

COVID-19 Business Support Update

Coronavirus Job Retention Scheme

- All employers will be eligible for the scheme.
- Employers will be able to contact HMRC for a grant to cover 80% of the salary (up to a total of £2,500 a month) of an employee who is not working but is furloughed and kept on the payroll, rather than being laid off.
- Employers can top up salaries further if they choose to.
- The Scheme will cover the cost of wages backdated to March 1st and will be open initially for at least three months (to be extended if necessary).
- To access the Scheme you will need to:
 - designate affected employees as 'furloughed workers,' and notify your 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. To qualify for this scheme, the employee should not undertake work while they are furloughed
 - 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.
- There is an expectation that the first grants will be paid within weeks, with the aim of getting it done before the end of April.

Coronavirus Business Interruption Loan Scheme

- A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch early next week to support primarily small and medium-sized businesses to access bank lending and overdrafts.
- The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.
- Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.
- You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria
- The full rules of the Scheme and the list of accredited lenders is available on the British Business Bank website here : <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>
- All the major banks will offer the Scheme once it has launched. There are 40 accredited providers in all.
- You should talk to your bank or finance provider (not the British Business Bank) as soon as possible and discuss your business plan with them. If you need help with this then please get in touch. This will help your finance provider to act quickly once the Scheme has launched. If you have an existing loan with monthly repayments, you may want to ask for a repayment holiday to help with cash flow.
- The scheme will be available from early next week commencing 23 March.

VAT Payments

- VAT payment deferral, for all UK businesses will apply from 20 March 2020 until 30 June 2020.
- This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period.
- Taxpayers will be given until the end of the 2020 to 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.

Sick Pay

- Small-and medium-sized businesses and employers will be able to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:
 - your business is UK based
 - your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020
 - this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
 - employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
 - employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19

- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website.
- The eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force.
- The government will work with employers over the coming months to set up the rebate mechanism for employers as soon as possible.

Business rates holiday for retail, hospitality and leisure businesses

- A business rates holiday is introduced for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year. See our separate document on what businesses are included in this definition.
- Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.
- You are eligible if:
 - your business is based in England
 - your business is in the retail, hospitality and/or leisure sector.
- Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - for assembly and leisure
 - as hotels, guest & boarding premises and self-catering accommodation
 - Please ask for our detailed document on what exact businesses are included in these definitions.
- There is no action required to access this scheme. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.
- You can estimate the business rate charge you will no longer have to pay this year using the business rates calculator here : <https://www.gov.uk/calculate-your-business-rates>
- Further guidance for local authorities is available in the expanded retail discount guidance here : <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

Cash grants for retail, hospitality and leisure businesses

- The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.
- For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000.
- For businesses in these sectors with a rateable value of between £15,001 and £51,000, they will receive a grant of £25,000.
- You are eligible for the grant if:
 - your business is based in England
 - your business is in the retail, hospitality and/or leisure sector.
- Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - for assembly and leisure
 - as hotels, guest and boarding premises and self-catering accommodation.
- You do not need to do anything to access this scheme. Your local authority will write to you if you are eligible for this grant.
- Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.
- Find your local authority here: <https://www.gov.uk/find-local-council>

Support for businesses that pay little or no business rates

- The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR), rural rate relief (RRR) and tapered relief.
- This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.
- You are eligible if:
 - your business is based in England
 - you are a small business and already receive SBBR and/or RRR you are a business that occupies property.
- You do not need to do anything to access this scheme. Your local authority will write to you if you are eligible for this grant.

Support for larger firms through the COVID-19 Corporate Financing Facility

- Under the new Covid-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies.
- This will support your company if it has been affected by a short-term funding squeeze and allow you to finance your short-term liabilities.
- It will also support corporate finance markets overall and ease the supply of credit to all firms.
- All UK businesses are eligible.
- The scheme will be available early in week beginning 23 March 2020. We will provide information on how to access the scheme here shortly. More information is available from the Bank of England here : <https://www.bankofengland.co.uk/markets/market-notice/2020/ccff-market-notice-march-2020>

Support for businesses paying tax: Time to Pay service

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay service.
- These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.
- If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: **0800 0159 559**.
- If you're worried about a future payment, please call HMRC nearer the time.

Insurance

- Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim as long as all other terms and conditions are met.
- Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers. Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

The Self Employed

Every self-employed person can now access, in full, Universal Credit at a rate equivalent to Statutory Sick Pay for employees:

<https://www.understandinguniversalcredit.gov.uk/coronavirus/>

Support for individuals

- the Universal Credit standard allowance has been increased, for the next 12 months, by £1,000 a year.
- the Working Tax Credit basic element has been increased, for the next 12 months, by £1,000 a year.
- increasing housing benefit and Universal Credit, so that the Local Housing Allowance will cover at least 30% of market rents in your area.
- The self-assessment tax payments due on 31st July 2020 will be deferred until January 2021. No penalties or interest for late payment will be charged in the deferral period.
- Sick pay
 - You can get £94.25 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks.
 - If you are staying at home because of COVID-19 you can now claim SSP. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.
 - To check your sick pay entitlement, you should talk to your employer, and visit the Statutory Sick Pay (SSP) page here for more information: <https://www.gov.uk/statutory-sick-pay>
- SSP start date
 - SSP to be paid from day 1, rather than day 4, of your absence from work if you are absent from work due to sickness or need to stay at home due to COVID-19. Once the legislation has been passed, this will apply retrospectively from 13 March. You should talk to your employer if you are eligible for SSP and need to claim.
- Proof of sickness
 - If you have COVID-19 or are advised to stay at home, you can get an 'isolation note' by visiting NHS 111 online, rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.
- If you are not eligible for SSP – for example if you are self-employed or earning below the Lower Earnings Limit of £118 per week – and you have COVID-19 or are advised to stay at home, you can now more easily make a claim for Universal Credit <https://www.understandinguniversalcredit.gov.uk/coronavirus/> or new style Employment and Support Allowance. <https://www.gov.uk/guidance/new-style-employment-and-support-allowance>
- If you are eligible for new style Employment and Support Allowance, it will now be payable from day 1 of sickness, rather than day 8, if you have COVID-19 or are advised to stay at home.