

Coronavirus Support for Businesses as of 22 March 2020 (updated 24 March) Factsheet of Government Advice

The Chancellor has set out an additional package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19 as follows:

This includes a package of measures to support businesses including:

- A Coronavirus Job Retention Scheme
- Deferring VAT and Income Tax payments
- Cash Grants (updated)
- Business Rates Support (updated)
- Business Interruption Loan Scheme (updated)

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

1. Support for businesses through the 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.

Eligibility

All UK businesses are eligible.

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.

If your business needs short term cash flow support, you may be eligible for a [Coronavirus Business Interruption Loan](#).

2. Support for businesses through deferring VAT and Income Tax payments

HMRC 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.

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.

3. 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.

Eligibility

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 are ones that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venue
- for assembly and leisure
- as hotels, guest and boarding premises and self-catering accommodation
- nurseries have also been added to the list

The guidance states that the following are not eligible:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices
- Casinos and gambling clubs

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 has been issued 24 March.

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

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

4. 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 (SBBR), 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.

Eligibility

You are eligible if:

- your business is based in England
- you are a small business and already receive SBBR 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 has been issued 24 March.

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

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

5. Update on Business Rates Relief

On 17th March the Chancellor's statement brought further changes to Business Rates which will be beneficial for certain sectors of the market and smaller occupiers:

- A 12 month rate-free period from April 2020 for all businesses in the retail, leisure and hospitality sectors.
- All funding given is reimbursed to billing authorities by Central Government.
- The property must be "wholly or mainly" used within the stated categories to qualify.
- This is a test on use rather than occupation, and the paper states the following:

For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.

The paper gives the billing authorities flexibility to be able to grant the relief where they feel appropriate.

Rates and Vacant Properties

It might be possible to claim relief due to unoccupied property and this apply for the final weeks of March 2020 potentially providing 100% relief during this period if the property has closed due for instance due to the prohibition order or closure as a place of work. Further information on this can be obtained from the local authority.

6. 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 early next week to support primarily small and medium-sized businesses to access bank lending, working capital 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 for up to six years.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments and cover lender related fees.

Eligibility

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

The full rules of the Scheme and the list of accredited lenders is available on the [British Business Bank website](#). 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 23 March.