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SUPPORT FOR BUSINESSES AFFECTED BY COVID-19

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SUPPORT FOR BUSINESSES AFFECTED BY COVID-19

Many businesses will be finding themselves severely affected by the current situation we find ourselves in with the outbreak of COVID-19. We have summarised below, for your information, the assistance that is available from the Government throughout this period of disruption. As these schemes and other sources of assistance have only been announced in the last few days, the Government is still putting together the systems and mechanisms for making use of these. We will assist you where we can with any queries or claims. Please bear in mind that, while the information below is correct at the time of writing, this is an extremely fast moving situation and further changes or additional measures may be put in place.

The package announced by the UK Government includes a number of measures:

- **Coronavirus Job Retention Scheme**

- ✚ All UK businesses are eligible for this.
- ✚ To access the scheme you will need to designate affected employees as “furloughed workers” and notify your employees of this change.
- ✚ You will need to submit information to HM Revenue & Customs (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 as existing systems are not set up to facilitate payments to employers.
- ✚ It may take some time for these payments to be made to employers, so employers may wish to consider the Coronavirus Business Interruption Loan mentioned below. This would provide money to ease immediate cash-flow issues in order to furlough employees. The aim being to pay the loan back within 12 months when they are reimbursed under the Job Retention Scheme (the Government will pay the interest as detailed below).

- **Deferring VAT and Income Tax payments**

VAT

- ✚ All UK businesses are eligible for this.
- ✚ No applications are required – this is automatic.
- ✚ Businesses will not need to make a VAT payment during the deferral period.
- ✚ The deferral applies from 20 March 2020 until 30 June 2020.
- ✚ Taxpayers will be given until the end of March 2021 to pay any liabilities that have accumulated during the deferral period.
- ✚ VAT refunds and reclaims will be paid by the Government as normal.
- ✚ If you pay your VAT by direct debit you should cancel your direct debit with your bank if you want to take advantage of this. Please ensure this is done in

sufficient time so that HMRC do not attempt to automatically collect the VAT due upon receipt of your VAT Return.

- + VAT Returns still require to be submitted on time, it is just the payment that can be deferred.

Income Tax

- + You are eligible if you are self-employed.
- + No applications are required – this is automatic.
- + No penalties or interest for late payment will be charged in the deferral period.
- + Income Tax Self-Assessment payments which are due on 31st July 2020 will be deferred until 31st January 2021.
- + If you pay your Self-Assessment income tax by direct debit you should cancel your direct debit with your bank if you want to take advantage of this. Please ensure this is done in sufficient time so that HMRC do not attempt to automatically collect the income tax payment due in July 2020.

- **A Statutory Sick Pay relief package for small and medium sized businesses**




- + You will be able to reclaim Statutory Sick Pay (SSP) for up to 2 weeks per eligible employee who has been off work because of COVID-19.
- + Businesses based in the UK are eligible.
- + Employers with less than 250 employees (as at 28 February 2020) are eligible.
- + If employers require evidence from employees to support their absence, the employee can obtain an isolation note from NHS 111 online (for those with symptoms of coronavirus) or they can get a note from the NHS website (for those who live with someone that has symptoms).
- + The Government will advise in due course regarding the repayment mechanism.

- **The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank**

- + Eligible if your business is UK based, with turnover of no more than £45 million per year.
- + This is a temporary scheme and will support eligible businesses with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.
- + Eligible if your borrowing proposal, were it not for the COVID-19 pandemic, would have been considered viable by the lender, and for which the lender believes the provision of finance will enable your business to trade out of any short-to-medium term difficulty.
- + Finance terms are up to six years for term loans and asset finance and three years for overdraft and invoice finance.
- + The Government will cover the first 12 months of interest and any lender-levied fees, so no upfront costs and lower initial repayments.

-  The Government will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide finance to businesses.
 -  All major banks are offering this scheme and applications can be made now.
 -  If you have any existing loans, you may want to consider asking for a repayment holiday to help with cash flow.
- **A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans**
 -  Can access now.
- **The HMRC Time to Pay Scheme**
 -  Eligible if your business pays tax to the UK Government and has outstanding tax liabilities.
 -  Arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.
 -  Call HMRC's dedicated helpline on 0800 0159 559.
- **Protection from eviction for commercial tenants**
 -  Available to all commercial tenants in Northern Ireland, England and Wales.
 -  Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction.
 -  Covers missed rent payments up until 30 June 2020.
 -  Will still be liable for the rent.
 -  No action required – the change will come into force when the Coronavirus Bill comes into law.
- **Companies House filing deadline extended**
 -  Companies can apply for a three month extension to their accounts filing deadline.
 -  Apply online citing issues around COVID-19 and you will automatically and immediately be granted the extension.
 -  Applications are made through a fast-tracked online system.

MEASURES SPECIFIC TO BUSINESSES IN NORTHERN IRELAND

- **COVID Small Business Grant**
 -  Small business grant of £10,000 available immediately.
 -  Eligible if Non domestic Net Annual Value (NAV) is £15,000 or less.
 -  Available to all businesses meeting this criteria.

- **Hospitality, Tourism and Retail Sectors Grant Scheme**

- ✚ Grant of £25,000 available immediately.
- ✚ Available to companies in these sectors with a rateable value up to £51,000.

- **Rates**

- ✚ All Northern Ireland businesses will pay no rates for the next three months (April, May and June 2020).
- ✚ Does not need to be repaid.

MEASURES SPECIFIC TO BUSINESSES IN SCOTLAND

- **Business Rates**

- ✚ All non-domestic properties in Scotland will get a 1.6% rates relief for the year to 31st March 2021.
- ✚ Will be applied to your bill automatically, no need to apply for it.
- ✚ Retail, hospitality and leisure businesses will get 100% rates relief.
- ✚ This is available if the property is occupied (properties that have closed temporarily due to the Government's COVID-19 advice will be treated as occupied).

- **Grants**




- ✚ Retail, hospitality and leisure businesses with a rateable value between £18,001 and up to and including £50,999 can apply for a one-off grant of £25,000.
- ✚ A one-off grant of £10,000 is available to small businesses who get Small Business Bonus Scheme Relief or Rural Relief.
- ✚ Also available if you are eligible for the Small Business Bonus Scheme, but applied for the Nursery Relief, Business Growth Accelerator Relief or Disabled Relief.
- ✚ You can only apply for one grant, even if you own multiple properties.
- ✚ Applications should be made via the application form on the local council's website.

MEASURES SPECIFIC TO BUSINESSES IN WALES

- **Rates**

- ✚ Retail, leisure and hospitality businesses in Wales will get a year long business rates holiday.

- **Grants**

-  A grant of £25,000 is available for businesses in the retail, leisure and hospitality sector with a rateable value of between £12,001 and £51,000.
 -  A £10,000 grant is available to all businesses eligible for Small Business Rates Relief with a rateable value of £12,000 or less.
- Capital repayment holidays**
 -  The Development Bank of Wales will be offering all its business customers a three month capital repayment holiday.

MEASURES SPECIFIC TO BUSINESSES IN ENGLAND

- A 12 month business rates holiday for all retail, hospitality, leisure and nursery businesses in England**
 -  Businesses based in England are eligible.
 -  You must be in one of these sectors.
 -  Applies automatically.
- Small business grant funding of £10,000 for all businesses in receipt of small business rate relief or rural rate relief**
 -  Eligible if your business is based in England.
 -  Your local authority will write to you if you are eligible – you don't need to do anything.
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 £51,000**
 -  Eligible if your business is based in England.
 -  Eligible if your business is in the retail, hospitality and/or leisure sector.
 -  If eligible and the property has a rateable value of £15,000 and under, you will receive a grant of £10,000.
 -  If eligible and the property has a rateable value of between £15,000 and £51,000 you will receive a grant of £25,000.
 -  Your local authority will write to you if you are eligible – you don't need to do anything.