

23 March 2020

Briefing Note

CECA Member Briefing:

Covid-19: CECA update

Introduction

This short briefing has been prepared on behalf of the UK construction sector to brief companies and individuals on the ongoing repercussions of the Covid-19 coronavirus for our sector. This briefing will be delivered daily by CECA over the coming weeks – if you would like further information, or to input your views, contact CECA chief executive Alasdair Reisner on 07977151912 or e-mail alasdairreisner@ceca.co.uk.

Coronavirus Job Retention Scheme

On Friday the UK Government announced the launch of Coronavirus Job Retention Scheme. The scheme is intended to provide support to continue paying part of the salary of employees that would otherwise have been laid off during this crisis.

Businesses wanting to use the scheme will need to:

- designate affected employees as 'furloughed workers,' and notify employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)
- HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

VAT deferral

The UK Government has said it will defer VAT payments for 3 months, from 20 March 2020 until 30 June 2020. All UK businesses are eligible, and will be deferred automatically. Taxpayers will be given until the end of the 2020-2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Coronavirus Business Interruption Loan Scheme

The Coronavirus Business Interruption Loan Scheme, which was launched at Budget, will now be interest free for twelve months, rather than the previous six months. Further details of the scheme, which will be available from this week, can be found [here](#).

Coronavirus - Business Support To Start From Today

Businesses will be able to access government support from today (Monday 23 March) to keep operating in the face of the global economic emergency brought on by coronavirus. Information on the Covid Corporate Financing Facility, including which lenders to contact, is available on the [Bank of England's website](#) and will be updated in the course of Monday 23 March. Businesses can talk to their lenders from the start of the day about accessing these loans. For more information, click [here](#).

[Temporary relaxation of the enforcement of the drivers' hours rules: all sectors carriage of goods by road](#)

The Government have announced that anyone driving under the EU drivers' hours rules or the GB drivers' hours rules and undertaking carriage of goods by road can use the relevant relaxation where necessary. The relaxations are not limited to specific sectors or journeys. Click [here](#) for more information.

[CECA Employment Briefing - Coronavirus](#)

Read CECA's Employment Briefing on the impacts of Covid-19 [here](#).

[CECA Training & Development Update](#)

Read CECA's Training & Development Update in reference to coronavirus [here](#).

[Public sector clients – support to suppliers](#)

The UK Government has published advice to public clients on how they can support their suppliers during the Covid-19 crisis. Key points include:

- Public clients should act to support suppliers at risk so they are better able to cope with the current crises
- Public clients should pay all suppliers as quickly as possible to maintain cash flow and protect jobs
- Payments can be made in advance of need (up to 25 per cent of value of contract)
- Suppliers should identify in their invoices which elements of the invoiced amount relates to services they are continuing to supply (i.e. business as usual) and which amounts are attributable to the impact of COVID-19.
- Suppliers in receipt of public funds on this basis during this period must agree to operate on an 'open book' basis. This means they must make available to the contracting authority any data, including from ledgers, cash-flow forecasts, balance sheets, and profit and loss accounts, as required and requested to demonstrate the payments made to the supplier under contract have been used in the manner intended.
- Suppliers should not expect to make profits on elements of a contract that are undelivered during this period and all suppliers are expected to operate with integrity. Suppliers should be made aware that in cases where they are found to be taking undue advantage or failing in their duty to act transparently and with integrity, contracting authorities will take action to recover payments made.
- If a supplier seeks to invoke a clause relating to a form of contractual relief that would allow them to suspend performance, such as force majeure, contracting authorities should first work with the supplier to amend or vary contracts instead. These variations could include changes to contract requirements, delivery locations, frequency and timing of delivery, targets and performance indicators etc.
- Other reliefs sought by a supplier could relate to any contractual obligation but usually takes the form of one, or both, of the following:
 - an extension of time for contract performance (eg revised milestones dates or delivery dates, etc);
 - a waiver or delay in the ability of the contracting authority to exercise a right and/or remedy (eg to claim liquidated and ascertained damages, service credits or terminate the contract).

The full note is available to read [here](#).

[Your feedback is vital – new survey 23 March](#)

The construction industry's federations are in regular dialogue with representatives from the UK Government to discuss the impact of Covid-19. To support this work we need feedback from businesses as to how they are affected by the pandemic.

Please take 5 minutes to fill in this survey to ensure that this work is supported by the most up-to-date feedback from industry. The new survey can be found [here](#).

CITB update – employer support for apprentices

Braden Connolly, CITB's Products & Services Director, said:

"Apprenticeships are critical to the future of the construction industry. Coronavirus is placing unprecedented pressure on employers – especially SMEs – so CITB will help them with the funding of apprenticeships by bringing forward payment of some apprenticeship grants. This is additional to the Chancellor's job retention scheme announced on Friday. It is clear that relief must come rapidly, and CITB will announce details in days rather than weeks. In the meantime, we urge all employers not to dismiss any apprentices without first speaking to our Apprenticeship team at Employer. ApprenticeshipQueries@citb.co.uk."

Government Advice

The Department for Business, Energy and Industrial Strategy has updated its guidance for employers, employees and businesses during the pandemic - click [here](#) to read it.

Scottish Government

The Scottish Government announced updated its advice to business in the light of the UK's Government's announcements. Read it [here](#).

CECA Events

All CECA events are cancelled until further notice and will be rescheduled for later in the year where possible. This includes:

- CECA Scotland Dinner & Awards – rescheduled for 25 August 2020 – all existing bookings will be rolled over to the new date;
- CECA Yorkshire & The Humber Dinner – event postponed, rescheduled date tbc;
- Inspiring Change Conference & Awards – rescheduled for 10 December 2020. Entry date to be extended until 23 October 2020 – for more info click [here](#).

For further information, please contact CECA Chief Executive Alasdair Reisner on 07977 151 912 or by e-mail: alasdairreisner@ceca.co.uk.