

## The UK Government and coronavirus - 24/03 update

Information is changing on a daily basis, so we will keep this document updated to give you access to the business support available to you.

We encourage all business owners to read HMRC's guidance for employers and business owners, which can found on the gov.uk website [here](#)

This gives helpful advice on minimising the spread of infection and what to do if one of your staff presents symptoms.

## Financial Opportunities and Support Available

### Tax (HMRC)

#### Deferring Vat (added 20/03)

VAT will be deferred for the period 20 March 2020 until 30 June 2020. All businesses are eligible, and this will be automatically applied so you do not need to make an application. 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.

HMRC have set up a Business Support Helpline to answer any questions you have relating to Covid-19. The helpline number is 0300 456 3565 and there are links to more resources on this page <https://www.gov.uk/business-support-helpline>

#### HMRC Time to Pay service (updated 24/03)

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. More info can be found [here](#).

#### Covering Sick Pay (updated 20/03)

Employers with fewer than 250 employees (as of 28<sup>th</sup> February 2020) will be eligible to claim a refund of 12 weeks Statutory Sick pay for each employee who has had sickness absence due to 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](#)

A rebate scheme is being developed and the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

### **Coronavirus job retention scheme (updated 24/03)**

Companies and organisations will be able to apply for a grant from HMRC to cover the wages of furloughed workers (employees who are not working due to coronavirus shutdowns, but who haven't been laid off). HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. This will be backdated to March 1 to cover a three-month period, which will be extended if necessary. Furloughed workers will remain employed during this time but should not undertake any work for you. You can choose to fund the 20% difference in salary, but do not have to. Employees may be eligible for extra support through the welfare system including Universal Credit during this time. Click [here](#) for more information.

HMRC are working urgently to set up a system for reimbursement and the government expects the first job-retention grants to be paid before the end of April.

In preparation, you will need to do the following:

- 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
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will communicate details of this once it has been launched)

### **Coronavirus help for self-employed**

For the self-employed not eligible for SSP, contributory Employment and Support Allowance will be payable, at a rate of £73.10 a week if you are over 25, for eligible people affected by coronavirus or self-isolating in line with advice from day one of sickness, rather than day eight.

For more information about coronavirus government statutory sick pay, go to the Department for Work & Pensions website [here](#).

For further advice regarding sick pay and how best to support your employee's should they self-isolate, the ACAS website has issued the following information

– <https://www.acas.org.uk/coronavirus>

### **Income Tax (updated 24/03)**

Income Tax Self-Assessment payments due on the 31 July 2020 will be deferred until the 31 January 2021. This will be applied automatically and there will be no interest charges for the late payment.

HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of coronavirus and have outstanding tax liabilities. If you normally pay your income tax by direct debit you should cancel your direct debit with your bank if you are unable to pay. Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return.

## Banks and Loans

Banks are also said to be increasing credit lines and overdrafts, and in some cases, they may even offer repayment holidays on loans. Many of our clients are contacting ALL of their credit suppliers to ask about relaxing payments.

Mortgage lenders have agreed they will support customers that are experiencing issues with their finances as a result of Covid-19, including payment holidays of up to 3 months. This will give people the necessary time to recover and ensure they do not have to pay a penny towards their mortgage in the interim.

## Suppliers

We are also seeing some improved terms in cases of businesses renegotiating supplier payments and even improved pricing.

## Government Support

In addition to this, to assist business owners the government has announced that it will provide support to ensure the impact of COVID-19 is minimised.

### **Business Interruption Loan Scheme** (updated 24/03)

A Coronavirus Business Interruption Loan Scheme will launch week commencing 23<sup>rd</sup> March to support small and medium-sized businesses to access bank lending and overdrafts. Businesses with a turnover of less than £41 million can apply for a 12-month interest free loan of up to £5 million, with the government covering the interest for the first 12 months. 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.

The full rules of the Scheme and the list of accredited lenders is available on the [\*\*British Business Bank website\*\*](#). All the major banks will offer the Scheme once it has launched. There are 40 accredited providers in all and the scheme is now open for application.

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. 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.

### **COVID-19 Corporate Financing Facility** (added 20/03)

There will be support for larger firms through the new Covid-19 Corporate Financing Facility. The Bank of England will buy short term debt from larger companies to 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.

The scheme will be available early in week beginning 23 March 2020 and more information will be provided on how to access the scheme shortly, but in the meantime, more information is available from the [Bank of England](#).

### **Small Business Rates Relief (updated 20/03)**

There is a £10,000 cash grant being made available to help businesses manage their cashflow, which will be delivered by Local Authorities. You do not need to do anything. Your local authority will write to you if you are eligible for this grant. Guidance for local authorities on the scheme will be provided in the next 3-4 weeks, so in the meantime if you have any questions get in touch with your local authority.

The government is also temporarily increasing the business rates retail discount in England to 100% for 2020-21 for properties below £51,000 rateable value. Nearly half of all business properties will not pay a penny of business rates. This will also be implemented through your local council. If you already receive the current business rates retail discount, you will receive notification of the changes in due course. If you currently don't receive any relief, you can check with your Local Authority for your eligibility. [You can find your local authority here](#)

Please note that if you do not currently pay business rates because of the terms of your lease, it is possible your landlord may be getting the benefit and therefore you should approach them as you would expect the benefit to be passed on (the cost is effectively included in your lease costs).

### **Retail, hospitality and leisure businesses in England (updated 20/03)**

All retail, hospitality and leisure businesses in England are being given a 100% business rates holiday for the next 12 months

The government are also providing a further £25,000 grant to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000

Again, you do not need to do anything. Your local authority will write to you if you are eligible for this grant and guidance for local authorities on the scheme will be provided in the next 3-4 weeks

## **Insurance**

Confirmation has been given that government advice to avoid pubs, clubs and theatres etc. is sufficient for businesses to claim on their insurance where they have appropriate business interruption cover for pandemics in place.

In order to support the food industry and help provide meals for people who need to self-isolate, planning regulations have been relaxed to allow pubs and restaurants to start providing takeaways without a planning application.

**This document will be updated as more information is communicated.**