businesses wanting to engage around this should do so through the taskforce.

In other news

The self-employed Government support scheme opened on 13 May, a few weeks earlier than planned. Millions are expected to benefit from the scheme with payments to be paid in a single instalment covering three months and capped at £7,500. Everyone eligible for the SEISS, will be able to receive the government grant by 25 May, or within six days of a completed claim.

The Education Secretary has resisted trade union calls to postpone the opening of schools, set to take place at the beginning of June saying the move was “right and responsible.”

The housing market has taken its first steps to being opened as people can now visit other homes for viewings whilst observing social distancing rules.

Office for Budget Responsibility (OBR) Statistics:

- According to the [latest OBR statistics](#), the measures that the Government have set out to protect the economy during the coronavirus crisis are forecast to cost £123bn for the current financial year.
- The OBR said it also estimates that the direct impact of policy measures, such as the furlough scheme, will raise cash borrowing by £103.7bn for the year.
- The OBR has estimated that a three-month lockdown, followed by a partial lifting for three months, would necessitate public sector borrowing of £298.4bn. This is a £25.5bn increase on the forecast from last month.
- Furthermore, the OBR estimates that the UK economy is likely to contract by 35% in the second quarter of 2020 but is likely to bounce back quickly.



Recovery strategy

On 11 May, the Government published what it terms a “cautious roadmap” to easing existing lockdown measures in England, subject to successfully controlling coronavirus and being able to monitor and react to its spread. The roadmap, called [Our plan to rebuild: The UK Government’s Covid-19 recovery strategy](#), is split into three phases of lifting restrictions and will be kept under constant review by government as the epidemic develops.

The document sets out how the Government will need to steadily redesign current social distancing measures with new, smarter measures that reflect the level of risk at that point in time – and carefully wind down economic support schemes while people are eased back into work. Three main factors will be considered by government in doing this: health effect, economic effect and social effect.

The document confirms that as the UK exits phase one of the response – the initial lockdown period which began on 23 March, the Government will move through two further phases: smarter controls followed by reliable treatment. Smarter controls will be developed and announced in periodic ‘steps’ over the coming weeks and months (as set out below) and seek to maximise the pace at which restrictions are lifted while maintaining the option to reimpose restrictions should there be a rise in transmissions.

Restrictions will be eased depending on the infection risk at each point, and the effectiveness of the Government’s mitigation measures like contact tracing. The effect of each adjustment will be monitored closely by the Government in order to gauge the appropriate next step, and when this should happen. Key to this is the Government’s ‘five tests’ which will be used as a basis for adjusting any measures.

Over time, the Government intends for social contact to be made less infectious by:

- Making contact safer – including by redesigning public and workspaces, and those with symptoms self-isolating.
- Reducing infected people’s social contact by using testing, tracing and monitoring of the infection.
- Stopping hotspots developing by detecting infection outbreaks at a more localised level and rapidly intervening with targeted measures.
- The Government has also published the following accompanying guidance:
- [Staying alert and safe \(social distancing\)](#)
- [Staying safe outside your home](#) – this is also contained within Appendix A of the roadmap document



Transport Guidance

The Government has published [guidance](#) on safer travelling for passengers. It provides guidance around how passengers should make journeys safely on all forms of transport, including walking, cycling, public transport, taxis and by car. Notably, it confirms that passengers on public transport should “wear a face covering if you can”.

The guidance, in line with the Government’s messaging, continues to urge the public to work from home if they can and avoid public transport where possible to reduce pressure on the network. It also suggests that those who have to travel to work should consider changing their travel habits to cycle, walk or drive to work instead of using public transport. The public are also urged to avoid rush hour travel where feasible.

Government announcements

- The Government has updated its [guidance](#) for schools, students and parents on how GCSE, AS, A level, vocational and technical qualifications will be graded and awarded in summer 2020.
- The Government has updated its [guidance](#) on coronavirus testing, to include what to do if a care home suspects a resident has coronavirus symptoms.
- The Government has updated its [guidance](#) to reflect that children of critical workers are encouraged to attend school, and to reflect plans for wider opening of schools from 1 June, at the earliest.
- The Government and the Home Building Federation have co-produced a [Charter](#), committing signatories to safe working whilst COVID-19 remains prevalent.
- A [Q&A](#) has been jointly produced by the Financial Reporting Council and the Department for Business, Energy and Industrial Strategy to provide companies with additional information upon which to plan activities over the coming months. in respect of Company filings, AGMs and other general meetings during Covid-19.
- The Government has also [announced](#) additional information on changes to insolvency laws to assist those companies for which COVID-19 restrictions make it difficult to meet statutory obligations to hold meetings and to file documentation on the Companies Register.
- Trade Credit Insurance Guarantee [was announced](#) by the Economic Secretary to the Treasury, John Glen MP.
- The government has amended the [COVID-19 regulations](#) to make clear that people who wish to move home can do so. This guidance provides important public health information to ensure that moving home and key activities around this, such as viewing property, can happen safely.
- A new [Charter](#) has also been launched by the government and the Home Builders Federation, helping construction sites reopen in line with latest health and safety guidance.
- New [guidance on spending time](#) outdoors in England.
- New [partnership to sequence](#) human genomes in fight against coronavirus.



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- New [guidance on holiday entitlement and pay](#) during coronavirus to cover areas where it differs to the usual statutory holiday entitlement.
- [Guidance for further education \(FE\) providers](#) on maintaining education and skills training, changes to funding arrangements, data collections and assessment.
- [Information on the different types of testing kits](#) that are available and the manufacturer specifications.