Coronavirus Guidance Webinar
23rd March, 2020

The webinar will be starting shortly
Agenda

• BESA Support
• Coronavirus Job Retention Scheme
• Pension contributions
• Procurement Policy Note - Supplier relief due to COVID-19
• Q&A
SUPPORT FROM BESA

• www.thebesa.com/covid19
• New email for queries: covid19@thebesa.com
• Support via your regional manager and our member support teams – www.thebesa.com/contact
• Daily broadcast – email invitations will be going out
Coronavirus Job Retention Scheme & Pensions
Current government initiatives

A Coronavirus Job Retention Scheme:
• deferring VAT and Income Tax payments
• a Statutory Sick Pay relief package for SMEs
• a 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
• small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
• grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
• the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
• a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
• the HMRC Time To Pay Scheme
Coronavirus Job Retention Scheme

What is it and what will it cover?

The Coronavirus Job Retention Scheme will be a government grants – to reimburse employers for 80% of furloughed workers wage costs, to a cap of £2,500 per month.

The scheme will be:

- Backdated to March 1st
- Open initially for at least three months but extended ‘for longer if necessary’

Eligibility

All UK businesses.
Coronavirus Job Retention Scheme

Total funding pot available
As per the Chancellor’s speech “I am placing no limit on the amount of funding available for the scheme. We will pay grants to support as many jobs as necessary.”

Scheme administration
The Scheme will be administered by HMRC
1. Designate affected employees as ‘furloughed’
2. Notify employees of this change
3. Submit information to HMRC via new portal

The grant is a reimbursement to the employer therefore the employer will make the wage/ salary payment to the furloughed worker and then be reimbursed by HMRC.
The Pensions Regulator has made it clear that employers need to continue contributing. They will take a proportionate and risk-based approach towards enforcement decisions but encourage Employers experiencing difficulties to contact them on 0345 600 1011.
Clarification required

- Which employees qualify and how the scheme works for those with irregular hours, zero-hour contracts etc.
- Is the scheme available where the employee has not been completely furloughed, but is only partially active or has a reduced workload?
- How long employers will have to wait to receive payment?
- Does the employer have to cover the additional 20% of pay?
- Will the amounts covered be subject to PAYE and NIC?
Procurement Policy Note - Supplier relief due to COVID-19
**Action**

- Put in place the most appropriate payment measures to support supplier cash flow; this might include a range of approaches such as forward ordering, payment in advance/prepayment, interim payments and payment on order (not receipt).

- If the contract involves payment by results then payment should be on the basis of previous invoices, for example the average monthly payment over the previous three months.

- Open book basis and make cost data available They should continue to pay employees and flow down funding to their subcontractors.

- Ensure invoices submitted by suppliers are paid immediately on receipt (reconciliation can take place in slower time)
Who?

All contracting authorities, including:

- central government departments,
- executive agencies,
- non-departmental public bodies,
- local authorities,
- NHS bodies and the wider public sector (excluding Devolved Administrations).
Timing

• With immediate effect until 30 June 2020
• This consent is capped at 25% of the value of the contract and applies until the end of June 2020
Please ask your questions now in the questions panel
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