

Coronavirus Update – Thursday 30 April 2020

Build UK and a number of its Trade Association members met with **Paul Scully, Minister for Small Business, Consumers and Labour Markets**, yesterday to discuss regulatory changes and other issues that would support SMEs during and after the coronavirus (COVID-19) crisis. The Minister recognised the value of SMEs, stating that *“people will look back on this time and ask businesses what did you do to support your supply chain and community during the coronavirus pandemic”*.

Build UK Chief Executive Suzannah Nichol was one of five representative organisations invited to speak on behalf of small businesses and requested the Minister’s support for the following:

- **Permission to Work**
 - Reiterate the message that construction companies of all sizes are being asked to continue their operations alongside the Government’s ‘stay at home’ policy
 - Provide clarity on the work that tradesmen are able to carry out in people’s homes
 - Increase capacity on public transport, providing a safe way to travel to work.
- **Liquidity and Cash Flow**
 - Ensure banks are efficiently processing Government-backed loans
 - Delay or stop the introduction of Reverse Charge VAT in October 2020
 - Stop the withholding of retention monies by the public sector and release retention monies currently withheld
 - Effectively and consistently implement PPN 02/20 across all public authorities.
- **Maintaining Productivity**
 - Confirm and accelerate public sector construction work in the pipeline
 - Ensure planning departments remain operational
 - Agree extended working hours for construction projects
 - Introduce flexibility into the furlough scheme.

The Construction Leadership Council (CLC) has researched the impact of the **Government-backed loan schemes**, with the support of Build UK Alliance member, the Institution of Civil Engineers (ICE), which has published a [short report](#). A number of the recommendations designed to improve the various schemes have already been taken forward, including the launch of the [Bounce Back Loan Scheme](#) for small businesses from 4 May 2020.

Key findings of the research include:

- Of the companies that had applied for a loan:
 - 12% had their application approved
 - 30% had their application refused
 - 58% were awaiting a decision

- Reasons for applying for a loan were:
 - 40% for a short-term facility to aid cash flow
 - 48% for up to two years funding to cover costs of disruption
 - 12% for a longer-term source of funding to help rebuild finances
- The key challenges for businesses were:
 - The absence of a clear and consistent application process
 - A lack of consistency in assessing business viability
 - A queue of applications
 - Banks offering existing products and services rather than offering the new loans.

Recommendations from the CLC include:

- The need for guidance to support firms in making a loan application, and the Institute of Chartered Accountants in England and Wales (ICAEW) has published a helpful [checklist](#)
- Clearer information should be provided by the banks on the rates offered for the products available
- A prioritisation system for processing applications according to the following:
 - Essential to business survival
 - Companies delivering projects supporting public services
- The introduction of flexibility for payback periods and rolling credit facilities
- The removal of early repayment charges.

Following an excellent response to Build UK's [Materials & Accommodation Survey](#), it will now remain open until **5:00pm today**. Please take a few moments to share your demand for materials, products and accommodation to help us open up the supply chain.

Businesses should continue to follow the most up-to-date [Government guidance](#) and for the latest updates please follow Build UK on [Twitter](#) and [LinkedIn](#). If you have any construction-specific queries or feedback on what is happening within the industry, please contact [Build UK](#).

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