

Coronavirus (COVID-19) Support

CORONAVIRUS JOB RETENTION SCHEME

What's being offered?

- Government grants to reimburse employers for 80% of an employees' wage, who is unable to work due to the Coronavirus outbreak. *ie. Employees who remain on the payroll but are temporarily not working.*
- All UK businesses are eligible for this scheme. Aim is to encourage employee retention and avoid mass lay-offs and redundancies
- The 80% grant is going to be calculated by referring to a previous pay period. *As yet, there is no definition of what the previous reference period is, but by doing so, this means increasing employee wages now will have no impact on what they would be paid with this scheme.*
- The 80% grant will also include Employers NIC and the legal minimum pension contributions.
- Maximum limit - £2,500 per month (£30,000 per annum salary) per employee.
- Employees would be classed as 'furloughed workers' and cannot undertake work for the business while classed as 'furloughed'.
- Employees still working, albeit on reduced hours, are not eligible.
- The little information we have, suggests that directors can "furlough" themselves provided they are not working in anyway to keep their company working.
- National Minimum Wage will not apply as employee will not be working during their "furlough" period.
- Zero-hour contract employees should be eligible under scheme. We would assume their wages costs will be calculated by referring to previous pay periods as above.

How to claim?

- Employers would pay employees as normal and then be reimbursed by HMRC.
- Employers must designate affected employees as 'furloughed workers' and notify employees of this change. Employees have to consent to this. *Be careful, changing the status of employees remains subject to Employment law, so check employment contracts.*
- Information on 'furloughed workers' and their earnings are to be submitted to HMRC through a new online portal to be setup. *HMRC will set out further details on this process and information required as soon as possible.*

When will I receive?

- Grants to be backdated to 1st March 2020 for all eligible employees and will last for an initial three months but could be extended after this point.
- *HMRC are currently working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.*
- *HMRC are working night and day to get the unprecedented Coronavirus Job Retention Scheme up and running and expect the first grants to be paid within weeks, so optimistically this would be mid-April at the earliest.*

BUSINESS RATES**What's being offered?**

- 100% rates relief for ratepayers in the retail, hospitality and tourism sectors from 1st April 2020 to 31st March 2021.
- All business properties across Scotland will receive a 1.6% rates relief for 2020-21 – effectively a rates freeze on last year.
- Ratepayers with more than 1 property, where cumulatively the properties total a rateable value of between £18,000 and £35,000, a 25% relief will be available on any individual property which has a rateable value under £18,000.

How to claim?

- The 1.6% rates relief effective on all business properties across Scotland will be administered by local councils automatically.
- Likewise, the 25% relief available specified above will also be administered automatically.
- Ratepayers in the retail, hospitality and tourism sectors will need to apply to their local council for the 100% rates relief. *As yet no details on how to apply, advice is to contact your local council. More guidance to come.*

When will I receive?

- The aim by local councils is to ensure these grants are payable as quickly as possible from 1st April 2020.

GRANT FUNDING

What's being offered?

- Ratepayers currently paying no rates and receiving the Small business bonus scheme relief (SBSS) or Rural relief (property rateable value under £18,000) will be eligible for a one-off grant of **£10,000**.
- Ratepayers in the retail, hospitality and tourism sectors, with a property rateable value of between £18,000 to £51,000 will be eligible for a one-off grant of **£25,000**.

How to claim?

- Application process for grants now live. Please check your relevant local authority website to download necessary form to complete. *Please note, some councils are operating an online application process, which will request the same information as the form.*
- Key piece of information required is your 'rates reference' number, which you can find on your 2019/20 rates notice.

When will I receive grant?

- Councils are aiming to pay out grant funds within 10 working days upon receipt of application.

QUALIFYING BUSINESSES (*Retail, Hospitality & Tourism*)

This list is not exhaustive. Please check with your local council for eligibility.

RETAIL

- Auction marts
- Opticians
- Furnishing shops/display rooms
- Second hand car lots
- Markets
- Garden centres
- Shoe repairs/key cutting
- Travel agents
- Dry cleaners
- Domestic appliance repair
- Photo processing
- Car hire
- Shops
- Post offices
- Showrooms (including car/caravan showrooms)
- Car washes
- Petrol stations
- Hair and beauty services
- Ticket offices
- Launderettes
- Funeral directors
- Tool hire

HOSPITALITY

- Bed and breakfast accommodation
- Caravans and caravan sites
- Guest houses
- Public houses
- Bothies
- Camping sites
- Chalets and holiday huts
- Hotels and hostels
- Restaurants

LEISURE

- Arts centres
- Sports clubs/centres/grounds
- Museums
- Music venues
- Studios
- Live music venues
- Fishing huts
- Galleries
- Cinemas
- Recreation grounds
- Theatres

BUSINESS INTERRUPTION LOAN SCHEME

What's being offered?

- Coronavirus Business Interruption Loan Scheme to support **small and medium sized** business to access bank lending & overdrafts.
- Loans of up to £5m available, with Government providing 80% guarantee to assist with business proposals to lenders.
- First 12 months of loans will be interest free – interest met by Government. No upfront guarantee or arrangement fees
- Bank interest base rate now reduced to **0.1%** as of 19th March 2020.
- Subject to eligibility restrictions – notably agriculture & fishing sectors.
- Key thing to note, this is a debt facility and will have to be repaid back on agreed terms & conditions. The borrower is 100% liable for the debt.
- Finance terms will be up to 6 years for term loans and asset finance, and up to 3 years from revolving facilities (overdrafts and invoice finance).
- Unsecured lending facilities of up to £250,000 maybe available – *dependant on lender*.
- *On discussion with a couple of the leading banks, additional measures (below), are likely to be available options also. Will be very much on a lender to lender basis.*
 - *Capital repayment holidays on term loans*
 - *Payment suspensions on hire purchase agreements*
 - *Increasing debtor funding percentage on Invoice Finance facilities*

How to claim?

- Contact your current bank. All banks have setup varying quick online questionnaires, applications complete to check eligibility and setup call backs.
- Accredited lenders included in scheme, list at <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>
- Have a borrowing proposal which, were it not for the current pandemic, would be considered viable by the lender, and for where the lender believes the business will be able to trade out of any short-to-medium term difficulty.
- If the accredited lender can offer finance on normal commercial terms without the need to make use of the scheme, then this will be the **preferred** option. *Key very much in the smaller print here.*

Timescale for loans?

- Scheme went live from 23rd March 2020.

SUPPORT ON PAYING TAXES

What's being offered?

- All business and self-employed struggling with cashflow due to COVID-19 and with outstanding tax liabilities (VAT, Corporation Tax, PAYE, Income Tax) may be eligible to 'spread' payment of taxes, through a time to pay arrangement.
- Self-assessment tax payments due to paid at 31st July 2020, are now deferred until 31st January 2021.
- VAT Deferral - businesses will not need to make a VAT payment relating to the VAT return periods (month or quarter) ending:
 - 29 February 2020 – due for payment 7 April 2020
 - 31 March 2020 – due for payment 7 May 2020
 - 30 April 2020 – due for payment 7 June 2020
- Businesses who normally pay by direct debit should cancel their direct debit with their bank if they wish to utilise this deferral period. *Please do so in sufficient time so that HMRC do not attempt to automatically collect on the direct debit date.*
- VAT returns should be submitted as normal. Usual surcharges will apply if submitted late.
- Liability arising for this deferral period should be settled to HMRC no later than 5th April 2021. Any VAT refunds/reclaims for this period will be paid as normal.

How to claim?

- HMRC have setup a dedicated helpline on 0800 0159 559 for 'time to pay' arrangements. Arrangements are agreed on a case by case basis depending on circumstances.
- Self-assessment deferral will be applied automatically – no need to apply.
- VAT deferral will be applied automatically – no need to apply.
- *As it stands, there does not seem to be any leeway with regards to filings of returns. Current advice is that all businesses should continue to file all VAT/CT/PAYE returns to avoid late filing penalties and make a 'time to pay' arrangement for the tax with HMRC.*

Timescale for support?

- Available immediately

SICK PAY

What's being offered?

- Small & medium business able to reclaim 2 weeks' Statutory Sick Pay (SSP) per employee who has been off work because of COVID-19. *(This includes employees self-isolating as a precaution and employees following advice to stay at home. No GP line required.)* Employees must earn on average at least £118 per week.
- Statutory Sick Pay (SSP) now payable from day 1 instead of day 4. This applies from 13th March.
- Employers with fewer than 250 employees as at 28th February 2020 are eligible.

How to claim?

- No detail provided as yet, employers merely advised to maintain records of employee absences and payments off SSP made.

Timescale for refund?

- Vague – to quote government advice *“the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible”*. So, doesn't appear to be quick assistance here.

SELF-EMPLOYED/NON-BUSINESS (PERSONAL)

What's being offered?

- 3-month mortgage holidays, including Buy to Let mortgages for private landlords.
- Credit card forbearance. Emergency credit limit increases being offered, while some will offer repayment holidays.
- Statutory sick pay to paid at the same rate as that paid to employees - £94.25 per week.
- Zero-hours contract workers can claim SSP if they earn more than £118 per week.
- Universal credit standard allowance and Working Tax Credit raised by £1,000 for the next 12 months. Relaxed rules on applying for Universal Credit.
- Increased protection for Tenants:
 - Social Housing – local authorities to relax immediate demands to allow for benefit applications to be processed to support payments.
 - Private Residential Tenancy agreements – mandatory grounds for eviction, increased from 3 months (*in rent arrears consecutively for 3 months, with 1 month unpaid*) to 6 months.
- Crisis Grants available from Scottish Welfare fund for those who have suffered significant reduction income, made redundant, on temporary unpaid leave. See <https://www.mygov.scot/scottish-welfare-fund/crisis-grants/>

How to claim?

- Telephone call to lender to discuss.
- Call or visit local DWP office (if open) to apply

Timescale for support?

- Available immediately

ACCOUNTS & TAX COMPLIANCE

What's being offered?

- Companies House are offering extensions of 30 days to accounts filing deadlines for limited companies/LLPs badly affected by Coronavirus.
- *Side note – Companies House Scotland is now closed. Any postal documents to be submitted should be filed at Companies House Cardiff until further notice. All same day services are now also currently suspended.*

How to apply?

- Application can be made by post to Companies House, Cardiff or via online at <https://beta.companieshouse.gov.uk/extensions>
- You will need to document reasons for requesting extension and may need to provide supporting documents, where necessary.

Timescale?

- It is imperative that application is made **prior** to current filing deadline. Applications after this will not be accepted and late filing penalties will be applied.
- Decisions on extension request can take up to 5 days, so please ensure you give yourself this time with any application.

BUSINESS SUPPORT CONTACT DETAILS

- **Find Business Support Scotland**

Website - <https://findbusinesssupport.gov.scot/>

Telephone – 0300 303 0660