

Covid-19 Bulletin

20 April 2020



Job Retention Scheme extended by one month to the end of June

On Friday, the Chancellor announced a one-month extension of the Coronavirus Job Retention Scheme. In his announcement, Chancellor of the Exchequer Rishi Sunak said:

“With the extension of the coronavirus lockdown measures yesterday, it is the right decision to extend the furlough scheme for a month to the end of June to provide clarity.

“It is vital for people’s livelihoods that the UK economy gets up and running again when it is safe to do so, and I will continue to review the scheme so it is supporting our recovery.”

The online system, enabling employers to claim towards furloughed staff’s wages, opened today and is said to be able to process up to 450,000 applications per hour.

To receive payment by 30 April, you will need to complete an application by 22 April. Employers should receive the money within 6 working days of making an application. Members are advised to keep a note or print-out of their claim reference number as they won’t receive a confirmation SMS or email.

The Government has also published a [step by step guide for employers](#), as well as a [calculator to help you work out your claim](#).

Traffic to the site is very busy and the Government has provided a [tracker](#) that monitors it and updates you on availability.

BVRLA responds to FCA's coronavirus forbearance guidance

The BVRLA has urged the FCA to work with government in developing a co-ordinated strategy on motor finance forbearance during the COVID-19 crisis.

The association has today responded to FCA's draft guidance on motor finance, which said that leasing companies must offer a three-month payment freeze or another alternative which is in the best interests of the customer.

While welcoming the flexibility within the guidance, the BVRLA uses its response to make the case for a comprehensive approach from government and regulators that:

- Underwrites the full economic loss resulting from coronavirus forbearance
- Relaxes the constraints of meeting Consumer Credit Act administrative requirements
- Ensures that bank covenants don't stop lease companies providing forbearance
- Delivers a clear message to consumers that a three-month payment deferral is not the automatic response to every forbearance request

[The BVRLA's full response can be downloaded from our website.](#) The FCA is expected to publish its final guidance shortly.

£1.25 billion support package announced for innovative firms

Today, the Chancellor has announced a [£500 million Future Fund](#) designed to ensure high-growth companies across the UK receive the investment they need to continue during the crisis. In addition, £750 million of grants and loans will be available to SMEs focusing on research and development.

Delivered in partnership with the British Business Bank and launching in May, the Future Fund will provide UK-based companies with between £125,000 and £5 million from the government, with private investors at least matching the government commitment. These loans will automatically convert into equity on the company's next qualifying funding round, or at the end of the loan if they are not repaid.

To be eligible, a business must be an unlisted UK registered company that has previously raised at least £250,000 in equity investment from third-party investors in the last five years.

The scheme, which will initially be open until the end of September, will be kept under review.

Concerns around forfeiting commercial leases if rent is not paid.

The BVRLA has sent an urgent letter to the Business Secretary, Alok Sharma, raising concerns on loopholes in the Coronavirus Act 2020 legislation in relation to the forfeiting of commercial leases if rent is not paid.

The association is concerned that, although the legislation restricts landlords from terminating the lease if rent is not paid, landlords are not prohibited from:

1. Issuing a statutory demand that requires payment within 21 days, or the possibility of a court instructing that a business be wound-up;
2. Issuing debt recovery proceedings where a landlord is likely to obtain a default judgement within one month of serving the proceedings. This would be immediately enforceable by enforcement agents/bailiffs; and
3. Initiating Commercial Rent Arrears Recovery (CRAR) which enables a bailiff to attend the premises and seize assets upon expiry of a seven-day notice. The CRAR is a major risk for vehicle rental operators who have many valuable assets on site (i.e. vehicles).

In its letter, the BVRLA has urged the Government to close these loopholes to protect businesses and apply restrictions on forfeiture to the other legal remedies that landlords can still use.

RIDDOR advice updated to include Covid-19

RIDDOR, (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013), has been updated to include new advice of the reporting of COVID-19.

This follows a joint statement from the HSE, CBI and TUC saying that businesses staying open during the coronavirus must guarantee safe working conditions including social distancing.

You must only make a report under RIDDOR when:

- an unintended incident at work has led to someone's possible or actual exposure to coronavirus. This must be reported as a dangerous occurrence.
- a worker has been diagnosed as having COVID 19 and there is reasonable evidence that it was caused by exposure at work. This must be reported as a case of disease.
- a worker dies as a result of occupational exposure to coronavirus.

Read more on RIDDOR reporting of Covid-19 on the [Health & Safety Executive website](#).

Government pledges extra £1.6 billion for councils

[Councils across England will receive another £1.6 billion](#) in additional funding as they continue to respond to the coronavirus pandemic. This takes the total funding to support councils to respond to the pandemic to over £3.2 billion.

This will mean an extra £300 million for the devolved administrations, £155 million for Scotland, £95 million for Wales and £50 million for Northern Ireland.