



Following on from our initial blog, the Government have provided more detail on the measures announced on 13 March, but also have given an overview of much more, wide ranging support for businesses and employees.

Please note before reading on, in many cases, the detail of how to claim has not been announced yet. As soon as we know how to claim we will either put an update feed onto this blog, or we will re-write it again. At CCF we are dealing with an unprecedented number of queries, so please download our FAQ, as this might also answer your questions.

Businesses:

Grants

More detail has been provided on the cash grants, but still no detail on how to claim.

[£10,000 Cash Grant](#)

This is available to businesses who qualify for small business rates relief or rural rates relief.

You will receive a letter from the local authority to let you know if you qualify.

[£10 – 25,000 Cash Grant](#)

This is now called the Retail and Hospitality Grant, although it also includes leisure businesses.

Businesses with a rateable value of less than £15,000 will receive a £10,000 cash grant.

Those with a rateable value between £15,001 and £51,000 will receive £25,000.

You will receive a letter from the local authority to let you know if you qualify.

In both cases, the local authorities have not yet received guidance on the grants, so the best course of action at the moment is to wait.

VAT Deferral

This is an automatic relief. VAT payments due between 20 March and 30 June will not be collected by HMRC.

The VAT will still have to be paid, but this will be by 5 April 2021. You will still need to keep your records up to date and will still need to submit your VAT returns. Equally, you will want to keep track of the liability that you have accrued, so you can come up with a plan to repay it, once things get back to some sort of normal.

Self-Assessment Payments on Account

The July payment on account does not need paying. The full amount of personal tax due for the year 5 April 2020 will be due for payment by 31 January 2021.

If you think that you have lost a significant amount of profit and you might already have overpaid your payment on account in January, don't delay getting your accounts produced when the tax year finishes, as you will be able to claim any tax repayment due.

Other tax liabilities

If there are already unpaid VAT, PAYE, Corporation tax or Self-Assessment taxes outstanding, HMRC are providing time to pay arrangements.

Call the debt management line on 0800 0159 559

You will need the tax reference number for whatever tax you are looking at and will also need to ensure that all filings are up to date, so HMRC can see what is outstanding. They are being very kind and supportive. If you have had experience of calling this number in the past, you will be surprised at the change in tone!

Planning

It's really important that if you do defer any tax payments or take any loans, that you have a plan for repaying these amounts. This is particularly important if you are a company director paid via salary and dividend, because it could potentially cause a tax problem down the line. If in doubt, check with your accountant.

Sick Pay for Self Employed

Selfemployed people are advised to explore whether they can claim for Universal Credit. Use this calculator to find if you are eligible.

https://benefits-calculator.turn2us.org.uk/AboutYou?utm_source=BAadviser&utm_medium=referral&utm_campaign=GovUK

If you are a company director and your income has fallen significantly, you will need to contact your accountant to get them to stop putting through the automatic directors' salary, as this can affect any claim for Universal Credit.

You might also want to discuss with your accountant how you pay yourself during this period, because if you are not making any profit, you won't be able to draw any dividends from the company.

Business Rates Holiday

There will be no business rates to pay for 2020/21 tax year for business in the retail, leisure and hospitality industry.

This will be dealt with automatically.

If your business is within one of the specified categories and your business rates bill is not reissued, you will need to contact the local authority.

Please note that the 2020/21 business rates bills were only delivered to most businesses last week (w/c.16 March), so wait for a couple of weeks before contacting the council. They will be inundated with queries about this when it is purely a timing issue.



Coronavirus Business Interruption Loan Scheme.

This is effectively the Enterprise Finance Guarantee Scheme rebadged under a different name. The scheme makes it easier for businesses with little or no security to apply for a loan on normal commercial terms. The Government will guarantee up to 80% of the loan, so you will have to guarantee 20%.

Interest charges are waived for the first 12 months. The usual set up charges from the Government are also waived.

Care needs to be taken to ensure that you are aware of the implications of borrowing the money and giving a personal guarantee. This is not a case of 'free money' being available.

Just because the Government guarantee 80% of the loan, this is only in the situation whereby if your business was unable to make repayments or was to go into administration, the bank would look to you personally to repay the loan and any shortfall after the bank has exhausted all possibilities, would be settled by the Government.

Your primary residence is always going to be safe from this guarantee scheme.

You need to approach your own bank about this loan scheme.

Employees:

Job Retention Scheme

Where employers can retain key staff and claim back 80% of their monthly pay, up to a maximum of £2,500.

Details have not yet been released as HMRC do not have a system for dealing with this yet, however it is expected to be available from April.

In the meantime, if cashflow permits, staff would have to be paid as usual until any claims can be made.

Sick Pay for businesses with less than 250 employees.

The rate of sick pay is £95.85 per week from 6 April 2020 and this cost is borne by the employer. The government will refund in full the costs of sick pay for 14 days per employee.

There is no detail on how this will be delivered. We expected it to be via PAYE, as this is how it used to be managed, but there is no indication of that as yet.

There are three main scenarios to consider with employees being unable to work, which we will detail with the ways that employers can manage them;

Self-Isolation or Infected

Where an employee has been advised by 111 to self-isolate, or they are actually infected and sick with the virus, they will be entitled to sick pay.

The rules have also been amended to allow people who have to self-isolate because a family member in the same household has symptoms and has been told to self-isolate.



Usually the first three days of sick leave are called waiting days and are unpaid. The Government announced that in the case of Coronavirus, these first three days will be entitled to statutory sick pay.

The employee will need to provide the usual proof of their sickness absence through self-certification. NHS Online can provide an isolation note.

For employers who are contractually obliged to pay full pay for absences, they will need to consult their contracts of employment.

Employee Not Sick

It is highly probable that there will be instances of employees not wishing to come to work because they are fearful of contracting the virus.

There is no obligation for the employer to pay staff for this time off. They therefore have the following choices:

- ✓ Pay some or all of this time as a goodwill gesture;
- ✓ Allow them to take the time as holiday;
- ✓ Allow them to take the time as unpaid leave

Flexible Working and Home Working

Due to the unprecedented impact of this virus, it is possible that some employees may be able to work from home if required. It is useful to have a policy in place to ensure that both parties know what the expectations are and what limits are on the scheme.

For example, it might be that they have to self-isolate and offer to work from home rather than take time off sick, but they do not work their usual hours. They might work 30 hours instead of their usual 37.5. It would then be up to the employer how to treat the shortfall, either as sick leave, unpaid leave or discretionary paid leave.

Steps need to be taken to ensure that employees have everything that they need to effectively to their job remotely. Such as providing laptops or writing material for them to use. They also need to be given instruction about the safe storage of information to comply with GDPR rules.

Plan ahead where possible to ensure that the employees can provide as much value and support from their remote workplace.

Employees all need to be treated equally based on their roles and it is essential not to discriminate with the way flexible options are provided.

Employer Closes Premises

Employers have the right to tell employees when they take their holiday. If they foresee that a closure is going to be required, they have to give the employees twice as much notice in relation to the amount of time that they are going to take.

If they close the workplace without notice, they are required to pay the employees.



If the employer needs to temporarily lay off staff or reduce their working hours, they first need to consult their contracts of employment to see if this is covered.

Where this is not in the contract, specific HR advice needs to be sought to explore how this can be achieved. It is possible to get a mutual agreement between the employer and employee to temporarily reduce hours.

Employers cannot legally ask employees not to turn up to work without paying them.

Keep Calm and Carry On

There is going to be a great deal of disruption to business over the coming weeks, but there are ways that businesses can help themselves during this time, by both protecting themselves from the virus and by protecting their trade:

- ✓ Where possible, reschedule unnecessary meetings or switch them to Web based or phone meetings;
- ✓ Let people know how your business will be operating through this situation. For example, if you are running a skeleton staff and want to avoid visitors to the premises, let people know how to get in touch;
- ✓ Offer customers delivery services where they are unwilling or unable to visit your premises;
- ✓ Communicate directly by email or by social media to let customers know that it is business as (close to) usual and what steps are available to support them;
- ✓ Keep the work place cleaner than usual. Regularly wipe down door handles and other surfaces that are regularly touched by multiple people;
- ✓ Encourage people to wash their hands before entering your premises if possible or have hand sanitiser gel available close to your premise's entrance;
- ✓ Be aware of employees who are demonstrating symptoms and do not be afraid to suggest they self-isolate and call the NHS on 111 or visit <https://111.nhs.uk/service/COVID-19/>
- ✓ Keep your distance from people where possible, up to 2 metres. Don't shake hands, hug or kiss if you don't need to. If you can reach your arms out towards someone also reaching their arms towards you, and you cannot touch, you are at a safe distance;
- ✓ If you as the business owner feels ill, stay home. Trying to be a hero and carry on could be very damaging to your whole team.

Above all, stay positive and think outside the box. Thinking or saying 'I can't do any of these things' isn't the right attitude. If none of these suggestions help, think what you can do to make a difference. Taking positive action is always the best way to keep your spirits up and to impact those around you. As the business owner, you need to lead by example!

We will provide further amendments to this blog as and when information comes available to us. If you have specific queries that you think we might be able to help with, please call 01423 567499 or email enquiries@ccfaccountancy.co.uk

