

# Support for businesses during the coronavirus crisis

In the past few weeks, our reality has changed beyond recognition. There will no doubt be many challenges ahead, but in an attempt to keep the wheels running while fighting off the common threat to life and health, the UK government has announced support package for individuals and businesses. These measures are being updated on a daily basis.

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The following summarises some of the business guidance at the time of writing which is relevant to startups and their employees, and links to the official wording are provided for ease of reference. You can see the full text as well as finding a list of links to other useful websites by below.

*[Find out more](#)*

## The Coronavirus Job Retention Scheme

All UK employers with a PAYE scheme 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. It is initially for a 3 month period but may be extended if necessary. It can be backdated to 1st March.

The scheme applies to employees who are kept on the payroll but have been asked to stop working (furloughed workers). HMRC will reimburse 80% of their wages, up to £2,500 per month. This is to safeguard workers from being made redundant.

You will need to notify your employees (furloughed workers) of this change. Changing the status of employees remain subject to existing employment law and, depending on the employment contract, may be subject to negotiation. Most employers make up for the additional 20% as changing a major term of employment contracts (such as salary reduction) requires the employees' consent.

Are you covered by the Coronavirus Job Retention Scheme? Check it here:

## VAT and Income Tax

Valued Added Tax (VAT) payments will be deferred for 3 months until 30th June 2020. If you are due a VAT refund it will be paid as normal. No application is needed to make use of this offer, but please bear in mind that you will need to cancel your direct debit if applicable.

For the self-employed, income tax payments due on the 31st July 2020 under the Self- Assessment system can be deferred until 31st January 2021.

## Payment of sick pay to employees

The government 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.

## Workers to be able to carry over (some) annual leave for two years

The government is allowing workers to carry over up to four weeks (not 5.6 weeks) annual leave into the next two leave years, where it is not reasonably practicable for them to take some, or all, of the holiday they are entitled to due to coronavirus. The balance of 1.6 weeks' statutory leave will not be affected

(although it can be carried over for up to a year by agreement under existing law).

The change is aimed at allowing businesses under particular pressure from the impacts of COVID-19 the flexibility to better manage their workforce while protecting workers' right to paid holiday.

## Support for retail, hospitality and leisure businesses that pay business rates

HMRC will introduce a business rates holiday for retail, hospitality and leisure businesses 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.

This 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.

## 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.

Businesses in these sectors with a property that has a rateable value of up to £15,000 will receive 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 will receive a grant of £25,000.

Businesses which do not pay business rates are not included in this scheme.

## 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 (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.

## Support for businesses through the Coronavirus Business Interruption Loan Scheme

The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5M 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.

## Support for larger firms through 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.

*Read also*

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[19 businesses pivoting in response to COVID-19](#)

## Support for businesses and self-employed people 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.

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.

## Support for Self-employed

Self-employed workers can apply for a grant worth 80% of their average monthly profits. The money – up to £2,500 a month – will be paid in a single lump sum. This can be back-dated to March but will not begin to arrive until June at the earliest. The grant is taxable and will not be available if taxable profits exceed £50,000. Unlike the employee scheme, the self-employed can continue to work as they receive support.

This does not apply to contractors, personal service companies or business owners who take their remuneration through dividends.

## 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).

## 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.

*Find out More*

## Other useful links:

1. The British Chambers of Commerce has a [Coronavirus Hub](#). There is a FAQs page on UK government support measures and also a general FAQs page which looks at cash flow and travel and trade.
2. The government also have a [FAQs](#) page regarding business support which will be regularly updated according to the latest advice and guidance.
3. UK Finance, which represents banks and other organisations that lend to businesses, has a '[Let's Talk Business - COVID-19](#)' article. This explains the measures that its members are taking. It also has a section where questions that businesses may have are answered.
4. BBC News offers [a guide to applying for government business support](#), breaking down how the Business Interruption Loan Scheme works, what help there is for bigger businesses and how big companies apply for this.
5. The [Bank of England](#) has a page designed for companies, and banks acting on behalf of companies, that would like to participate in the HM Treasury and the Bank of England's COVID Corporate Financing Facility (CCFF). This also has a useful Q&A section for companies.
6. [Visit Britain](#) has a page which contains useful links to information on general advice and support for businesses as well as all of the latest tourism-related news and information for UK tourism businesses on the outbreak of COVID-19.
7. People unable to work for more than 7 days because of the virus can now use [an online sick note system](#).

8. The Institute of Chartered Accountants in England and Wales has a practical business advice page which quickly summarises the help announced by the government. This has links for employers, all businesses, self-employed, small businesses, small and medium businesses, large businesses, retail, hospitality and leisure businesses and nursery businesses.
9. Gov.uk provides advice on developing business continuity plans which include a Business Continuity toolkit.
10. The FCA has a page providing information for firms on Coronavirus.
11. The Chartered Institute of Public Relations has produced a document with tips for communicating with employees at times of crisis.
12. Companies House has allowed companies to receive a 3 month extension period to file accounts during the outbreak.

The material contained in this article is provided for general purposes only and does not constitute professional advice specific to your situation, and should not be relied upon. Appropriate advice should be sought for your specific circumstances and before any action is taken.

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For more information:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-that-pay-little-or-no-business-rates>

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For more information:

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

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