



GOVERNMENT SUPPORT FOR BUSINESSES AFFECTED BY COVID19 – UPDATED 24TH MARCH

Summary of Key Points:

- a Coronavirus Job Retention Scheme
- deferring VAT and Income Tax payments
- a Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
- a 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- 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 £15,001 and £51,000
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- the HMRC Time To Pay Scheme

(Read more details from the following pages)

CORONAVIRUS JOB RETENTION SCHEME

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

There are still a number of questions that remain unanswered until the scheme particulars are published. Questions such as how are Directors treated? How are zero-hours or flexible hours staff treated? Is the reimbursement the gross-salary amount?

The Coronavirus Business Interruption Loan Scheme (CBILS) provides an opportunity for businesses, making an application through their current bankers, to obtain finance to temporarily bridge the gap between paying wages to furloughed employees before being reimbursed by HMRC under this job retention scheme.

DEFERRING VAT AND INCOME TAX PAYMENTS

Valued Added Tax (VAT) payments will be deferred for 3 months. If you’re self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

VAT

For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

Eligibility

All UK businesses are eligible.

How to access the scheme

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 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.

Income Tax

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

Eligibility

If you are self-employed you are eligible.

How to access the scheme

This is an automatic offer with no applications required.

No penalties or interest for late payment will be charged in the deferral period.

HMRC have also scaled up their [Time to Pay offer](#) to all firms and individuals who are in temporary financial distress as a result of Covid-19 and have outstanding tax liabilities

Please do not hesitate to contact a member of the [DTE Tax Consultancy](#) team should you have any questions or need support with the above.

STATUTORY SICK PAY

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.

Details and 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
- your business needs to be 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
- 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

BUSINESS RATES HOLIDAY FOR RETAIL, HOSPITALITY AND LEISURE BUSINESSES

The government 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.

Eligibility

You are eligible for the business rates holiday if:

- Your business is based in England.
- Your business is in the retail, hospitality and/or leisure sector.

Properties that will benefit from the relief will be occupied hereditaments 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

How to access the scheme

There is no action for you. 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. They will do this as soon as possible.

BUSINESS RATES HOLIDAY FOR NURSERY BUSINESSES

The government will introduce a business rates holiday for nurseries in England for the 2020 to 2021 tax year.

Eligibility

You are eligible for the business rates holiday if:

- your business is based in England

Properties that will benefit from the relief will be hereditaments:

- occupied by providers on Ofsted's Early Years Register
- wholly or mainly used for the provision of the Early Years Foundation Stage

How to access the scheme

There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill to exclude the business rate charge. They will do this as soon as possible.

You can estimate the business rate charge you will no longer have to pay this year using the [business rates calculator](#).

CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, 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 (Increased from initial £1.2million announced on 11 March) 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. More details at: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

Eligibility for CBILS

To be eligible for support via CBILS, the small business must:

- Be UK based, with turnover of no more than £45 million per annum
- Operate within an eligible industrial sector (a small number of industrial sectors are not eligible for support)
- Have a sound borrowing proposal but have inadequate security to meet a lender's normal requirements
- Be able to confirm that they have not received other public support of de minimis state aid beyond €200,000 equivalent over the previous three years

How to access the scheme

The scheme is now open for applications. All major banks are offering this scheme.

To apply, you should talk to your bank or one of the [40 accredited finance providers](#) (not the British Business Bank) as soon as possible, to discuss your business plan. You can find out the latest on the best ways to contact them via their websites. Please note that branches may currently be shut down to enable social distancing.

The full rules of the scheme and the list of accredited lenders are available on the [British Business Bank website](#).

If you have an existing loan with monthly repayments you may want to ask for a repayment holiday to help with cash flow.

Please do not hesitate to contact a member of the [DTE Corporate Finance](#) team should you have any questions regarding accessing this scheme.

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.

Eligibility

You are eligible if your business:

- pays tax to the UK government
- has outstanding tax liabilities

How to access the scheme

If you have missed a tax payment or you might miss your next payment due to COVID-19, HMRC's have a dedicated helpline : 0800 0159 559. Arrangements are dealt with on a case-by-case basis. **If you would like to discuss what to do with these liabilities, please [contact Alan McCann](#) from our Tax Consultancy department. Alan is DTE Head of Tax Dispute Resolution and has over 45 years of experience in supporting businesses in their disputes and negotiation with HMRC.**

This is a challenging time for all of us, but at DTE we believe that together we will get over it, and will continue to thrive in the future. As always, we are committed to be your partner for success, and if you have any questions about the information above, or need support for your business, please get in touch with us today.

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