**Coronavirus Support for Small Business Owners**

Following the latest Government announcements regarding a controlled lockdown and efforts to minimise the spread of the Coronavirus, more businesses have today shut their doors. Please keep reading to discover the financial support that your business may be eligible for and details on how to apply.

We'll continue to update this as any new information is becomes available **(Last update: 24th March)**.

### ****Financial Opportunities and Support Available****

##### **Tax (HMRC)**

For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021. You are eligible for this if you're self-employed. It's also an automatic deferral so there's no need to make an application.

In addition, 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. This has recently been scaled up to ensure all firms and individuals have access to this. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

If you are concerned about being able to pay your tax due to COVID-19, **HMRC have setup a dedicated** **Tax Helpline: 0800 0159 559**

For those unable to pay due to COVID-19, HMRC will discuss your specific circumstances and explore:

1. agreeing an instalment arrangement
2. suspending debt collection proceedings
3. cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately.

We would encourage all clients who are forecasting cash-flow issues due to COVID-19 to contact HMRC.  They will be looking for a cash-flow forecast that shows the issue to approve payment holidays. If you need help creating this please [**contact us**](http://wakefield.actioncoach.co.uk/contact-us/).

##### **VAT**

All UK businesses that are VAT registered can now defer their VAT payments. You don't need to apply, it's an automatic offer where businesses won't need to make a VAT payment during the period 20th March - 30th June 2020. 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.

##### **Banks and Loans**

Banks are also increasing credit lines and overdrafts and in some cases they may even offer repayment holidays. If you are predicting cash-flow issues please contact all of your suppliers now to ask about relaxing payments.

##### **Suppliers**

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

##### **Business Interruption Loans**

A Coronavirus Business Interruption Loan Scheme will launch next week to support 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. You are eligible for this if you are UK based and have a turnover of no more than £45 million per year.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest (previously this had been announced as 6 months).

The Coronavirus Business Interruption Loan Scheme (CBILS) temporarily replaces the Enterprise Finance Guarantee Scheme and will be provided by the British Business Bank through accredited lenders. To apply you will need to speak to your bank or one of [**approved lenders listed here**](https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/).

Firms will have to prove that they are viable businesses which have been trading successfully, but just need extra support to deal with short term difficulties caused by the current disruption. Some firms may not be successful. We can help you get the necessary cash-flow forecasting and planning in place. If you'd like to arrange a call to discuss, then please[**contact us**](https://wakefield.actioncoach.co.uk/contact-us/)**.**

##### **The Covid-19 Corporate Financing Facility**

For larger companies, the Bank of England will buy your short-term debt.

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 and ease the supply of credit to all firms.

Further information on this will be provided when we know more.

##### **The Coronavirus Job Retention Scheme**

The introduction of a Coronavirus Job Retention Scheme will allow all UK employers to access support to be able to continue to pay part of a salary to employees' that they'd otherwise have had to lay off during this current situation.

All UK employers with a PAYE scheme are eligible for this support. It which applies to employees who have been asked to stop working, but who are being kept on the pay roll, otherwise described as ‘furloughed workers’.

**HMRC will reimburse 80% of their wages, up to £2,500 per month.** This is to safeguard workers from being made redundant. The Coronavirus Job Retention Scheme will cover the cost of wages backdated to March 1st and is initially open for 3 months, but will be extended if necessary.

You will need to:

1. 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.

2. Once the new online portal is live, submit information to HMRC about the employees that have been furloughed and their earnings (HMRC will set out further details on the information required)

HMRC are currently setting up a system that will handle the application process and reimbursement payments. In the meantime begin by identifying your 'furloughed workers' you must notify your employee's of this change in status. Once the online system is in place you will then be able to notify HMRC of these 'furloughed workers'.

##### **Support in covering Sick Pay**

For businesses with fewer than 250 employees, the cost of providing 14 days of statutory sick pay per employee will be refunded by the government in full. This will provide 2 million businesses with up to £2 billion to cover the costs of large-scale sick leave. This will come in the form of a refund. The Treasury says that it is “working with employers over the coming months to set up a repayment mechanism as soon as possible for employers reclaiming statutory sick pay”.

The government has announced that they will bring forward legislation to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be:

* 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.

A rebate scheme is being developed and will be announced in due course.

For more information about coronavirus government statutory sick pay, go to the Department for Work & Pensions website [**here**](https://www.gov.uk/government/organisations/department-for-work-pensions).

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**](https://www.acas.org.uk/coronavirus)

##### **Support for Working Parents**

With the recent announcement that all schools will be closed indefinitely to all children except those with parents in key working roles. HR body CIPD have stressed that those that are able to work from home should continue to do so as far as they can. However, this is an exceptional circumstance. Employers must accept that there will be disruption and that working parents will struggle to be as productive as normal.

We advise you to support your staff in any way you can, find out what they need and any obstacles that may prevent them working from home around childcare issues.

Currently working parents have the right to take unpaid leave to look after children in an emergency or unforeseen situation, either as emergency time off or unpaid parental leave, but this is intended to cover an employee for a couple of days. Experts have warned that employers may have to look at options such as unpaid leave or reduced hours where they can’t afford to pay working parents unable to work their full hours as a result of childcare responsibilities. At this stage it's a wait and see approach and we'll update with any further word from the government if any new developments occur.

##### **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.

The rules regarding Universal Credit claims have also been relaxed for self-employed people. For the duration of the outbreak, the requirements of the Universal Credit minimum income floor will be temporarily relaxed for those who have COVID-19 or are self-isolating according to government advice, ensuring self-employed claimants will receive support. People will be able to claim Universal Credit and access advance payments upfront without the current requirement to attend a Job Centre.

If you want to know if you are eligible for Universal Credit, please visit the gov.uk[**Universal Credit page**](https://www.gov.uk/universal-credit)

Mortgage payment holidays have also been introduced by many lenders as a way to ease the financial burden.

We're informed that the government is working on additional support it can offer but managing support for the self-employed will be harder to implement. We expect further details in the next few days.

##### **IR35 Delay**

The government has also announced that it will delay the implementation of the new [**IR35 reforms**](https://www.ftadviser.com/your-industry/2020/03/18/govt-caves-in-to-ir35-delay-amid-covid-19-crisis/) that were due to be brought in for all freelance workers.

##### **A Business Rates Holiday**

A business rates holiday has been introduced for 2020-21 for retail, hospitality and leisure businesses with a rateable value of over £51,000.

For those looking to claim the relief, the government says:

* Businesses that received the retail discount in 2019-20 will be re-billed by their local authority as soon as possible.
* Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount.
* Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority.

You don't need to take any action to get this. This rates relief 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'll do this as soon as possible.

You can estimate the business rate charge you'll longer have to pay this year using the HMRC [business rates calculator](https://www.gov.uk/calculate-your-business-rates).

##### **The Retail and Hospitality Grant Scheme**

A £25,000 grant will be provided to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value between £15,000 and £51,000.

Properties that will benefit are those operating:

* as shops, restaurants, cafes, drinking establishments, cinemas and live music venues.
* for assembly and leisure.
* as hotels, guest & boarding premises and self-catering accommodation.

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.

Your local authority will write to you if you are eligible for this grant.

##### **Support for businesses that pay little or no business rates**

The government are providing 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.

If your business is eligible for SBRR or rural rate relief, you will be contacted by your local authority – **you do not need to apply**. However, we are being informed that if you can make contact with your local authority and send a copy of your rates bill, showing your small business rates relief, you will get your grant quicker than if you wait to be contacted.

Funding for the scheme will be provided to local authorities by the government in early April.

[**You can find your local authority here**](https://www.gov.uk/find-local-council) .

If you do not qualify for SBBR, we are being told to expect an announcement later this week.

##### **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.

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.

##### **Facebook Small Business Grants**

Facebook have made $100m worth of Cash Grants and Ad Credits available to help Small Businesses through the disruptions caused by the Covid-19 global outbreak. They will begin taking applications in the coming weeks. In the meantime, a web-page has been set up where you can [**sign up for updates on when these grants become available**](https://www.facebook.com/business/boost/grant).

# **Further Support**

We are aware that many local businesses are in turmoil as a result of the COVID-19 crisis and do not know what to do next. As part of our commitment to give back to the community we are offering all businesses a free coaching call to discuss what you could do next to give you the best possible chance of survival!

If you'd like to talk with one of our coaches please go to <https://oakham.actioncoach.co.uk/> and scroll down to "Covid-19 Free 30 minute call" to book a call.

Or call us on 01573 497 030

Or email oakhamoffice@actioncoach.com