

# Larger businesses to benefit from loans of up to £200 million

- loans under the expanded scheme will be made available to large businesses affected by coronavirus from next week
- changes also mean companies receiving help through CLBILS and the Bank of England's Coronavirus Corporate Financing Fund will be asked to agree to not pay dividends and to exercise restraint on senior pay

Businesses will be able to benefit from larger loans under the Coronavirus Large Business Interruption Loan Scheme (CLBILS), the government announced today.

The maximum loan size available under the scheme will be increased from £50 million to £200 million to help ensure those large firms which do not qualify for the Bank of England's Covid Corporate Financing Facility (CCFF) have enough finance to meet cashflow needs during the outbreak.

The expanded loans, which have been introduced following discussions with lenders and business groups, will be available from 26 May.

John Glen, the Economic Secretary to the Treasury, said:

We're determined to support businesses of all sizes throughout this crisis and our loans and guarantees have already provided over £32 billion to thousands of firms.

Today we're increasing the maximum loan to £200 million to make sure companies get the help they need.

Businesses have benefitted from over £32 billion in loans and guarantees to support their cashflow during the crisis. This includes 268,000 Bounce Back Loans worth £8.3 billion, 36,000 loans worth over £6 billion through the Coronavirus Business Interruption Loan Scheme, and £359 million through the Coronavirus Large Business Interruption Loan Scheme, alongside £18.7 billion through the CCFF.

Companies borrowing more than £50 million through CLBILS will be subject to restrictions on dividend payments, senior pay and share buy-backs during the period of the loan, including a ban on dividend payments and cash bonuses, except where they were previously agreed.

These restrictions will also apply to CCFF participants that wish to borrow money beyond 12 months from today. This will ensure that the money is used to keep the company going through the crisis. The Bank will also publish a list of companies who have benefitted under CCFF on 4 June.

## Further Information

- borrowers under CLBILS will be able to borrow up to 25% of turnover, up to a maximum of £200 million
- lenders who wish to offer larger loans will need to undergo further accreditation checks

The restrictions in place will include:

- Dividends: Borrowers cannot make any dividend payments
- Share buyback: Borrowers agree any share buybacks
- Executive pay: Borrowers cannot pay any cash bonuses or award any pay rises to senior management (including the board) except where they were a) declared before the CLBILS loan was taken out, b) is in keeping with similar payments made in the preceding 12 months, and c) does not have a material negative impact on the borrower's ability to repay the loan.

Further information on CLBILS can be found:

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

Further information on CCFF can be found:

<https://www.bankofengland.co.uk/markets/covid-corporate-financing-facility>

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## [UK Global Tariff backs UK businesses and consumers](#)

The Government has this morning (19 May) announced the UK's new MFN tariff regime, [the UK Global Tariff \(UKGT\)](#). This will replace the EU's Common External Tariff on 1 January 2021 at the end of the Transition Period.

Our new tariff is tailored to the needs of the UK economy. It will support the economy by making it easier and cheaper for businesses to import goods from overseas. It is a simpler, easier to use and lower tariff regime than the EU's Common External Tariff (EU CET) and will be in pounds (£), not euros. It will scrap red tape and other unnecessary barriers to trade, reduce cost pressures and increase choice for consumers and back UK industries to compete on the global stage.

The Government is taking a common-sense approach to our new tariff schedule by streamlining and simplifying nearly 6,000 tariff lines, and lowering costs for businesses by reducing administrative burdens. The changes include scrapping unnecessary tariff variations, rounding tariffs down to standardised percentages, and getting rid of all "nuisance tariffs" (those below 2%).

We are also getting rid of the EU's complex Meursing table, allowing us to scrap thousands of unnecessary tariff variations on products – including over 13,000 tariff variations on products like biscuits, waffles, pizzas, quiches, confectionery, and spreads.

The UKGT also expands tariff free trade by eliminating tariffs on a wide range of products. The UKGT ensures that 60% of trade will come into the UK tariff free on WTO terms or through existing preferential access from January 2021, and successful FTA negotiations will increase this.

This will lower costs for businesses, ensuring they can compete on fair terms with the rest of the world, as well as keeping prices down and increasing choice for consumers.

The Government is maintaining tariffs on a number of products backing UK industries such as agriculture, automotive and fishing. This will help to support businesses in every region and nation of the UK to thrive. Some tariffs are also being maintained to support imports from the world's poorest countries that benefit from preferential access to the UK market.

The UKGT was designed following widespread engagement with businesses across the UK. As it will come into force on 1 January 2021, it's important that businesses can familiarise themselves with the new tariff regime ahead of this date.

We are backing UK industry by:

- Maintaining tariffs on agricultural products such as lamb, beef, and poultry.
- Maintaining a 10% tariff on cars.
- Maintaining tariffs for the vast majority of ceramic products.
- Removing tariffs on £30 billion worth of imports entering UK supply chains. 0% tariffs on products used in UK production, including copper alloy tubes (down from 5.2%) and screws and bolts (down from 3.7%).

UK consumers will also benefit from more choice and lower costs on numerous goods thanks to zero tariffs. These include, for example:

- Dishwashers (down from 2.7%).
- Freezers (down from 2.5%).
- Sanitary products and tampons (down from 6.3%).
- Paints (down from 6.5%) and screwdrivers (down from 2.7%).
- Mirrors (down from 4%).
- Scissors and garden shears (down from 4.7%).
- Padlocks (down from 2.7%).
- Cooking products such as baking powder (down from 6.1%), yeast (down from 12%), bay leaves (down from 7%), ground thyme (down from 8.5%) and cocoa powder (down from 8%).
- Christmas trees (down from 2.5%).

We will promote a sustainable economy by cutting tariffs on over 100 products to back renewable energy, energy efficiency, carbon capture, and the circular

economy. The following are all dropping to zero tariffs:

- Thermostats (down from 2.1%).
- Vacuum flasks (down from 6.7%).
- LED lamps (down from 3.7%).
- Bike inner tubes (down from 4%).

Almost all pharmaceuticals and most medical devices (including ventilators) are tariff free in the UKGT. However, some products used to fight COVID-19 maintain a tariff. To ensure those working on the frontline can access vital equipment easily, the UK has introduced a temporary zero tariff rate on these products. This relief waives the tariff and VAT for personal protective equipment (PPE), medical devices, disinfectant and medical supplies from non-EU countries. The Government is committed to continuing to waive the tariffs on key COVID-19 items should this be necessary upon implementation of the UKGT in 2021. A list of goods that relief can be claimed on can be found on [GOV.UK](#): COVID-19 Commodity Codes List.

### **International Trade Secretary Liz Truss said:**

For the first time in 50 years we are able to set our own tariff regime that is tailored to the UK economy.

Our new Global Tariff will benefit UK consumers and households by cutting red tape and reducing the cost of thousands of everyday products.

With this straightforward approach, we are backing UK industry and helping businesses overcome the unprecedented economic challenges posed by Coronavirus.

### **Notes to Editors**

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## **[£37 million to support children with complex needs](#)**

Children with special educational needs and disabilities in England will benefit from £37.3 million of direct support in 2020-21, which is expected to help more than 75,000 families in England.

Families with children that have complex needs and disabilities will receive grants for vital equipment to make their lives easier while implementing social distancing measures, including computers, specialist equipment and educational toys.

£10 million of the total has been committed specifically in response to the unique difficulties presented by the coronavirus pandemic, helping parents educate and look after disabled or critically ill children who are staying at home more than usual.

The multi-million-pound settlement for [Family Fund](#), detailed today by Children and Families Minister Vicky Ford, will help low-income families with seriously ill or disabled children with the cost of equipment, goods or services – from washing machines and refrigerators to sensory and educational equipment that they might not otherwise be able to afford. The grants are typically worth £400 to £500 per family, but vary depending on need.

Children and Families Minister Vicky Ford said:

Our first priority remains the safety and wellbeing of vulnerable children, including those with special educational needs and disabilities. I know that these unprecedented times may put additional pressure on families, particularly those whose children have the most complex needs, and these parents deserve some extra help to look after and educate them at home.

From computers and tablets to household items that many of us take for granted, this new funding will directly benefit tens of thousands of families, making sure parents of children with special educational needs and disabilities get the support they need at this difficult time and beyond.

Cheryl Ward, Chief Executive of Family Fund, said:

Family Fund welcomes this commitment of an additional £10 million in emergency funding. It will make an incredible difference to thousands of families in England during this crisis, providing practical and essential grant support to help improve the quality of life and ease some of the additional daily pressures faced in these difficult times by many disabled children and their families.

Dame Christine Lenehan, Director of the Council for Disabled Children, said:

I am delighted that the government has recognised the needs of the most complex children with disabilities at this critical time. Family Fund provides support for some of the poorest families and £37 million will make a real difference to meet the direct challenges they face. Continued support and a refreshed SEND review, as soon as is reasonably practicable, will be needed to keep momentum in this area.

Family Fund provides grants to low-income families raising disabled or

seriously ill children and young people, and aims to improve their quality of life by paying for a wide range of items that can ease the daily pressure. Families in England can find out more and apply for grants from Family Fund directly.

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## [Coronavirus Statutory Sick Pay Rebate Scheme set to launch](#)

A new online service will be launched on 26 May for small and medium-sized employers to recover Statutory Sick Pay (SSP) payments they have made to their employees, the government announced today (19 May 2020).

[The Coronavirus Statutory Sick Pay Rebate Scheme](#) was announced at Budget as part of a package of support measures for businesses affected by the COVID-19 outbreak.

This scheme will allow small and medium-sized employers, with fewer than 250 employees, to apply to HMRC to recover the costs of paying coronavirus-related SSP.

Employers will be able to make their claims through a new online service from 26 May. This means they will receive repayments at the relevant rate of SSP that they have paid to current or former employees for eligible periods of sickness starting on or after 13 March 2020.

Secretary of State for the Department of Work and Pensions, Therese Coffey, said:

We are committed to supporting Britain's small and medium businesses through this pandemic with a comprehensive package of support.

This rebate will put money back in the pockets of millions of employers, ensuring they can hit the ground running as the economy re-opens.

Angela MacDonald, HMRC's Director General of Customer Services, said:

Our teams have worked hard to deliver this scheme for employers and their employees to ensure they get the support they need. We want employers to be secure in the knowledge they will receive help as they care for their staff during this difficult period.

Employers are eligible if they have a PAYE payroll scheme that was created and started before 28 February 2020 and they had fewer than 250 employees before the same date.

The repayment will cover up to 2 weeks of SSP and is payable if an employee is unable to work because they:

- have coronavirus; or
- are self-isolating and unable to work from home; or
- are shielding because they've been advised that they're at high risk of severe illness from coronavirus

The current rate of SSP is £95.85 per week<sup>[1]</sup>. Employers can choose to go further and pay more than the statutory minimum. This is known as occupational or contractual sick pay.

Where an employer pays more than the current rate of SSP in sick pay, they will only be able to reclaim the SSP rate.

The scheme covers all types of employment contracts, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts

Other SSP [eligibility criteria](#) apply.

Connected companies and charities can also use the scheme if their total combined number of PAYE employees is fewer than 250 on or before 28 February 2020. Employees do not have to provide a doctor's fit note for their employer to make a claim under the scheme.

Employers can furlough their employees who have been advised to shield in line with public health guidance and are unable to work from home, under the Coronavirus Job Retention Scheme. Once furloughed, the employee should no longer receive SSP and would be classified as a furloughed employee. Where an employee has been notified to shield and has not been furloughed, the rebate will compensate up to 2 weeks of SSP from 16 April 2020.

[1] For the period 13 March 2020 to 5 April 2020 the SSP rate was £94.25 per week

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## ['Sobriety tags' come into force](#)

- ankle tags to monitor offenders' alcohol intake
- drinking could see offenders returned to court for further sanctions
- national rollout to begin later this year after successful pilots

The ankle tags, which are to be rolled out across England and Wales, perform around-the-clock monitoring of an offender's sweat to determine whether alcohol has been consumed. If they drink – breaching their alcohol abstinence order – they can be returned to court for further sanctions. These might range from a fine, extending the length of the order or in some cases imprisonment.

It follows 2 successful pilots, one across Humberside, Lincolnshire and North Yorkshire, and another in London, which showed offenders were alcohol free on 97% of the days monitored. Wearers also reported a positive impact on their lives, wellbeing and behaviour.

Courts will be able to order offenders to wear a tag for up to 120 days. The tough community sentence not only punishes offenders but aids their rehabilitation by forcing them to address the causes of their behaviour – in turn helping to reduce alcohol-related harm.

A national rollout will commence later this year.

Crime, Policing and Justice Minister Kit Malthouse MP said:

Alcohol-fuelled crime blights communities and puts an unnecessary strain on our frontline services.

Smart technologies like sobriety tags not only punish offenders but can help turn their lives around.

While prison will always be the right place for many criminals, tough community sentences like this can help cut reoffending and protect the public.

Keith Hunter, Police and Crime Commissioner (PCC) for Humberside, said:

I welcome the use of the alcohol tags being rolled out across England and Wales. During the trial in our area they provided rehabilitation agencies a real opportunity to work with the individual and get them to recognise and change their behaviour.

Undoubtedly their use will help reduce the number of victims of alcohol-related crime, many in domestic situations, and aid the rehabilitation of offenders as they become a standard feature of the Criminal Justice System.

This shows Humberside is at the forefront of influencing innovative Criminal Justice policy, shining a light on our area for the right reasons.

An estimated 39% of violent crime involves an offender under the influence of alcohol – with the social and economic cost of alcohol-related harm being



£21.5 billion per year.

The technology works by fitting a tag around the ankle of an offender. This then samples their sweat every half-hour to determine whether alcohol has been consumed. They can distinguish between alcohol-based products, such as hand sanitiser, that could be used to mask alcohol consumption and can detect when contact between the skin and the tag has been blocked.

An offender who wore one of the tags in the Humberside, Lincolnshire and North Yorkshire pilot scheme and was managed by HLNy CRC said:

Since I had the tag removed I feel 100% in control of my drinking. I was worried to begin with that when I had the tag taken off I might go back to drinking again but the process gave me a better understanding of alcohol. I also didn't want to go back to court.

I no longer need a drink to manage my emotions which is down to the tag and my probation officer – I'm much happier with my life now and pleased that more people can benefit from my experience of wearing the tags.

The tags are a further example of using technology to better monitor offenders in the community and follow last year's rollout of GPS tags that monitor an offender's location 24/7.

It builds on government action to overhaul the criminal justice system – recruiting 20,000 new police officers, investing £2.75 billion in prisons and ensuring the most serious violent and sexual offenders spend longer in jail.

## Notes to editors

- The Ministry of Justice will start a national roll out of the Alcohol Abstinence Monitoring Requirement from Winter 2020.
- The tags will not be used on people who are alcohol-dependent or have certain medical conditions.
- The Ministry of Justice has supported two pilots of the Alcohol Abstinence Monitoring Requirement in London (MOPAC) and in Humberside, Lincolnshire and North Yorkshire (HLNY). Findings for HNLy show that 94% of offenders successfully completed the requirement and compliance with the alcohol ban was 97.4% (HLNY), and for the MOPAC pilot 94% of offenders successfully completed the requirement with 98% days being alcohol free.
- The [Crime Survey for England and Wales](#) estimates that the proportion of violent incidents where the victim believed the offender(s) to be under the influence of alcohol, for year ending March 2018, was 39%.
- Public Health England estimate that the total social and economic cost of alcohol-related harm was [£21.5 billion](#) (2018).