

Keeping Manufacturing Working

A man with dark hair and glasses is shown in a close-up, looking intently at a device he is holding. The background is a mix of red and yellow, with a black geometric pattern of overlapping squares and lines. The man is wearing a grey shirt and has a red earbud in his left ear.

Tim Figures

Director, Technology, Sustainability
and Innovation

Our key aims

- To maintain as much cash as possible in manufacturing businesses to ensure they remain viable
- To keep as many manufacturing workers in employment as possible
- To support manufacturing to play its part in helping the nation through the crisis
- To ensure a swift recovery once the current crisis is over

Three key business support schemes

- CBILS – loan scheme, backed by the British Business Bank, offering up to £5m to SMEs, fee and interest free for 12 months
- Job Retention Scheme – up to 80% of wage costs reimbursed up to £2500/month, backdated to 1 March and running initially for 3 months
- VAT deferral – no VAT payments need to be made between 20 March and 30 June. HMRC apply this automatically

Other assistance

- Self-employed – for those with average profits of £50k or less, will pay up to 80% with a cap of £2500 per month
- Flexibility around insolvency rules
- Time to pay for PAYE – at HMRC discretion
- New loan scheme for mid-sized businesses (up to £500m turnover, with maximum loan of £25m)
- Extra help for retail, leisure and hospitality sectors

Recent developments

- Following industry feedback, Government is clarifying and making amendments to the schemes
- CBILS
 - More flexibility on security and other financial products
- JRS
 - Clarification of rules for particular cases such as apprentices and directors
- Social distancing at work
 - Guidance for specific sectors including manufacturing

Outstanding issues

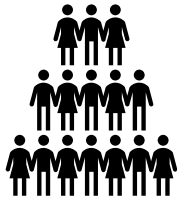
- Loans for subsidiaries of larger groups
- Treatment of holidays under the JRS
- More flexible minimum furlough periods
- Larger loans to bigger companies with less strong credit ratings
- Credit insurance
- Prompt payment
- Support during the recovery phase

Three critical issues for recovery



Finance

Ensuring manufacturers have access to the finance they need return to full production



People

Ensuring workers are supported back into employment as quickly as possible



Resilience

Ensuring lessons are learned from the crisis and steps taken to improve sector resilience