

### **Economic scenario by the OBR predicts tough times ahead**

The Office for Budget Responsibility has [published an economic scenario](#) based on an assumption that there will be a three-month lockdown followed by another three-month period where measures are partially lifted.

The OBR, created in 2010 to provide independent and authoritative analysis of the UK's public finances, does not attempt to predict how long the economic lockdown will last – that is a matter for the Government, informed by medical advice. It does, however, aim to illustrate some of the potential fiscal effects of the coronavirus crisis on the UK economy.

For now, the assumption is that there will be an economic shock with real GDP falling 35 per cent in the second quarter, but bouncing back quickly. The scenario also sees unemployment rising by more than 2 million to 10 per cent in the second quarter.

If the scenario proves to be correct, then lockdown would end around mid-June and restrictions would end mid-September. Actual timescales will depend on how successful the public health measures are in containing the outbreak.

### **Self-Employment Income Support Scheme**

Updated guidance has been released for the government's Self-employment Income Support Scheme (SEISS), providing further clarity on the [claiming of grants](#) and [how HMRC will work out total income and trading profits](#).

Updates to the guidance cover:

- Detail of the treatment of losses, averaging and multiple trades
- Clarifications on the calculation of self-employed profits and what is meant by total income
- Confirmation that individuals can continue working, including taking on employment
- Confirmation that owner-managers of Ltd companies can access the Coronavirus Job Retention Scheme for their salary
- Confirmation that individuals can access Universal Credit and the Self-employment Income Support Scheme
- Clarification on overlaps between the Self-employment Income Support Scheme and Coronavirus Job Retention Scheme (e.g. you can claim the SEISS and continue working).

### **Coronavirus Job Retention Scheme**

Updated guidance has been released for the government's Coronavirus Job Retention Scheme to provide further clarity on [checking eligibility](#) for the scheme and [how to claim](#).  
Updates to the guidance cover:

- Confirmation of what should form the basis for furlough pay for employees furloughed on return from (maternity/paternity/shared parental/adoption/sick/parental bereavement) leave;
- Confirming employees subject to TUPE transfer/ business reorganisation/ payroll consolidation can be furloughed
- Confirming position for contractors in scope of IR35 in the public sector
- More information on what information employers need to claim the grant
- Clarifying circumstances where an employee shouldn't be furloughed by multiple employers

### **BVRLA calls for support to help members offer forbearance**

The BVRLA has stepped up engagement with policymakers and regulators to ensure that all members have access to government funding support and are able to offer forbearance to their customers facing financial difficulties.

This comes in a week when Financial Conduct Authority (FCA) is expected to publish a consultation on motor finance forbearance required due to the COVID-19 outbreak and the Treasury Select Committee is assessing the government's COVID-19 financial support packages.

Toby Poston, BVRLA Director of Corporate Affairs said: "We have had briefings with the Treasury Consumer Credit Team, the FCA Motor Finance team and Treasury Select Committee. We have also written a [letter to the HM Treasury Financial Secretary, Jesse Norman MP](#).

"In conjunction with our colleagues at the Finance & Leasing Association, we have been suggesting ways in which the Government's financial support packages can get through to the non-bank owned parts of the vehicle leasing sector. The policymakers and regulators we have spoken to are really keen to help and we have been providing feedback from BVRLA members on what kind of assistance their customers need."