

**PRODUCT TITLE:** COVID-19 grants & other support

**DESCRIPTION:** **Detailed Alert** for clients as announced up to 20 March 2020

**DATE:** 21 March 2020

## The Following is a summary of the financial support measures to counter the disruption due to the COVID-19 outbreak

The range of measures for UK businesses is significant and now includes the following:

- a Coronavirus Job Retention Scheme
- deferring VAT and Income Tax payments
- a Statutory Sick Pay relief package for SMEs
- a 12-month business rates holiday for all retail, hospitality and leisure businesses in England (**SEE APPENDIX 1 BELOW FOR REGIONAL VARIATIONS IN SCOTLAND**)
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- 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
- the HMRC Time To Pay Scheme
- insurance coverage

Each of these items is now explained in more detail below.

---

### Coronavirus Job Retention Scheme

---

Under the Coronavirus Job Retention Scheme all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

**Eligibility:** All UK businesses are eligible.

**How to access the scheme** - You will need to:

- 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 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 per employee. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

**PLANNING NOTES:**

1. This scheme does not mean that the government is offering to pay 80% of all your employees' wages. It is intended to save you laying off staff who cannot work normally due to the outbreak.
2. In his announcement, Rishi Sunak made it clear that it will take time for HMRC to create a dedicated online portal that will allow employers to register their "furloughed" employees. It is unlikely that employers will receive any payments from HMRC until the end of April 2020.
3. As you would expect, the announcement made last week is light on detail. As new information comes to light you will be advised.
4. In the interim, we suggest that all clients who need to consider laying-off staff due to business interruption during the coronavirus outbreak, consider their options in the light of this new support package. There now seems to be a real opportunity to retain staff who can resume their normal duties as soon as the current restrictions are lifted.
5. It is likely that when the small print on this Job Retention Scheme is published it will include anti-avoidance restraints to stop employers registering employees on the scheme whilst they are still working – say from home.

---

## Deferring VAT and Income Tax payments

---

Government has announced that HMRC will allow you to defer Value Added Tax (VAT) payments for 3 months. The deferral period will apply from 20 March 2020 until 30 June 2020.

Additionally, if you are self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

1. **VAT Deferral.** All UK businesses registered for VAT are eligible. This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020-21 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.
2. **Income Tax.** For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021. If you are self-employed you are eligible. This is an automatic offer with no applications required.

**PLANNING NOTES:**

Both of these support measures are welcomed as they offer the self-employed and VAT registered businesses fairly immediate cash-flow relief in the next few months.

PLEASE NOTE: HMRC are not cancelling your VAT and self-assessment tax payments, both are being deferred to a later date. Please ensure that you make allowance for this so that you can meet the payments when they fall due.

---

**Support for businesses who are paying sick pay to employees**

---

HMRC are bringing 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 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. 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
- eligible period for the scheme will commence the day after the regulations on the extension of SSP 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

You are eligible for the scheme if your business is UK based, small or medium-sized and employs fewer than 250 employees as of 28 February 2020.

A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed.

**PLANNING NOTES:**

A rebate scheme is being developed. Further details will be provided in due course once the relevant legislation has passed. As with other measures, it may be some time before employers can access the rebates to which they are entitled.

---

## Support for businesses that pay business rates

---

Business rates holiday for retail, hospitality and leisure businesses

The government is introducing a business rates holiday for retail, hospitality and leisure businesses for the 2020-21 tax year.

Businesses that received the retail discount in the 2019-20 tax year will be rebilled by their local authority as soon as possible.

You are eligible for the business rates holiday if: your business is based in England and your business is in the retail, hospitality and/or leisure sector. **(SEE APPENDIX 1 BELOW FOR REGIONAL VARIATIONS IN SCOTLAND)**

Properties that will benefit from the relief will be occupied premises that are wholly or mainly being used:

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

There is no action that you need to take. The 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 will do this as soon as possible.

---

## Cash grants for retail, hospitality and leisure businesses

---

The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.

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.

You are eligible for the grant if: your business is based in England and your business is in the retail, hospitality and/or leisure sector. **(SEE APPENDIX 1 BELOW FOR REGIONAL VARIATIONS IN SCOTLAND)**

Properties that will benefit from the relief will be occupied premises that are wholly or mainly being used:

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

**PLANNING NOTE:**

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 businesses that pay little or no business rates

The government will provide 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 up to £10,000 to eligible businesses to help meet their ongoing business costs.

You are eligible if: your business is based in England; you are a small business and already receive SBBR and/or RRR and you are a business that occupies property. **(SEE APPENDIX 1 BELOW FOR REGIONAL VARIATIONS IN SCOTLAND)**

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.

---

## Coronavirus Business Interruption Loan Scheme

The new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch early week beginning 23 March 2020, to support primarily small and medium-sized 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.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.

You are eligible for the scheme if: your business is UK based, with turnover of no more than £45 million per year and your business meets the other British Business Bank eligibility criteria.

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.

**PLANNING NOTES:**

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.

The scheme will be available from week commencing 23 March 2020.

Please call if you feel that this is something that you will need to consider. We can help you draw together the information required to support an application.

---

**Support for larger firms - the COVID-19 Corporate Financing Facility**

---

Under the new COVID-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies.

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 overall and ease the supply of credit to all firms.

All UK businesses are eligible.

The scheme will be available early in week beginning 23 March 2020. More information is available from the Bank of England.

---

**Support for businesses paying tax: Time to Pay service**

---

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.

You are eligible if your business pays tax to the UK government and has outstanding tax liabilities.

**PLANNING NOTES:**

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.

If you are worried about a future payment, please call us if you need to confirm the amount of taxes due or need advice on how to approach HMRC for assistance.

---

**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 as long as all other terms and conditions are met.

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.

## APPENDIX 1 – REGIONAL VARIATIONS SCOTLAND

The following guidance is reproduced from the mygov.scot website

### Help with non-domestic rates in Scotland during coronavirus (COVID-19)

Last updated: **20 March 2020**

To help owners of non-domestic properties, including businesses, deal with the impact of COVID-19, the Scottish Government has made changes to non-domestic rates (business rates) for 2020-21.

The Scottish Government has introduced extra rates reliefs (discounts). It has also introduced a one-off grant for some businesses.

These reliefs will be available to non-domestic properties from 1 April 2020 to 31 March 2021.

It will be possible to apply for the grants from April 2020 and they will be available to 31 March 2021.

**The non-domestic rates reliefs and grant funding measures announced by the Chancellor of the Exchequer in March 2020 apply only in England. They do not apply in Scotland.**

### Extra reliefs to help with COVID-19

All non-domestic properties in Scotland will get a 1.6% rates relief. This relief effectively reverses the change in poundage for 2020-21.

You do not need to apply for this relief, and it will be applied to your bill by your local council.

### Retail, hospitality and leisure businesses

Retail, hospitality and leisure businesses will get 100% rates relief. To get this relief, a property has to be occupied.

The Scottish Government are working with Scotland's 32 Councils to make sure this relief is administered in the most effective way. You can check this page for updates, including information on any application process.

You can get these rates reliefs even if you already get another relief for your property.



## Grants

Retail, hospitality and leisure businesses with a rateable value between £18,000 and up to and including £51,000 will be able to apply for a one-off grant of £25,000.

A one-off grant of £10,000 will also be available to small businesses who get:

- Small Business Bonus Scheme relief
- Rural Relief

You can also get this grant if you applied for Nursery Relief or Disabled Relief but are eligible for the Small Business Bonus Scheme.

You can only apply for one grant – even if you own multiple properties.

## Applying for a grant and getting paid

The Scottish Government are working with Scotland's 32 Councils and other stakeholders to agree a common approach to the application process.

This should help make sure there's an effective and timely processing of grants as soon as possible.

## Deferring payment of non-domestic rates

If you're struggling to pay your non-domestic rates bill you should contact your local council

## Types of retail, hospitality and leisure businesses who qualify

This list is not exhaustive. If you think you may be eligible for this relief, contact your local council.

## State Aid

State aid rules still apply in the UK until the end of 2020.

The European Commission are consulting with Member States on a number of temporary State aid measures. These measures aim to help with the financial pressures businesses face as a result of COVID-19.

The Scottish Government will work with the UK Government to make sure these measures can be adopted to help Scottish Businesses where possible.

## APPENDIX 2 – REGIONAL VARIATIONS WALES

**The following guidance is reproduced from the [businesswales.gov](http://businesswales.gov) website**

The Welsh Government has announced a package of support worth £1.4bn for small businesses to help them during the coronavirus outbreak.

Retail, leisure and hospitality businesses with a rateable value of £51,000 or less will receive 100% business rates.

Expanding on this support a new package providing in 2020/21, retail, leisure and hospitality businesses in Wales with one year business rates relief and a grant of £25,000 for retail, leisure and hospitality businesses with a rateable value of between £12,001 and £51,000.

It also provides a £10,000 grant to all businesses eligible for Small Business Rates Relief with a rateable value of £12,000 or less.

Businesses that qualify for this support will not need to do anything to apply for this scheme. This will be administered through the Business Rates system. You do not need to contact your Local Authority about this, you will receive information in due course.

The links below will take you to further information on specific subject areas:

- Development Bank of Wales – Information of services available via the Development Bank of Wales
- Government Support – Information on support provided via the Welsh Government, including Business Rate Relief and Business Grant Schemes
- BEIS guidance to employers and businesses about covid-19 – Link to information and guidance from the UK Government on areas such as Statutory Sick Pay, Advice for employees which have travelled to high risk areas and home working

To delay the spread of coronavirus, the government has instructed some businesses and venues including all pubs, bars and restaurants to close. Further information on which businesses need to close can be found at: <https://www.gov.uk/government/news/government-announces-further-measures-on-social-distancing>

## APPENDIX 3 – REGIONAL VARIATIONS NORTHERN IRELAND

The following guidance is reproduced from the GOV.UK website

### General guidance for employers

The UK Government has published extensive guidance for employers, including details on how to prevent the spread of COVID-19 and what to do if someone is suspected or confirmed to have the virus.

### UK Government support for businesses

The UK Government has set out a package of measures to protect public services, people and businesses through this period of disruption caused by COVID-19. Businesses in Northern Ireland can access the following schemes and announcements:

- Businesses will receive government grants worth up to 80% of wages to keep workers in jobs. The Coronavirus Job Retention Scheme will pay up to £2,500 per worker each month, helping those who are self-isolating or caring for loved ones. This scheme will be open from Monday 23 March.
- Support for businesses through the Business Interruption Loan Scheme, which will provide loans of up to £5m, with no interest due for 12 months. This scheme will be open from Monday 23 March and will be delivered through the British Business Bank.
- Support for businesses who are paying sick pay to employees
- Support for businesses paying tax
- VAT payments for the next quarter will be deferred, so no business will pay any VAT for the next three months.

### Northern Ireland Executive support for businesses

Invest NI have provided practical advice for business online here

Businesses in Northern Ireland can access the following schemes:

- COVID Small Business Grant - Small business grant of £10,000 to be issued immediately with a cost of £267m providing support to 27,000 businesses in NI. This is for all businesses with a NAV up to £15,000
- Hospitality, Tourism and Retail Sectors Grant Scheme - An immediate grant of £25,000 will be provided to companies in these sectors with a rateable value up to £51,000.

Information on these schemes will be made available at NI Business Info.

55/57 West High Street,  
INVERURIE AB51 3QQ  
Tel: 01467 629888  
Fax: 01467 624469

Victoria House, 13 Victoria Street  
ABERDEEN AB10 1XB  
Tel: 01224 640227  
Fax: 01224 647724

16 Castle Street,  
BANFF AB45 1DL  
Tel: 01261 815525  
Fax: 01261 812178

Further to this, the Department of Finance has announced a £100m emergency rates package for businesses. All NI businesses will pay zero rates for the next three months (April, May, June). This automatically reduces rates by 25%, in addition to any existing rate reliefs. This applies to all businesses and does not need to be repaid.

## **Business support helplines**

### *HMRC tax helpline*

HMRC has set up a helpline for businesses and self-employed people who are concerned about paying their tax due to COVID-19. Call 0800 0159 559 for help and advice.

### *Invest NI helpline*

Get help with your business online, or by calling the Invest NI Helpline. Telephone: 0800 181 4422