

City of London Corporation

Member Briefing - Support for Businesses

This document provides an overview of the City's response to COVID-19 in support of businesses as of 7 May 2020 and covers the following areas:

- TFL: Survey of businesses
- Overview of business support in response to COVID-19
- Latest Government Initiatives
- City Support for SMEs
- City Support for Business Tenants
- Serviced Office Sector
- Work to support UK-based Financial and Professional Services firms
- Further Information

TFL: Survey of businesses to help inform their plan to assist with the return to work

Transport for London has asked the City of London Corporation to encourage businesses to complete a survey to help inform its plans to assist with the return to work after the COVID-19 restrictions are eased. Please feel free to pass on to constituents in your Ward.

Transport for London is planning to get London moving and working again, safely and sustainably. As part of a phased return to work once the current COVID-19 restrictions begin to be lifted we will need to manage demand on the network and protect the journeys of key workers and other essential journeys. To help us, we are seeking insight into the challenges and opportunities for your business and employees. We would be very grateful if you could kindly spare 3-5 minutes to complete this short [business survey](#). Your response will be anonymous and held in confidence. Please share this widely with other business contacts you have before this survey closes at 17:00 on THURSDAY 14 MAY 2020.

Overview of Business Support in response to COVID-19

Framework of our three "Ss" – **Supporting** in the immediate crisis, **Sustaining** the economy through it and helping **Speed** the recovery.

Our work covers providing direct support for SMEs in the Square Mile and relevant tenants in our property portfolio and working to support the financial and professional services sector across the UK.

The **Silver Business and Economy Group** – which ensures coordination of approach across all Corporation activities - is also looking at the financial projections of the impact of the crisis on the Corporation's finances, identifying risks and mitigations for Port Health, commercial events, independent schools and our cultural and visitor attractions. Part of this includes preparation for the recovery.

Signposting via our website information to businesses on all support available from central government (e.g. Job Retention Scheme), as well as advice from third party business groups.

The Chair of P&R and the Lord Mayor have also committed to actively contact business owners by email, engaging them, directing them to our website and inviting them to contact their local Members with any matters they wish to bring to the City's attention.

Latest Government Initiatives

The Government have now introduced [Bounce Back Loans](https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/), where businesses will be able to borrow up to 25% of their annual turnover (up to £50,000) and access the cash within days. Loans will be interest free for the first 12 months and have a 100% government-backed guarantee for lenders. This scheme is being delivered through commercial lenders, backed by the British Business Bank. The full rules of the scheme and the list of accredited lenders are available on the British Business Bank website

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/>

The **Job Retention Scheme portal** went live on Monday 20 April, allowing companies that have been effected by COVID-19 to place their staff on furlough and claim back 80% of wages from the Government. The scheme is being administered by HMRC and payments should start 6 working days after registration, coinciding with 'Payday week' for most companies. The scheme has also been extended for another month to the end of June, avoiding a potential cliff-edge on 18 April 2020 where companies would have had to start redundancy proceedings.

<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

Government has launched a **new coronavirus business support finder tool**. The new online platform helps businesses easily access the financial support they are eligible for during the coronavirus pandemic. A simple questionnaire takes business owners under a minute to complete and will signpost them to relevant government financial support. <https://www.gov.uk/government/news/government-launches-new-coronavirus-business-support-finder-tool>

On Monday 20 April, the Chancellor announced a **package of support for UK Start-ups**, consisting of a £250million commitment to a £500million fund that would invest in high-growth private companies that needed money and £750million in grants and loans available to SME's focusing on Research and Development. BEIS have worked in conjunction with Innovate UK to provide set up these schemes.

<https://www.gov.uk/government/news/billion-pound-support-package-for-innovative-firms-hit-by-coronavirus>

City Support for SMEs

The support being provided to SMEs in the Square Mile includes:

- Direct **business rate relief** for all eligible businesses – **all rate relief has been successfully applied**. Bills issued prior to 1 April 2020 and therefore no payments collected.
- **Payment of government grants** to all eligible businesses – payment of grants has commenced last week. The City has approximately 1000 qualifying properties. We estimate that we will pay out about £17m in total and we have received about £15m in advance from government. **We have now paid over 90% of the grants**. We continue to make payments on a daily basis. The grant

scheme requires a declaration that State Aid does not apply to the individual company and we also in many cases require bank details to enable payment of the grant. We have now paid all those businesses that have returned the form up to and including 27th April. We have also sent out a reminder e-mail to those that may be eligible but have yet to respond. Clearly many people will not be able to access the business address and we will try and contact these businesses by phone to encourage them to claim the grant.

- The **Coronavirus Business Interruption Loan Scheme** initially supported SMEs with a turnover of up to £45million with access to working capital (including loans, overdrafts, invoice finance and asset finance) of up to £5 million in value and for up to six years. The government will pay to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will not face any upfront costs and will benefit from lower initial repayments. 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. On the 2nd April a separate scheme was announced covering businesses with a turnover of between £45 and £500 million. This scheme also provides government backed loans with an 80% guarantee, however there is no interest free period. Both schemes are being delivered through commercial lenders, backed by the British Business Bank.

City Support for Business Tenants

The City of London Corporation has agreed to **defer one quarter's rent** for a range of tenants struggling as a result of the COVID-19 outbreak. The move – which applies to City Corporation directly managed premises and full repairing insuring leases – will enable tenants to defer rent applicable to either the March 2020 quarter or the June 2020 quarter, provided they belong to one of the following categories:

- All retail tenants with the exception of supermarkets, pharmacies, banks and building societies;
- All leisure tenants;
- All food and beverage tenants;
- Serviced office tenants;
- Certain small office tenants.

Tenants will be allowed to repay the deferred quarter's rent over 12 months from the end of September 2020 to end of September 2021. No late interest will be charged.

These measures will be reviewed at the City Corporation's next Property Investment Board on 26th May 2020 and at the end of June 2020.

Serviced Office Sector

Generally the serviced office provider takes responsibility for paying the business rate bill. This could prevent some businesses being able to access the grant payment schemes.

In order to be eligible, the Serviced Office must have already been split into individual assessments by the Valuation Office Agency and the individual company must be the sole occupant of that assessment and in occupation on 11th March 2020.

Where a small business is operating from a serviced office and has already claimed SBRR they will be able to qualify for the grant money. As the application for SBRR has to be made by the individual business we have their details and we have already been making grant payments to these businesses. Payments are being made directly to the individual business and not the serviced office provider.

We also recognise that this is not universal and that some businesses operating within a serviced office may not have already claimed SBRR. Therefore, we intend to accept that any business that believes they should be entitled to SBRR and were in occupation on the qualifying date can make a retrospective claim. Providing they qualify for SBRR we will pay these companies the Small Business Grant.

Work to support UK-based Financial and Professional Services firms

Virtual Engagement Programme: Innovation and Growth and Mansion House have set up a “virtual engagement programme” which sees the Lord Mayor and CPR speaking to over 100 key City firms, overseas investors and partner organisations in the UK and around the world about the impact of COVID-19 UK’s recovery and identify areas for cooperation. Intelligence from these discussions is being fed into HMG and is also helping to inform IG’s work to assist the economic recovery in the long term.

- **BAU:** continuing our work on Green Finance and preparations with business and government for delayed COP26, as well as FinTech review for HMT. London and the UK’s recovery will be dependent on our role as a centre for innovation – our strategy for FPS remains valid.
- Transferring some international ‘visits’ into virtual visit, eg New York and Washington in May.

Trade Associations: CPR is chairing a fortnightly meeting with FPS trade associations to share insight and intelligence, and coordinate engagement with HMG.

Recovery discussions: The Lord Mayor hosted a call with a range of sectors across the UK including: FPS, utilities and not-for-profit to discuss their plans for recovery. All organisations were concerned about the health and safety of their staff in planning a physical return to work.

Further Information

The dedicated [Support for Businesses](#) webpage provides additional information on the following areas:

- Coronavirus Job Retention Scheme
- VAT payments
- Support for Businesses who are paying sick pay to employees
- Other support and more information available for businesses
- How businesses can support the fight against COVID-19
- Other Advice and Information from Business and Trade Associations

Useful links

[COVID-19: latest information and advice](#)

[COVID-19 Symptoms](#)

[Public Health England guidance for Employers and Business](#)

PHE guidance on [self-isolation](#)

[COVID-19: What is self-isolation and why is it important?](#)

[Self-isolation advice](#)

[NHS 111 telephone service or online assessment.](#)

Employee Assistance Programme: 0800 0305 182 (This is also open to Members as well as staff)

[Information about contact tracing](#)

If I have any further queries, comments or suggestions, who do I contact?

Please contact Covid19Members@cityoflondon.gov.uk.