

Coronavirus what support is available to keep me in business?

With what appears to be daily bulletins, briefings, Government announcements and rumour and counter rumour it is hard to know where to start and what is available. Not only that, but how can I get access to the support which has been announced?

Given the continuous changes..... we set out what is available and how to get to it as of the morning of 23 March 2020.

The best place to look things up?

The Gov.uk website is a good place to start and this webpage is the central point of reference <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

There are then pages linked to this page covering:

- Guidance for employers and businesses - <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19>
- Support for businesses - <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>
- Guidance for employees - <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-guidance-for-employees>

These pages are being updated on a regular basis so keeping checking them (and they do have an update history on them so you can see what has changed).

What support is available for businesses?

Coronavirus Job Retention Scheme

All UK employers will be able to access support to continue paying part of their employees' salaries for those that would otherwise have been laid off during this crisis.

Employers will be able to contact HMRC for a grant to cover 80% of the wages of retained workers who are furloughed (granted leave of absence from work) due to the coronavirus and kept on the payroll rather than laid off (up to a maximum of £2,500 per month). This is initially open for 3 months but can be extended if needed. It will be back dated to 1st March. HMRC are putting this in place now and hope to make the first set of grants no later than the end of April. Existing payroll systems are not set up to cope with this and HMRC are working urgently on how to facilitate payments to employers. Employers need to designate the affected employees as "furloughed workers" and notify the employee of the change. The employer must agree the 'furlough' first with their employees and should take HR advice.

There is to be a new online HMRC portal to share the information of those who have been affected.

Sick pay relief

All small and medium sized employers (those with less than 250 employees as at 28 February 2020) will be able to reclaim Statutory Sick Pay paid for sickness absence due to COVID-19.

The details are as follows:

- Refund will cover up to 2 weeks SSP per eligible employee off work because of COVID-19;
- SSP will be paid from day 1
- Eligible employees are those earning more than £118 per week and who follow the Government advice on self-isolating and have to stay at home as a result
- The employer needs to keep records of the absence but does not need a “fit note” from the employees GP
- If the employer requires evidence those with symptoms of coronavirus can get an isolation note form NHS 111 and those who live with someone that has symptoms can get a note form the NHS website.

The Government / HMRC are working on a system to set up the repayments as the current payroll systems do not reflect the day 1 entitlement.

Sick pay relief for low paid workers / self-employed / zero hour contracts

Anyone not eligible to receive sick pay, including those earning less than the average of £118 per week, some working in the gig economy, or self-employed, the Government state they may be able to claim Universal credit and/or contributory Employment and Support Allowance. If someone needs money urgently due to the COVID-19 crisis they can apply for an advance.

For Universal credit - <https://www.gov.uk/universal-credit>

For Employment and Support Allowance <https://www.gov.uk/employment-support-allowance/eligibility>

The Chancellor is strengthening the safety net for the self-employed by suspending the minimum income floor for everyone affected by the economic impact of the coronavirus. That means every self-employed person can now access in full, Universal credit at a rate equivalent to SSP for employees.

Business Rates Support

Retail, leisure and hospitality services

All businesses will receive a business rates holiday (in England) for the 2020 to 2021 tax year. Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.

There is no action to take. This applies to your next bill in April 2020. The local authority may have to re-issue your bill automatically to exclude the business rate charge. They will do this as soon as possible.

Cash grants for retail, leisure and hospitality businesses

If the rateable value of your property is under £15,000 you will receive a grant of up to £10,000. If the rateable value is between £15,001 and £51,000 you will receive a grant of up to £25,000. You do not need to do anything. 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.

Support for business who pay little or no business rates

The government will provide additional funding to businesses that pay little or no business rates because of the small business rate relief, rural rate relief and tapered relief. You will receive a one-off grant of £10,000 to eligible businesses to help meet your ongoing costs.

You do not need to do anything, your local authority will write to you if you are eligible for this grant. As above, any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

Support for nursery businesses that pay business rates

Similar to the retail, leisure and hospitality businesses you will be entitled to a business rates holiday and your local authority will be in contact with you.

Support for business paying tax

VAT

The next VAT payment will be deferred. No business will pay VAT from now until end of June and you will have until the end of the financial year to repay those bills. You should submit your returns as usual and if they show a refund these will be processed as normal by HMRC.

Income tax

The next self-assessment tax payments due on 31 July 2020 have been deferred until January 2021.

Corporation tax and PAYE

All businesses in financial distress and with outstanding tax liabilities, may be eligible to receive support from HMRC through the Time To Pay arrangement. This will be viewed on a case by case basis. HMRC's dedicated helpline number is 0800 0159 559 and you should contact them if your tax payment is due soon. If you are worried about a future payment, call HMRC nearer the time.

IR35 Private sector

The Government have announced that they are now delaying the rolling out of the new private sector IR35 regime until 1st April 2021.

Coronavirus Business Interruption Loan Scheme

This will be launched this week by the British Business Bank to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan to give lenders the confidence to continue to provide finance for SMEs. The government will not charge businesses or banks for this guarantee. Businesses can access the first 12 months of this finance interest free.

You must talk to your bank first and not approach the British Business Bank although there are further details via <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

Remember, this is a loan scheme and you will need a sound business proposal which shows you can repay the borrowing. The scheme also covers overdrafts, asset finance and invoice finance.

Mortgage holiday

Those affected by COVID-19 will be able to have a 3 month mortgage holiday. Lenders should be approached on this matter. Also consider / explore with the lender about moving to an interest only basis for a period of time. Once again this is help with a loan and the total amount will still need to be repaid and will increase your monthly payments once the holiday period is over. Several lenders have said that applying for the mortgage holiday will not affect the borrowers credit rating.

As well as a 3 months mortgage payment holiday, the Chancellor, by increasing the generosity of housing benefit and Universal credit, Local Housing allowance will cover at least 30% of the market rent for those who rent their property.

Business Insurance

Businesses that have cover for both pandemics and government ordered closures should now be covered, on the grounds that the government and the insurance industry have confirmed the advice given on 17th March would make the claim valid. Businesses should check to see if their insurance policy covers this as many will not as standard business interruption insurance excludes pandemics.

As ever the devil is always in the detail and the detail is changing on a daily basis very rapidly.

We will keep you up to date for changes as and when we know.

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