

Newquay BID would like to thank Crane & Johnston Accountants for providing a comprehensive guide to financial packages for businesses. We hope that is of use for your business during these challenging times.

Stay safe.

GOVERNMENT SUPPORT FOR BUSINESSES

On Friday 20th March 2020, the Chancellor set out a package of measures to support public services, people and businesses through the period of disruption caused by COVID-19.

The package of measures to support businesses includes:

- Coronavirus Job Retention Scheme
- Self-employed Income Support 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
- 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
- HMRC Time To Pay Scheme

We will keep you informed about the details of each of these packages and how to apply.

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. All UK businesses are eligible.

Eligibility:

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.

DEFERRING VAT AND INCOME TAX PAYMENTS

The Government will support businesses by deferring Valued Added Tax (VAT) payments 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.

All UK businesses are eligible. Our advice is to cancel your DD if you cannot afford to pay your VAT this quarter.

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 31st 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.

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.

SUPPORT FOR BUSINESSES WHO ARE PAYING SICK PAY TO EMPLOYEES

The Government will make 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 have 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 and your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020.

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 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.

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:
 - o as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - o for assembly and leisure
 - o 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.

See: <https://www.gov.uk/calculate-your-business-rates> where you can estimate the business rate charge you will no longer have to pay and further guidance can be found at: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

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
- 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 and boarding premises and self-catering accommodation

Accessing the scheme:

You do not need to do anything. Your local authority will write to you if you are eligible for this grant. Guidance for local authorities on the scheme will be provided shortly. Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

To find your local authority: <https://www.gov.uk/find-local-council>

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.

You are eligible if:



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- your business is based in England
- you are a small business and already receive SBRR and/or RRR
- you are a business that occupies property

How to access the scheme

You do not need to do anything. Your local authority will write to you if you are eligible for this grant. Guidance for local authorities on the scheme will be provided shortly.

Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

To find your local authority: <https://www.gov.uk/find-local-council>

SUPPORT FOR BUSINESSES THROUGH THE CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch this week 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
- your business meets the other British Business Bank eligibility criteria

How to access the scheme



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The full rules of the Scheme and the list of accredited lenders is available on the British Business Bank website: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

All the major banks will offer the Scheme once it has launched. There are 40 accredited providers in all.

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 early week commencing 23rd March. We will keep you informed on how to apply as the details emerge.

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. 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. We will provide information on how to access the scheme here shortly. More information is available from the Bank of England: <https://www.bankofengland.co.uk/markets/market-notices/2020/ccff-market-notice-march-2020>

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.

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're worried about a future payment, please call them nearer the time.

INSURANCE

Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17th 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.

CORONAVIRUS SELF-EMPLOYMENT INCOME SUPPORT SCHEME (CSEISS) – HELP FOR THE SELF EMPLOYED

Chancellor Rishi Sunak has announced measures to support the self-employed and partnerships.

The scheme is called the Coronavirus Self-employment Income Support Scheme (CSEISS).

If you have suffered a loss in income, a taxable grant will be paid to the self-employed or partnerships, worth 80% of profits up to a cap of £2,500 per month.

Initially, this will be available for three months in one lump-sum payment and will start to be paid from the beginning of June.

You cannot apply for this scheme yet. HMRC will contact you if you are eligible for the scheme and invite you to apply online.

Government advice: Individuals do not need to contact HMRC now and doing so could delay the work being undertaken to introduce the scheme.

Who is eligible?

Self-employed individuals and those who are a member of a partnership. In addition, those eligible must have more than half their income from being self-employed and:

- have submitted your Income Tax Self-Assessment tax return for the tax year 2018-19
- traded in the tax year 2019-20
- are trading when you apply, or would be except for COVID-19
- intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to COVID-19

Your self-employed trading profits must also be less than £50,000 and more than half of your income come from self-employment. This is determined by at least one of the following conditions being true:

- having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income
- having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period

If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.

There are a few individuals who have not submitted their 2018-19 Self-Assessment tax return and to qualify they now have until the 23 April 2020 to do so.