

UK Government Coronavirus Support for Business

Job Retention Scheme

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

This applies to employees who have been asked to stop working, but who are being kept on the pay roll, otherwise known 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 1 March and is initially open for 3 months, but will be extended if necessary.

Deferred VAT

Valued Added Tax (VAT) payments have been deferred for 3 months.

If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to:

- defer the payment until a later date
- pay the VAT due as normal

Deferred Income Tax

Income Tax Self-Assessment payments due on the 31 July 2020 may be deferred until 31 January 2021.

Self-Employment Income Support Scheme

Allows the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.

Statutory Sick Pay relief for SMEs

SMEs can 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
- UK based 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.

Business Rates Relief for Retail, Hospitality, Nursery and Leisure Businesses.

There will be a business rates holiday for retail, hospitality, nursery and leisure businesses in England for the 2020 to 2021 tax year.

The Retail and Hospitality Grant Scheme.

Provides businesses in the retail, hospitality and leisure sectors in England with a cash grant of up to £25,000 per property. Businesses in these sectors with a property that has a rateable value of up to £15,000 may be eligible for a grant of £10,000.

Businesses in these sectors with a property that has a rateable value of between £15,000 and less than £51,000 may be eligible for a grant of £25,000.

Small Business Grant Scheme

The government will provide funding for local authorities to support small businesses in England that already pay little or no business rates because of small business rate relief (SBRR), 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.

Coronavirus Business Interruption Loan Scheme

Supports UK based SMEs (turnover less than £45m) with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

There are 40 accredited lenders able to offer the scheme, including all the major banks.

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 companies affected by a short-term funding squeeze, and allow them to finance their short-term liabilities.

It will also support corporate finance markets overall and ease the supply of credit to all firms.

HMRC's 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.

Commercial insurance

Most commercial insurance policies are unlikely to cover pandemics or unspecified notifiable diseases, such as COVID-19.

However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).

Government ordered closure

The government asked a number of different businesses and venues to remain closed from 21 March onwards. Insurers have agreed that this advice is sufficient for businesses covered for COVID-19 losses to make a claim.

Protection from eviction for commercial tenants

Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction. These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June. There is the option for the government to extend this period if needed.

This is not a rental holiday. All commercial tenants will still be liable for the rent. Commercial tenants are protected from eviction if they are unable to pay rent.