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Covid-19 Member Update

3 April 2020

Summary

Thursday 2 April saw worldwide Covid-19 cases surpass the million mark, with the United States now close to reaching 250,000 cases.

In response to criticism over the implementation of the Government's support package for business, the Chancellor made an announcement on his Coronavirus Business Interruption Loan Scheme. Full details are below, with more expected to be given at this evening's press conference.

In light of the continued deterioration in the coronavirus outbreak crisis, yesterday's government announcements focused primarily on the UK's testing capacity and medical preparedness. The daily press conference was hosted by Secretary of State for Health and Social Care Matt Hancock, accompanied by NHS England Medical Director Professor Stephen Powis and Public Health England Director of Health Improvement Professor John Newton.

Below is a summary of the day's events, as well as the work ukactive is undertaking to represent more than 4,000 members across the physical activity sector.

Chancellor unveils fresh business support

Late last night (2 April) the Chancellor overhauled his emergency business loan scheme after the Treasury received more than 130,000 enquiries but less than 1,000 were approved. The previous iteration of the Coronavirus Business Interruption Loan Scheme stipulated government-backed loans for small firms were only available for those businesses which had been rejected for a commercial loan from their bank. The new rules will remove this requirement, while also banning banks from asking bosses to guarantee loans with their own savings or property when borrowing up to £250,000, and make it easier for businesses to access funding.

Larger firms will also get more support as part of the newly [announced](#) Coronavirus Large Business Interruption Loan Scheme, with government-backed loans up to £25 million to companies with revenues between £45 million and £500 million.

The full list of new measures were:



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- Extending the CBILS so that all viable small businesses affected by Covid-19, and not just those unable to secure regular commercial financing, will now be eligible should they need finance to keep operating during this difficult time.
- Stopping lenders from requesting personal guarantees for loans under £250,000 and making operational changes to speed up lending approvals. For loans over £250,000, personal guarantees will be limited to just 20% of any amount outstanding on the CBILS lending after any other recoveries from business assets.
- Unveiling a new Coronavirus Large Business Interruption Loan Scheme. It will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million.

The measures were welcomed by business umbrella groups such as the Confederation of British Industry, the Federation of Small Business and the British Chambers of Commerce. It comes after there was substantial criticism of the Government's scheme for not getting funding to businesses quickly enough given the critical nature of many businesses' situation.

We can expect the Chancellor to outline these changes in further detail during tonight's daily government press conference. In the meantime, the Chancellor will be hosting a [Twitter Q&A](#) about his measures to protect the businesses and the economy during the coronavirus crisis.

This is positive news for the physical activity sector, given a number of our members were in the middle ground between £45m and £300m and so found finance difficult to obtain, at a time when revenues have been slashed to almost nothing. ukactive is continuing to liaise with the Government to ensure this support actually reaches businesses on the ground who desperately need it.

Downing Street Press Conference

Mr Hancock returned from seven days spent in self-isolation to deliver yesterday's daily Government update. He announced an ambitious package to ensure the preparedness of our healthcare system to deal with the coronavirus outbreak, and outlined a five-pillar plan to ramp-up testing efforts across the country. Key highlights included:

- The Health Secretary announced that from 1 April, over £13 billion of NHS debt will be scrapped as part of a wider package of NHS reforms. More than 100 NHS hospitals will benefit from this measure, freeing them up to invest in maintaining vital services and longer-term infrastructure improvements. This comes alongside a new NHS funding model aimed to ensure that the NHS has the necessary funding and support to respond to the



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pandemic.

- Mr Hancock stated that community pharmacies would benefit from a £300 million cash boost to ensure they can continue to carry out essential services during the coronavirus outbreak. The advanced funding injection will support pharmacies to provide critical services to protect community health, including supplying medicines and providing medical advice to patients during a period of unprecedented demand.
- The health secretary also announced a five pillar plan which will enable England to carry out 100,000 coronavirus tests per day by the end of the month. The plan will bring together the Government, industry, academia, the NHS and many others, to increase dramatically the number of tests being carried out each day. The new plan outlines the ambitions to:
 1. Scale-up swab testing in PHE labs and NHS hospitals for those with a medical need and the most critical workers;
 2. Deliver increased commercial swab testing for critical key workers in the NHS before then expanding to key workers in other sectors;
 3. Develop blood testing to help know if people have the right antibodies to fight coronavirus;
 4. Conduct surveillance testing to learn more about the spread of the disease and help develop new tests and treatments;
 5. Create a new national effort for testing, to build mass-testing capacity at a completely new scale.

Yesterday's announcements signal the Government's awareness of recent criticism of its approach towards medical preparedness and testing capacity. Mr Hancock's plan is a welcome statement that the Government is mobilising every resource at hand to combat the spread of the virus.

More information about yesterday's announcements can be found [here](#).

Sport Bodies and the Coronavirus Outbreak

A [story](#) in *The Guardian* yesterday highlighted the perilous position many national sport bodies are in as a result of this crisis. It says a number of bodies, including some set to send athletes to the Olympics, have spoken to UK Sport to say they face an existential crisis as a result of cancelled events and other sources of revenue slashed.

There is particular concern if the crisis stretches into the summer, as many sporting bodies derive the majority of their income from events in this period and if they were to be cancelled there is little in reserve to sustain them. This is particularly true of those who don't receive a majority of



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their funding from UK Sport but instead have more diverse income streams, such as athletics and cycling.

This highlights the precarious nature of even some of the most high-profile bodies within the sector, and the importance of urgent support to prevent the infrastructure of sport and physical activity from collapsing.

ukactive engagement with Government

ukactive is in constant dialogue with multiple government departments on additional support available for our members. This includes continued engagement with the Department for Digital, Culture, Media and Sport and the Ministry of Housing, Communities and Local Government, on issues such as rental payments, and discussions with the Department for Education on continued support for children's activity providers. ukactive is also speaking to HMRC for further clarification on the specifics of Coronavirus Job Retention Scheme.

All insights gained from this engagement will be fed back to members through the daily briefing. Please contact a member of the ukactive team if you have any specific questions:

publicaffairs@ukactive.org.uk

You can find all the latest information on what Covid-19 means for the sector, as well as guidance and support for your organisation in our ukactive [Covid-19 hub](#).