

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 21 April 2020 and covers the following areas:

- 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

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.

Latest Government Initiatives

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 nearly paid 50% of the grants and expect to have the vast majority paid by early next week**. We are making 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 sent out by e-mail a very light touch form for businesses to complete and return by e-mail. Clearly many people will not be able to access the business address so we hope that by also e-mailing the form we will be able to speed up the process but where an e-mail address was not available the form has been sent to a correspondence address. Any company that qualified for the Small Business Rate Grant of £10K and where we already held bank details has now received their grant into their bank account. They have not needed to return a form.
- 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

The Serviced Office sector e.g. Wework, and how the grants scheme applies has been considered as generally the serviced office provider takes responsibility for paying the business rate bill. In many cases we do not have details of the individual businesses that operate from serviced offices. This could prevent some businesses being able to access the grant payment schemes.

However, serviced office providers in many cases have reduced their overall business rate bill by encouraging qualifying tenants to claim the Small Business Rates relief (SBRR). Where a small business is operating from a serviced office and has 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 they will be included within the grant payments we make. Payments are being made 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 claimed SBRR. Therefore, we intend to accept that any business that believes they should have been entitled to SBRR and were in occupation on the qualifying date can make a retrospective claim. Providing they qualify we will pay these companies the grants.

Work to support UK-based Financial and Professional Services firms

Virtual Engagement Programme: Innovation and Growth and Mansion House are setting up a "virtual engagement programme" focussing on key investors into the UK, and initially on four principal geographic areas – US, China, Japan and Europe. This involves the Lord Mayor and/or CPR holding "virtual" meetings with senior representatives. To discuss impact of COVID-19 on their businesses, to discuss the UK's recovery and identify areas for cooperation.

- Initially 40 firms, it has now been extended to 100.
- **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.

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.