

Coronavirus Response - Financial Support Update – 19th March 2020

What follows is a first summary of the information that has been released so far. As I am sure you will appreciate the advice coming from government is literally changing day by day at the moment, but this reflects the current position.

Pledged support from Government

At last week's Budget, the Chancellor provided £30 billion of support to the economy to deal with the COVID-19 crisis. Then on 17th March, The Chancellor announced unprecedented support for business and workers – to protect against the economic emergency. This includes unlimited loans and guarantees to support firms and help them manage cashflows through this period. The Chancellor will make available an initial £330 billion of guarantees – equivalent to 15% of UK GDP.

Coronavirus Business Interruption Loan Scheme

A new Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will enable businesses to apply for a loan of up to £5 million, with the government covering up to 80% of any losses with no fees. Businesses can access the first 6 months of that finance interest free, as government will cover the first 6 months of interest payments. It is hoped that the scheme will be up and running by the beginning of next week. We are waiting for more information on how eligibility will be determined.

Direct Funding and Loans

The independent business loan providers are also adjusting to the new situation. We are making a partnership with one of these lenders that seems best placed to lend to small businesses with a simplified application process. More information about this in the next report. Meanwhile let us know if you would like us to assist with aspects of the loan applications. We will make a charge for this, but on the other hand we will often be able to get reduced loan application fees from the lender compared to if applications are made direct to them. This is due to being able to confirm the application content and to the volume across our whole network.

Small Business Rate Relief (SBRR)

SBRR relief will be given to all retail, hospitality and leisure businesses in England in the form of a 100% business rates holiday for the next 12 months. Grants will be provided to small businesses eligible for Small Business Rate Relief. The amount suggested has increased from £3,000 to £10,000.

£25,000 grants will be provided to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000

The news that there will be a cash grant to some businesses eligible for SBRR will be welcome. Small businesses that pay little or no business rates and are eligible for SBRR or rural rate relief will be contacted by their local authority - they do not need to apply. The funding will reportedly be provided to local authorities in early April. Guidance for local authorities on the scheme has not yet been issued. How long this money will take to become actually available to companies that are eligible, and the details of that, are not yet known.

Statutory Sick Pay (SSP)

The government will bring in legislation to allow employers to reclaim statutory sick pay relating to absences as a result of Coronavirus.

The eligibility criteria for the scheme will be as follows:

- 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.
- eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to those staying at home comes into force.
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.

For those who are eligible for SSP where it would normally be paid from the fourth day of sickness it will temporarily be available from the first day of absence.

We are awaiting full details from the Government regarding this and Statutory Sick Pay (SSP) changes and we will advise you as soon as this becomes available.

Employment and Support Allowance

As per Budget 2020 for those self-employed or who are not eligible for SSP financial support is available under the 'new style' Employment and Support Allowance and also Universal Credit via the welfare system.

Retail sector

There are additional support measures for the retail sector:

- The Government has confirmed that the 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. However, businesses should check with their insurance provider if they are covered. Many businesses are unlikely to be covered as most business interruption insurance policies are dependent on damage to property, which will exclude pandemics. Some businesses may have purchased a specific add on relating to notifiable diseases, but some of these will still specify damage to the building. Some businesses may have purchased supply chain or denial of access cover which may meet their needs in this case.
- To support the food industry and help provide meals for people who need to self-isolate. The Government will be relaxing planning regulations to allow pubs and restaurants to start providing takeaways without a planning application.

HMRC Support line

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 businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed. If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559.



Breaking news - IR35/Off Payroll working changes deferred for 12 months

Tuesday evening, Chief Secretary to the Treasury, Steve Barclay announced that the changes to off-payroll working, anticipated to be implemented from April 2020, will be deferred until April 2021. Little detail surrounds this announcement at present, however we expect this will be followed up this week as part of a much bigger package of support announced in response to the spread of Covid-19.