



14.04.2020

KEY ANNOUNCEMENTS

Chancellor Rishi Sunak began today's session by responding to the Office for Budget Responsibility's (OBR) report on how the government's financial support measures could impact the economy and public finances.

Mr Sunak appeared with Professor Stephen Powis, the National Medical Director of NHS England, and Professor Yvonne Doyle, medical director and director of health protection for Public Health England.

The main announcements this evening were:

- The economic impacts of the government's interventions are significant, though the Chancellor, like the OBR, expects the impacts to be temporary, with a relatively swift bounce-back to follow when we exit the pandemic.
- The Chancellor believes the cost of not intervening would be far worse for public finances than the cost of the support being given.
- The online portal for the Coronavirus Job Retention Scheme for furloughed employees is planned to open for applications on 20 April.
- Progress has also been made on the government's other business support schemes and the government continues to review these to see what further improvements can be made to them.
- The Chancellor remains committed to a programme of levelling up and investment in infrastructure to help 'right the ship' when the crisis has passed, though will not be drawn on writing future budgets now.
- Work is underway to speed up the collection of data on deaths outside of hospitals, although logistical challenges exist for the swift gathering of data from non-hospital institutions such as hospices and care homes.

- Different techniques are used to collect and report statistics in other countries affected by COVID-19 and these can present challenges when making international comparisons, such as when comparing the number of deaths resulting from the virus.
- The chief medical officers of the four nations of the UK work very closely together to coordinate responses to PPE requirements and suggestions in the press today that England was being prioritised are 'rubbish'.
- The government remains committed to the timeline it set for concluding negotiations on its future relationship with Europe by the end of this year.

Elsewhere in COVID-19 news....

Commercial landlords are reportedly attempting to exploit a loophole in the government's Coronavirus Act 2020 to threaten some gyms and leisure centres with eviction for the non-payment of rent.

LEGAL IMPLICATIONS

BUSINESS

1. When will employers be able to obtain financial support for their furloughed employees?

[As per previous government announcements](#), employers who cannot maintain their current workforce because their operations have been severely affected by COVID-19 will be able to apply for a grant that covers 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and pension contributions on the subsidised furlough pay.

The scheme is temporary and is initially expected to be in place for three months (starting 1 March 2020), although the applications process is yet to open for employers to obtain the financial support they require.

However, Mr Sunak announced tonight that the online portal is planned to open 'on or around' 20 April, though it will take several days from an employer submitting their application to them receiving their payment. This is because time is needed to complete the necessary fraud checks and to process the payments. Nonetheless, Mr Sunak expects those businesses that apply when the portal opens on 20 April to receive their payments by the end of the month.

To be eligible, employers must have created and started a PAYE payroll scheme on or before 28 February 2020, have [enrolled for PAYE online](#) and have a UK bank account.

Any entity with a UK payroll will be able to apply, including businesses, charities, recruitment agencies and public authorities.

[Further information](#) on the scheme's requirements and restrictions can be found online on the GOV.UK website.

2. Can businesses be forced out of their properties in spite of the protections under the Coronavirus Act 2020?

Section 82 of the Coronavirus Act 2020 ("the Act") protects commercial tenants by preventing landlords from forfeiting a lease or re-entering premises until 20 June 2020 (or longer if the government deems it necessary) for the non-payment of rent.

However, the trade body, UKActive, has [today announced](#) that it has urged the government to take further steps to ensure that landlords do not exploit loopholes within the Act. UKActive has reported that landlords of gyms and health centres are using other means of evicting non-paying tenants, for example by serving them with statutory demands or issuing Commercial Rent Arrears Recovery ("CRAR") procedures. David Lloyd Leisure (owner of the David Lloyd Clubs) is one of the companies to be threatened with such action by their landlords.

As well as asking the government to prevent landlords from taking such action, UKActive has also asked the government to provide financial assistance to landlords, allowing tenants to take advantage of a "rent holiday".

This is an issue that is not limited to the fitness industry and businesses from all industries will eagerly await the government's response. Indeed, it is likely other industries will make similar requests to the government. How the government responds is yet to be seen, but it is unlikely, given the already wide-ranging loans and schemes available, it will be willing to provide more financial assistance to businesses. Although, as the Chancellor said at today's briefing, the government is constantly reviewing the situation.

What is clear though is that, with statutory demands and winding-up proceedings looming large over multiple businesses as a result of the non-payment of rent, the government will need to respond imminently.

DISCLAIMER

The above is not intended to be legal advice. Specialist advice should be sought for individual cases where necessary.

36 Commercial Key Contacts:

Steven Newbery (Commercial Practice Manager)

steven@36commercial.co.uk

Tel: +44 (0) 207 421 8051

Mobile: 07786 023 245

George Scanlan (Commercial First Junior)

George@36commercial.co.uk

Tel: +44 (0)202 421 8051

<https://36group.co.uk/commercial>