



COVID-19 - Government Funding Summary of announced schemes in the UK

Updated: 01 April 2020

Introduction

Events are moving very fast and information is constantly being updated in relation to the UK Government's funding response to COVID-19. Our aim is to summarise the information we are currently aware of and make this available to our clients and contacts.

This publication has been written in general terms and may not include all relevant information. We recommend that you obtain professional advice before acting or refraining from action on any of the content of this publication. In particular there are a number of areas where we are expecting further clarification in relation to the process of defining and agreeing the relevant scheme's details, specifications and eligibility and therefore information is subject to change.

Summary of updates to existing funding initiatives and new measures announced on 01 April 2020

Wednesday 01 April:

Today high streets begin to receive a £22 billion coronavirus boost, with grants of up to £25,000 already being paid into bank accounts of high street businesses. The smallest businesses in these sectors are also beginning to receive one-off grants of either £10,000 or £25,000, with money landing in their bank accounts.

Alok Sharma, the UK Secretary of State for Business, reinforced the message for banks to ensure that the benefits of the loan schemes are passed through to businesses and consumers.

Further measures were announced today to help businesses in Northern Ireland and Scotland.

Northern Ireland

The Finance Minister has announced Emergency £100 million rates package to assist Northern Ireland businesses impacted by COVID-19, including;

- **COVID Small Business grant scheme**
- **Retail, tourism and hospitality sectors grants**
- **A three-month rates holiday for all NI business ratepayers**

Scotland

Measures to support businesses in Scotland were also announced;

- **Third Sector Resilience Fund – Scotland**
 - a £20m emergency fund and provides grants up to £100,000
 - In addition there is up to a further £5m available in fully flexible, 0% interest loans starting at £50,000
- **Support for the Scottish seafood industry**
 - The Scottish seafood sector is to receive an initial package of more than £5 million in financial support

Government Funding – Summary of announced schemes in the UK

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COVID Small Business grant scheme - Northern Ireland	A grant of £10,000 will be provided to all small businesses who are eligible for the Small Business Rate Relief Scheme – with a rateable value of up to £15,000. This is expected to support 27,000 businesses.	All small businesses and self employed.	The ratings system will be used as the mechanism to identify eligible businesses in Northern Ireland. Payment will then be made directly into the bank accounts of those businesses. Last year's rating list will be the basis for payment. Payment is automatic for direct debit rate payers. Other eligible businesses must register	The scheme will be fully operational as soon as possible. Information will be available on nibusinessinfo.co.uk	This scheme in NI is detailed as a priority.	
Hospitality, tourism and retail sectors grant – Northern Ireland	An immediate grant of £25,000 will be provided to companies in the retail, tourism and hospitality sectors with a rateable value between £15,000 and £51,000. This should assist 4,000 business.		The ratings system will be used as the mechanism to identify eligible businesses in Northern Ireland. Payment will then be made directly into the bank accounts of those businesses. Last year's rating list will be the basis for payment. The schemes will be administered by DfE / InvestNI working with DoF's Land and Property Services.	The scheme will be fully operational as soon as possible. Information will be available on nibusinessinfo.co.uk		
Business rates holiday – Northern Ireland	A three-month rates holiday for all NI business ratepayers, i.e. no rates will be charged for April, May and June 2020. This will be shown as a 25% discount on the annual rate bill for business ratepayers.	Eligible to all NI businesses.	Automatic – no application required.			

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Third Sector Resilience Fund - Scotland	The Third Sector Resilience Fund (TSRF) is a £20m emergency fund and provides grants up to £100,000. In addition there is up to a further £5m available in fully flexible, 0% interest loans starting at £50,000. The fund will be complemented by specialist business advice from Just Enterprise to help grant recipients maximise the impact of the financial support.	Charities, community groups, social enterprises and voluntary organisations working in Scotland. The fund supports organisations that already deliver services and products but find themselves in financial difficulties directly as a result of the coronavirus pandemic. The primary intention of the fund is to help third sector organisations to stabilise and manage cash flows over this difficult period. To be eligible, interested organisations must be: <ul style="list-style-type: none"> a charity, social enterprise or voluntary organisation based in Scotland and/or primarily delivering services/activities in Scottish communities; already delivering those products or services prior to March 2020 and needing funding to stabilise cashflows directly as a result of the impact of COVID-19, as opposed to pre-existing financial difficulties The fund aims to help as many organisations as possible, however, priority is given to those most at risk and that need immediate help.	In order to apply, organisations must complete a short eligibility checker to assess their suitability for the fund. Based on the answers provided, interested applicants will be directed to the correct application form depending on their needs or signposted to other sources of relevant funding/support. Please see the website link.	https://scvo.org/support/coronavirus/funding/for-organisations/third-sector-resilience-fund	The Fund is delivered by Firstport , Social Investment Scotland and the Corra Foundation Please note that TSRF is not a compensation scheme, but an alternative fund for organisations for whom other UK/Scottish Government Emergency Schemes are not suitable.	

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Support for the Scottish seafood industry	<p>The Scottish seafood sector is to receive an initial package of more than £5 million in financial support to assist businesses during the coronavirus (COVID-19) outbreak.</p> <p>Funding will be offered to over 650 seafood fishing companies, many of whom have lost their livelihoods with the collapse of export and hospitality markets for Scottish delicacies like langoustine, prawns and crab.</p> <p>An initial payment of 50% of two months' average earnings will be made to owners of all full time Scottish registered fishing vessels of 12 metres length and under – the vast majority of which are in the creel and dive sectors, many of whom operate in remote and island communities.</p> <p>Support is also being developed for the onshore processing industry – one of the largest employers in Scotland's coastal communities – and others in the shellfish growing sector which is being affected by the loss of trade and markets.</p>	<p>The scheme is composed of the following elements:</p> <ul style="list-style-type: none"> • 'Full time' is being defined as where a vessel has recorded landings of £20,000 or more. This is the same limit that has been applied in previous schemes. • Vessels that are under 12 metres in length and were registered in Scotland on the 18 March 2020 • Earnings are defined as recorded landing income from sales notes from 2019. These data are submitted to Marine Scotland by buyers • Monthly payments are based on monthly average 2019 sales income • Wrasse catching vessels will not be included in this initial scheme as their markets remain largely uninterrupted 	<p>Marine Scotland will be writing to all vessels and relevant representative Associations with more details.</p>	<p>https://www.gov.scot/news/support-for-seafood-fishing-industry/</p>		

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Insolvency legislation	<p>The Business Secretary announced a package of Insolvency measures to support businesses struggling for survival as a result of the COVID-19:</p> <ul style="list-style-type: none"> fast track implementation of some of the planned reforms to the corporate insolvency framework; and temporary suspension of the wrongful trading provisions, retrospectively from 1 March, for three months. <p>The government intends to fast track new legislation to introduce:</p> <ul style="list-style-type: none"> a short moratorium to protect companies from creditor action; a new restructuring tool; and prohibit the termination of essential supplies to protect the supply chain for companies undergoing a restructuring. 	<p>This is not a charter to absolve directors from liability for poor decision making.</p> <p>The wrongful trading rules are being temporarily relaxed to:</p> <p><i>“reassure directors that the difficult decisions they have to make about the future viability of their business will not have to be unduly influenced by the exceptional circumstances which are entirely beyond their control.”</i> .</p> <p>Note: directors may still be liable for fraudulent trading and breach of fiduciary duty</p>	<p>N/A – no application required.</p> <p>Directors should, as with all decisions, document the thought process they have gone through and the evidence relied upon in making those decisions</p>	<p>Initial notice https://www.gov.uk/government/news/regulations-temporarily-suspended-to-fast-track-supplies-of-ppe-to-nhs-staff-and-protect-companies-hit-by-covid-19</p> <p>Last consultation on insolvency reform https://www.gov.uk/government/consultations/insolvency-and-corporate-governance</p>	<p>Whilst there is no formal guidance as yet, business leaders wrestling with the difficult decisions facing them on whether to try and keep a business ticking over or not, may consider:</p> <ul style="list-style-type: none"> What is the expectation that the business has a future when we emerge on the other side of this crisis? If yes, how can that be evidenced? For example, is the workforce furloughed or made redundant? How supportive are key suppliers/stakeholders and have deferred terms been agreed? Was the business already in default with suppliers? 	<p>Directors should continue to review decision making in accordance with their internal governance measures.</p> <p>If directors are unsure of their ability to continue to trade as a going concern, they should consult external legal advisers</p>

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Coronavirus Job Retention Scheme	<p>Payroll support for all firms and enterprises in the UK</p> <ul style="list-style-type: none"> Grant support to cover up to 80% of salary plus associated costs of anyone not working due to Coronavirus but whose job has been retained. The maximum grant will be £2,500 plus employer National Insurance plus the minimum auto-enrolment pension contribution. Employees can be deemed “furloughed” from 1 March 2020 and must be “furloughed” for at least 3 weeks. Initial period of 3 months, but this will be extended if necessary. No limit on the total level of funding available. Ambition for first grants to be “paid within weeks” with a scheme “in place” by the end of April 2020. At the end of a furlough period employees return to work or may be made redundant (subject to normal employment law obligations) 	<ul style="list-style-type: none"> Covers any employer, business, charity or non for profit organisation in the UK who has a PAYE scheme set up on 28 February 2020. Public sector employers and non-public sector employers who are primarily funded from public grant are excluded from participating. Eligible employees must have been on the payroll on 28 February 2020. Applies to full, part-time, flexible or zero-hour and agency contracts. Applies to UK businesses of all sizes. Applicability to non-UK businesses with UK employees remains unknown. Cover is intended for employees who are “furloughed” instead of being made redundant. Furloughed workers must not undertake any work for their employer but are not precluded from volunteering, undertaking training or paid work from other jobs they may have. Calculation of the grant will be based on base salary costs, excluding fees, commissions, bonuses at either 28 February 2020 or for those with variable pay, by virtue of past earnings with specific rules governing this. Employees on maternity leave may be furloughed. Those on unpaid leave may not be furloughed if that leave began before 1 March 2020. 	<p>In order to receive the grant employers must calculate the amount due and submit this via an HMRC portal.</p> <p>Claims must include:</p> <ul style="list-style-type: none"> ePAYE reference number the number of employees being furloughed the claim period (start and end date) amount claimed (per the minimum length of furloughing of 3 weeks) bank account number and sort code contact name phone number <p>Claims may only be made at 3 week intervals, although they may be backdated.</p> <p>HMRC may audit claims after the scheme concludes.</p>	<p>https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme</p> <p>https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme</p>	<ul style="list-style-type: none"> Employers will not be required to top up grants in order to receive funding. However, existing employment law requirements have not been changed and employers will have to carefully consider existing contractual terms and statutory obligations. It may be possible to move employees in and out of furlough as business requirements evolve, however good records will need to be kept to validate any grants claimed and this will be subject to the minimum furlough period of 3 weeks. Payments made to employees, if funded by the JRS grants will remain subject to tax and social security in the same way as normal pay. There is no further information on the ability for employees to take paid holiday entitlement during furlough. Employers should write to their employee confirming that they have been furloughed and keep a record of this communication. 	<p>Employers who have begun redundancy programmes and those who have moved towards mandatory unpaid leave arrangements will have to consider how this alters the fairness of redundancy decisions and adapting existing reduced pay/work strategies.</p> <p>Employers should consider which employees can be placed on the scheme and keep accurate records of periods of “furlough”.</p> <p>Further details will be published to enable employers to calculate and make claims but in some cases 12 months’ of payroll/HR data will be required and could be now made ready.</p>

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Covid Corporate Financing Facility (CCFF)	<p>Support for liquidity amongst large firms</p> <ul style="list-style-type: none"> Major new scheme being launched by the Bank of England to help companies which make a material contribution to the UK economy to bridge Coronavirus disruption to their cash flows through loans. Up to 12 months support under a Covid Corporate Financing Facility Issued paper will need a short term rating of A3/P3 / long term rating of BBB- or above (or to prove financial strength equivalent) as at 1 March 2020 	<p>To be eligible the business must have had, prior to being affected by COVID-19, a short or long- term rating of investment grade, or financial health equivalent to an investment grade rating.</p>	<p>Application details and FAQs can be found on the BOE website https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility</p> <p>Where potential issuers are unsure on eligibility, having first consulted with their bank they may also contact the BOE at: CCFFeligibleissuers@bankofengland.co.uk</p>	<p>Initial notice https://www.bankofengland.co.uk/markets/market-notice-march-2020</p> <p>FAQs and application forms https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility</p>	<p>Companies that do not currently issue Commercial Paper (CP) but are capable of doing so will in principle be eligible to utilise the CP Facility, provided they meet the eligible securities criteria, in other words of investment grade standing. This is based on A3/P3 or above rating for short term debt. Where a third party rating is unavailable, the BOE will consider using the internal rating assessments from a borrower's current lenders as a proxy.</p>	<p>Potential borrowers can now apply, through their bank using the application forms here.</p> <p>To apply you will need to liaise with your bank. It is important to note that not all banks issue commercial paper. If your bank does not issue commercial paper, UK Finance will provide a list of banks that are able to assist (here)</p>
Coronavirus Business Interruption Loan Scheme (CBILS)	<p>Small business financial support</p> <ul style="list-style-type: none"> Currently established for businesses with turnover of up to £45m, with the scheme open from 23 March 2020. Lending scheme through the British Business Bank from £1,000 up to £5m per company with government meeting interest costs for the first 12 months. Finance terms are from three months up to 6 years for term loans and asset finance and up to three years for revolving facilities and invoice finance. The scheme provides the lender with a government-backed guarantee against 80% of the outstanding facility balance, potentially enabling a 'no' credit decision from a lender to become a 'yes'. NB – the borrower always remains 100% liable for the debt. The first 12 months of these loans will be interest free, as the Government will cover these payments. If the accredited lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so. Where the small business has a sound borrowing proposal but insufficient security, the lender will consider the business for support via the scheme. 	<p>The route to accessing this financing is for borrowers to approach 40+ accredited lenders who will then, if necessary, apply to the scheme.</p> <p>The Key criteria are as follows:</p> <ul style="list-style-type: none"> Be UK based, with turnover of no more than £45 million per annum; Application must be for business purposes; More than 50% of turnover must come from trading; The CBILS facility must primarily be used to support trading in the UK; The Company must have a borrowing proposal that would be viable were it not for COVID-19 and be able to demonstrate that the provision of finance will enable the business to trade through any short-to-medium term difficulty; and There is a short list of ineligible sectors which can be found here 	<p>It's simple to apply and should take no longer than a standard application. Any small business interested in CBILS should, in the first instance, approach one of the 40+ accredited lenders with their borrowing proposal (recommended approach is through the lender's website).</p>	<p>https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/</p>	<p>In one sense this is the Government guaranteeing the lender, not the borrower. The application process for loans is the same as for a normal high street loan.</p> <p>Lenders have now started to publish their own guidance on loans being made available under the scheme.</p>	<p>The CBIL scheme is now confirmed as open, meaning prospective borrowers should be able to apply through any accredited lender.</p> <p>The Government has stated that they are continuing to think creatively about schemes for Companies that sit between CBILS and CCFF in terms of scale, however no further information is available at this time.</p>

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Grants for retail, hospitality and leisure businesses	<p>A £25,000 grant will be provided to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value between £15,000 and £51,000 per property.</p>	<p>Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority.</p> <p>The scheme is not eligible where there is occupation for personal uses. Examples include: private stables and loose boxes, beach huts and moorings and car parks and parking spaces. Also, businesses, which as of the 11 March 2020, were in liquidation or were dissolved will not be eligible.</p> <p>The maximum permitted support under EU State Aid is €800,000. Funding will be provided via local authorities. Guidance on eligibility now shared for local authorities in England only.</p>	<p>Funding will be provided via local authorities. Guidance on eligibility now shared for local authorities in England only.</p>	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p> <p>English local authority guidance: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874772/small-business-grant-fund-and-retail-guidance.pdf</p>	<p>The optimum route will be to contact one of the Economic Development Officer at your local town or city council. They should be best placed to advise on local arrangements</p>	
Rates Relief	<p>Latest announcements allow for a 100% business rates discount for all retail, leisure and hospitality venues with no limit to Rateable Values.</p> <p>The relevant government department (Ministry of Housing, Communities and Local Government – MHLCG) has issued a Guidance Note to Local Authorities clarifying as much as possible which specific types of property are covered by the 100% relief.</p> <p>We understand that the government has applied to the European Commission for an exemption from the state aid rules for the scheme.</p> <p>Importantly, unoccupied properties as under existing reliefs where they become vacant during the next 12 months will be charged 100% full rates after a 3 month void rate holiday following vacation, this will continue to apply unless the rules are changed.</p> <p>For the avoidance of doubt, properties which have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.</p>	<p>All property occupiers in the retail, leisure and hospitality sectors including shops, cinemas, restaurants, music venues, museums, art galleries, theatres, caravan parks, gyms, small hotels, B&Bs, guest houses, sports clubs, night clubs and club houses, nurseries and now estate agents, lettings agencies, bingo halls, betting shops and casinos will receive 100% rates relief between 1 April 2020 and 31 March 2021</p> <p>Additional property types that are not listed but fall within the overall description may be eligible and advice should be sought.</p> <p>The list below sets out the types of uses that the Government does not consider to be an eligible use for the purpose of this relief. It is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them NOT eligible for the relief under their local scheme.</p>	<p>Local Billing Authorities will run and administer the process. They should have knowledge of the applicable properties and there is a fund to be made available by Central Government to support in the administration of the reliefs.</p> <p>Relevant occupiers don't need to take any action. It will be applied by the local council in the April Business Rates invoice.</p> <p>However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.</p>	<p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875613/Expanded_Retail_Discount_Guidance_25.03.20.doc.pdf</p>	<p>The Welsh Government has decided to make one adjustment to the Non-Domestic Rates (NDR) Relief for the hospitality, retail and leisure sector announced last week: to not extend the 100% relief to properties with a rateable value of £500,000 and above. More information: https://gov.wales/coronavirus-covid-19-support-businesses</p> <p>A Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 – Guidance document.</p> <p>The Finance Minister has announced an emergency £100 million rates package to assist Northern Ireland businesses impacted by COVID-19 More information: https://www.nibusinessinfo.co.uk/content/covid-19-emergency-rates-package-businesses</p>	

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Rates Relief cont'd	<p>Following the Government's revised rules to stay at home and the forced closure of all non-essential shops and community spaces under The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008, properties...</p> <p><i>(c) whose owner is prohibited by law from occupying it or allowing it to be occupied; or</i> <i>(d) which is kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the hereditament or to acquiring it.</i></p> <p>...are exempt from the empty rates property tax.</p>	<p>Hereditaments that are being used for the provision of the following services to visiting members of the public:</p> <ul style="list-style-type: none"> Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers) Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors) Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors) Post office sorting offices <p>At the time of writing, the applicability of EU State aid rules to the measures was not yet confirmed, although it is understood that the Government has applied for clearance from the Commission.</p>	<p>This will generally need to be applied and requested for by the entity who has responsibility the empty rates liability to the Local Billing Authority.</p>			
Support for businesses that pay little or no business rates ("small companies")	<p>Scheme funding is expected to be available from 1 April 2020.</p> <p>The government will provide additional funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBRR). This will provide a one-off grant of £10,000 to businesses currently eligible for SBRR or rural rate relief, to help meet their ongoing business costs.</p>	<p>Businesses that already pay little or no business rates because of small business rate relief (SBRR).</p>	<p>The Department for Business, Energy and Industrial Strategy (BEIS) will provide guidance for Local Authorities on how to administer these grants shortly.</p> <p>If you are an eligible business, your Local Authority will then be in touch in the coming weeks to provide details of how to claim this money.</p>	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>	<p>The optimum route will be to contact one of the Economic Development Officer at your local town or city council. They should be best placed to advise on local arrangements</p>	<p>Funding for the scheme will be provided to local authorities by government in early April 2020.</p>

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Ban on evictions for commercial tenants who miss rent payments	<ul style="list-style-type: none"> As of 23 March 2020 commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction for 3 months. The measure is intended to support ongoing conversations between landlords and tenants to agree voluntary rent arrangements Commercial tenants will remain liable for the rent due (i.e. this is not a rent holiday) and it is intended that landlords' rights to forfeit leases will be reinstated at the end of the 3 month period. This measure is in addition to the 12 month business rates holiday that has been granted to retail and leisure occupiers. 	<ul style="list-style-type: none"> Covers all commercial tenants regardless of size. Applies to commercial leases in England, Wales and Northern Ireland. Government is liaising with the devolved administrations for comparable support. Protection runs until 30 June 2020, with an option for the government to extend if needed. 	No application is necessary as a blanket moratorium will apply via the Coronavirus Bill.	https://www.gov.uk/government/news/extra-protection-for-businesses-with-ban-on-evictions-for-commercial-tenants-who-miss-rent-payments	<ul style="list-style-type: none"> This is clearly positioned as a deferral of the need to pay contractual rent on the date shown, not a rent holiday or waiver. While the moratorium is stated to apply to rent, the definition is likely to extend to other amounts payable such as service charges and insurance rent. Contractual rents falling due on the March quarter day or thereafter will still be due once the moratorium ends. Tenants, therefore, risk accruing significant arrears. While landlords will be prevented from pursuing forfeiture for unpaid rent, all other usual remedies will still be available to them including petitioning to wind up or bankrupt the defaulting tenant, or instructing bailiffs to recover the debt. Clarity will be required around the definition of being "unable" to pay rent. Some well funded tenants may be capable of paying but highly unwilling in current circumstances The moratorium is likely to create significant short term falls in cash flow for major institutional landlords and pension funds. The government is actively monitoring the impact on commercial landlords' cash flow and continues to be in dialogue with them. 	<ul style="list-style-type: none"> Commercial tenants should continue to engage with their landlords to agree consensual rent concessions and/or waivers and get these documented as soon as possible.

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Time to Pay arrangements “TTP”	<p>TTP has been available to businesses for over a decade, but HM Treasury has announced a stepping up of resource and a specific COVID-19 helpline that businesses can call.</p> <p>TTP allows a business to defer current (as opposed to prospective) tax debts (principally corporation / income tax, payroll taxes and VAT – but theoretically any other tax or duty) by converting settlement to instalments over a 3-12 months period.</p> <p>As part of the process, directors are expected to provide written confirmation that the instalment will be made on time.</p>	<p>Any business is theoretically eligible to apply. It is, however, critical to ensure supporting facts (and documentation) are available to evidence cashflow concerns.</p> <p>HMRC have made it clear that they see themselves in this instance as lender of last resort (and not of first resort). Therefore the taxpayer must demonstrate that all other sources of finance have been pursued and exhausted.</p>	<p>Businesses with a Customer Compliance Manager should discuss this with them in the first instance. All others are encouraged to contact HMRC’s helpline on 0800 0159 559. The process can take less than an hour in a simple situation where the amount to be deferred is less than £750K. Agreement for deferral of larger sums will take longer.</p>	<p>https://www.gov.uk/difficulties-paying-hmrc</p>	<p>Businesses are strongly advised to be prepared for the conversation with HMRC and have the key information to hand:</p> <ul style="list-style-type: none"> • Description of the business; • Annual total liability to tax; • Amounts requesting to be deferred; • Proposed period of deferral; • Reasons for requesting deferral (directly linked to COVID-19); • Details of discussions with other stakeholders / lenders; • Details of other actions taken to mitigate cash outflows; • A short-term cashflow forecast; • Authority to confirm directors will ensure all instalment payments will be met 	<p>We are awaiting further detailed guidance from HMRC as to the level of information they require to support a claim and confirmation as to whether TTP will be extended to prospective (as opposed to just current) tax liabilities.</p>
Statutory Sick Pay “SSP” for Small or medium sized businesses	<p>SSP is payable to qualifying employees and is now payable from day 1 for those who self isolate or are unwell because of COVID-19 (the first 3 days are normally unpaid). The current rate of SSP is £94.25 per week.</p> <p>HM Treasury has announced that small and medium sized employers (those with fewer than 250 employees) may recover this cost where SSP has been paid as a result of COVID-19 from 13 March for a maximum of two weeks’ sickness per employee.</p>	<p>Small and medium sized businesses with fewer than 250 employees.</p> <p>SSP paid from 13 March as a consequence of COVID-19 for up to two weeks.</p>	<p>There is no existing mechanism for the recovery of SSP by employers (unlike other statutory payments such as Statutory Maternity Pay) . The government has committed to working with employers to work out a mechanism for this recovery</p>	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees</p>	<p>Qualifying businesses will need to keep records of sickness and sick pay as a consequence of COVID-19 and days of sickness for future recovery.</p>	<p>Await further information on recovery mechanism.</p>

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Deferral of VAT	<p>VAT payments due from businesses between 20 March 2020 and the end of June 2020 will be deferred. No VAT registered business will have to make a VAT payment in this period. The deferral applies to payments on account and also payments of overall VAT liabilities. HMRC have advised businesses to suspend direct debit arrangements in place with them for VAT payments, for the period of the deferral. Payment of VAT will be deferred to 31 March 2021.</p> <p>Businesses accepting the deferral will not have to pay penalties and interest as a result.</p>	<p>HMRC have confirmed that any business registered for VAT in the UK will be eligible for the deferral, regardless of whether the business is established in the UK or overseas.</p> <p>The deferral does not apply to VAT paid to HMRC under the mini one stop shop (MOSS).</p> <p>The deferral does not mention obligations to account for import VAT, which are presumably unaffected.</p> <p>The deferral does not expressly cover other indirect taxes.</p>	<p>There is no need to apply and all UK VAT registered businesses can simply defer payment until 31 March 2021. Businesses must suspend direct debit payments to HMRC to accept the deferral.</p>	<p>https://www.gov.uk/government/news/chancellor-announces-workers-support-package.</p> <p>https://www.gov.uk/government/speeches/the-chancellor-rishi-sunak-provides-an-updated-statement-on-coronavirus</p> <p>https://www.businesssupport.gov.uk/vat-deferral/</p> <p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>	<p>This development was announced by the Government at 17.00 on 20 March, and updated guidance was provided by HMRC on 26 March .</p>	<p>VAT payments due from businesses between 20 March 2020 and the end of June 2020 will be deferred. No VAT registered business will have to make a VAT payment in this period. The deferral applies to payments on account and also payments of overall VAT liabilities. HMRC have advised businesses to suspend direct debit arrangements in place with them for VAT payments, for the period of the deferral. Payment of VAT will be deferred to 31 March 2021. Businesses accepting the deferral will not have to pay penalties and interest as a result.</p>
Income Tax payment deferral	<p>Income tax payments on account due under Self-Assessment on 31 July 2020 will be deferred until 31 January 2021.</p>	<p>The measure applies to all taxpayers who are due to make a payment on account of income tax on 31 July.</p> <p>The Government have noted that the deferral is optional and that taxpayers who are able to pay their liability on 31 July should do so.</p>	<p>This applies automatically with no application required.</p>	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-deferring-vat-and-income-tax-payments</p>	<p>This development was first announced at 17:00 on 20 March 2020 and originally only applied to self-employed taxpayers. The Government updated their guidance on this measure on 25 March 2020, extending the deferral to all taxpayers due to make a payment on account on 31 July 2020.</p>	

Government Funding – Summary of announced schemes in the UK

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Self-employed Income Support Scheme (SEISS)	<p>Grant support for the self-employed and members of trading partnerships whose profits have been negatively impacted by COVID-19.</p> <p>Taxable grants to be paid of up to 80% of average monthly profits over the previous three years (based on average profits reported on tax returns filed for 2016/17, 2017/18 and 2018/19), up to a maximum of £2,500 per month.</p> <p>Initial period of 3 months, but this will be extended if necessary.</p> <p>First payments under the scheme expected to be paid by the beginning of June 2020.</p> <p>In the short-term, the Government confirmed that the self-employed will be eligible for other government support including universal credit and business continuity loans.</p>	<p>Open to taxpayers who make more than 50% of their total income from self-employment or as a member of a trading partnership with profits of less than £50,000. This will be assessed by reference to:</p> <ul style="list-style-type: none"> Trading profits and total income in 2018/19, and/or Average trading profits and total income across up to three years including 2016/17, 2017/18 and 2018/19. <p>Profits must have been negatively impacted by COVID-19.</p> <p>Need to have filed a tax return for the 2018/19 tax year including self-employment income or profits from a trading partnership.</p> <p>Need to have traded in 2019/20, be currently trading at the point of application (or would be but for the impact of COVID-19) and intend to continue to trade in the 2020/21 tax year.</p> <p>In order to allow for taxpayers who may not have filed their 2018/19 tax return (which was due on or before 31 January 2020) to be eligible for the scheme, those who meet the qualifying criteria and file before 23 April 2020 will be eligible.</p> <p>Self-employed taxpayers and partners will be able to continue to do business whilst claiming the grant.</p>	<p>HMRC will use existing information to determine potential eligibility for the SEISS and will contact potentially eligible taxpayers once the scheme is operational.</p> <p>Taxpayers will need to complete an online form providing HMRC with additional information to support their claim.</p> <p>HMRC will then make grant payments to qualifying taxpayers directly to their bank account.</p>	<p>https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme</p>	<p>This development was announced by the Government at 17.00 on 26 March 2020</p> <p>For taxpayers who have been in business for less than the 3 year period, HMRC will consider the income and average profits over the years for which taxpayers have been in business.</p> <p>In his statement, the Chancellor noted that in order to benefit from the SEISS, the self-employed should pay tax on the same basis as those in employment. There is no detail on any further changes at this time, but this would suggest that changes to the taxation of the self-employed and members of trading partnerships may be announced in the future.</p>	<p>Eligible taxpayers should not contact HMRC now and should expect to be contacted directly by HMRC by early June.</p> <p>If potentially eligible taxpayers haven't filed their 2018/19 tax returns yet, they should ensure that they do so now.</p> <p>It appears that taxpayers will also need to demonstrate to HMRC that they are still in business and intend to continue trading in 2020/21 as well as that their profits have been negatively impacted by COVID-19. Taxpayers should therefore be prepared to provide evidence to support this when contacted by HMRC.</p>

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Funding category	Details	Eligibility	How to apply	Website	Additional comments	Next Steps
Development Bank of Wales Loan Scheme	<ul style="list-style-type: none"> A new £100m Development Bank of Wales Loan Scheme will be available for companies who are experiencing cash flow problems as a result of the pandemic and will provide loans of between £5,000 and £250,000 to businesses who have been trading longer than 2 years and can demonstrate that they were able to service that level of debt before the outbreak. The loan scheme will work alongside the Coronavirus Business Interruption Loan Scheme, other Welsh Government and UK Government support offers providing more vital options for Welsh businesses. 	<p>Loans of between £5,000 and £250,000 are available to businesses who have been trading longer than 2 years and can demonstrate that they were able to service that level of debt before the outbreak.</p> <p>Fund Details:</p> <ul style="list-style-type: none"> £100m fund Loans between £5,000 to £250,000, maximum loan levels apply 12 month capital and interest repayment holiday No arrangement or monitoring fees 2% interest fixed for 6 years (includes the 12 month holiday) Eligible to limited companies, partnerships and sole traders trading for longer than two years 	<p>Details of the loan scheme, eligibility and application process can be found on the Development Bank of Wales’s website https://developmentbank.wales/</p>	<p>https://businesswales.gov.wales/financial-support-and-grants</p>	<p>There will be no arrangement or monitoring fees. Applicants will need to demonstrate that they were able to service the level of debt prior to the outbreak.</p> <p>Each business can make just one application and the loan amount will be limited based on the number of people employed by the business or a calculation based on profit or turnover. To prove serviceability, applicants will need to provide three months bank statements for loans of £5,000 up to £100,000. Two years annual accounts, management information and a cash flow forecast will also be required for loans of £100,000 to £250,000. Security taken will be a 20% personal guarantee to a maximum of £25,000 for all investments and for deals over £100,000 a debenture will also apply.</p>	
Welsh Economic Resilience Fund - Grants	<p>Businesses will also be able to benefit from a £400m emergency pot providing:</p> <ul style="list-style-type: none"> Grants of £10,000 for micro-businesses employing up to nine people. This includes sole traders employing staff. Grants of up to £100,000 for small and medium sized firms with between 10 and 249 employees. Support for larger Welsh companies, which are of critical social or economic importance to Wales. The £500 million Economic Resilience Fund will support businesses forced to temporarily cease trading – to go into “hibernation” – or which need cash-flow support to adapt to a remote way of working. 	<p>Details of the application process and eligibility are being finalised and will be published by 13 April 2020.</p>	<p>See left</p>	<p>https://businesswales.gov.wales/financial-support-and-grants</p>		

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