

FIRST CREDIT ADVICE LTD

YOUR GUIDANCE TOWARDS COVID-19 SUPPORT

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COVID-19: FINANCIAL SUPPORT AVAILABLE TO SMALL AND MEDIUM BUSINESSES

On Friday 20 March the Chancellor Rishi Sunak announced the government's plan to help businesses access grants to cover **80% of the wage costs** of furloughed workers (those who have no work but who are being retained on payroll rather than made redundant) up to **a maximum of £2500 per month per employee**.

At the moment the government has not produced any further details of how these funds can be accessed, but we are expecting details to be announced by HMRC very shortly and as soon as this is published, we'll update you on what needs to be done.

We know that HMRC will be outlining the information employers will need to enter via an online portal. We also know that they are urgently working on a mechanism to pay this money to businesses and the Chancellor hopes the first payments will be coming through by the end of April.

What are businesses to do in the meantime when they need access to funds now? **There are a number of sources of funds/relief available.** We've outlined them for you below:

1. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief

Under this scheme, local authorities will be able to provide additional support to any small business that already pays little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief.

What is available?

A one-off grant of £10,000 to help businesses with their ongoing costs.

Who is eligible?

Businesses that:

- are based in England
- occupy property
- are a small business which already receives SBRR and/or RRR

How can the funds be accessed?

You do not need to submit a claim as local authorities will be writing to all eligible businesses. If you have any queries about whether you are eligible or when monies will be made available, please speak to your local authority.

2. Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,001 and £51,000

Under the Retail and Hospitality Grant Scheme, businesses in the retail, hospitality and leisure sectors will be given a cash grant of up to £25,000 per property.

What is available?

Businesses in these sectors with a property that has a rateable value of £15,000 and under will receive a grant of £10,000.

Businesses in these sectors with a property that has a rateable value of between £15,000 and £51,000 will receive a grant of £25,000.

Who is eligible?

You will be eligible for a grant if:

- a. Your business is based in England
- b. Your business is in the retail, hospitality and/or leisure sector i.e. the property is 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

How can the funds be accessed?

You do not need to submit a claim as local authorities will be writing to all eligible businesses. If you have any queries about whether you are eligible or when monies will be made available, please speak to your local authority.

3. Deferred VAT payments

VAT payments will be deferred from 20 March 2020 until 30 June 2020.

Who is eligible?

All UK businesses

How to access the scheme

The scheme operates automatically, and no application needs to be made. 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.

4. Deferred Income Tax payments

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

Who is eligible?

Self-employed people.

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.

5. Time to pay scheme extended

HMRC have also scaled up their Time to Pay scheme for all businesses and individuals who are in financial difficulty as a result of Covid-19 and have outstanding tax liabilities. Under this scheme, arrangements can be agreed on a case by case basis depending on the individual circumstances of the individual's/businesses' financial situation and liabilities.

Who is eligible?

You are eligible if you/ your business:

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

How to access the scheme

Call HMRC's dedicated helpline: **0800 0159 559**.



6. Statutory Sick Pay (SSP) rebate

This scheme will allow small and medium-sized businesses to recover some SSP.

What is available?

Recovery of **up to two weeks SSP for COVID-19 related sickness absence** per eligible employee.

Who is eligible?

Employers with fewer than 250 employees as at 28 February 2020.

It appears the period of eligibility will start from 13 March 2020 (the legislation is still going through parliament and we should be able to confirm this date later in the week).

How can the funds be accessed?

The government is urgently working on a mechanism to refund these monies. In the meantime, employers should maintain records of absences and

payments of SSP. If evidence is required by the business, the employee can obtain an isolation note from NHS 111 online (for those on household isolation – where a member of their household has symptoms – a note can be obtained from the NHS website).

7. Coronavirus Business Interruption Loan Scheme

This temporary scheme will offer loans of up to £5 million for SMEs through the British Business Bank (via more than 40 commercial lenders).

What is available?

Access to loans, overdrafts, invoice finance and asset finance of up to £5 million 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 also provide lenders with a guarantee of 80% on each loan (subject to a 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.

Who is eligible?

You are eligible for the scheme if:

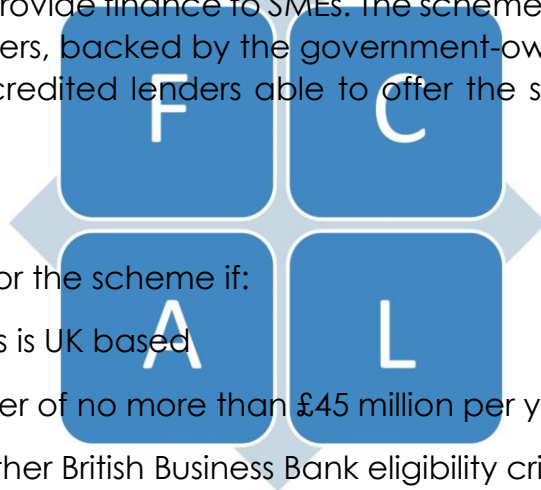
- your business is UK based
- has a turnover of no more than £45 million per year
- meets the other British Business Bank eligibility criteria

How can the funds be accessed?

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 lenders (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. The government has given a clear direction that they expect banks to support businesses at this difficult time.



8. Business rates holiday – retail, leisure and hospitality businesses

What is available?

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.

Who is eligible?

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 those 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 can the scheme be accessed?

You do not need to make a claim as the scheme will apply automatically if you are eligible and will be shown on your next council tax bill in April 2020. Local authorities may have to reissue bills automatically to exclude the business rate charge and if so, they will do this as soon as possible.



9. Business rates holiday – nurseries

What is available?

A business rates holiday for nurseries in England for the 2020 to 2021 tax year.

Who is eligible?

You will be eligible if:

- your business is based in England
- the property is occupied by providers on Ofsted's Early Years Register and
- is wholly or mainly used for the provision of the Early Years Foundation Stage

How can the scheme be accessed?

You do not need to make a claim as the scheme will apply automatically if you are eligible and will be shown on your next council tax bill in April 2020. Local authorities may have to reissue bills automatically to exclude the business rate charge and if so, they will do this as soon as possible.

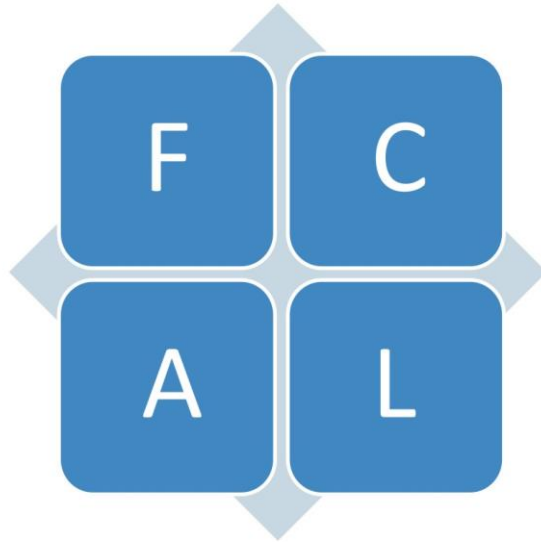
WE SHALL KEEP YOU INFORMED

Apparently, the dynamic nature of the coronavirus measures is confusing and complicated which can cause business owners lots to think about. The government policy is very clear about the support offered to businesses and businessmen.

We can help to interpret these measures for you in the most appropriate way suitable for your business to help you sail through the bumpy time in a very secured and proficient manner.

If you want any advice or guidance in relation to support offered to the business, please call us at 01708385044-45 or email us at info@fcal.co.uk.

We are always confident to provide you with FINANCIAL PEACE OF MIND.



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