

Coronavirus Support Schemes Available

CORONAVIRUS JOB RETENTION SCHEME

- Government grants to reimburse employers for 80% of an employee's wage, who is unable to work due to the Coronavirus outbreak. i.e. Employees who remain on the payroll but are temporarily not working.
- Maximum limit - £2,500 per month (£30,000 per annum salary) per employee.
- Employees would be classed as 'furloughed workers' and should not undertake work for the business while classed as 'furloughed'.
- Employees still working, albeit on reduced hours/reduced salaries, are not eligible.
- It is unclear whether directors and shareholders of owner managed companies can put themselves 'on furlough'. *More information required.*
- There remains some ambiguity about whether employees where physical interaction is not required in their job, for instance where their work can be done remotely, will qualify.

How to claim?

- Employers will continue to pay employees as normal and then be reimbursed by HMRC.
- Employers must designate affected employees as 'furloughed workers' and notify employees of this change.
- Information on 'furloughed workers' and their earnings are to be submitted to HMRC through a new online portal still to be set up. *HMRC will set out further details on this process and information required as soon as possible.*

When will I receive?

- Grants to be backdated to 1st March 2020 for all eligible employees and will last for an initial three months but could be extended after this point. It is hoped that the first payments will be made to businesses from mid-April.

BUSINESS RATES

- 100% rates relief for ratepayers in the retail, hospitality and tourism sectors from 1st April 2020 to 31st March 2021.
- All business properties across Scotland will receive a rates freeze on last year.
- Ratepayers with more than 1 property, where cumulatively the properties total a rateable value of between £18,000 and £35,000, a 25% relief will be available on any individual property which has a rateable value under £18,000.

How to claim?

- The rates freeze on all business properties across Scotland will be administered by local councils automatically.
- Likewise, the 25% relief available specified above will also be administered automatically.
- Ratepayers in the retail, hospitality and tourism sectors will need to apply to their local council for the 100% rates relief. *As yet no details on how to apply, advice is to contact your local council. More guidance to come.*

When will I receive?

- The reliefs will be in place for one year from 1st April 2020 to 31st March 2021 for eligible properties.

SELF-EMPLOYED / NON-BUSINESS (PERSONAL)

- 3-month mortgage holidays, including Buy to Let mortgages for private landlords.
- Credit card forbearance. Emergency credit limit increases being offered, while some will offer repayment holidays.
- Statutory Sick Pay to be paid at the same rate as that paid to employees - £94.25 per week.
- Zero-hours contract workers can claim SSP if they earn more than £118 per week.
- Universal Credit standard allowance and Working Tax Credit raised by £1,000 for the next 12 months. Relaxed rules on applying for Universal Credit.
- Increased protection for tenants:
 - Social Housing – local authorities to relax immediate demands to allow for benefit applications to be processed to support payments.
 - Private Residential Tenancy Agreements – mandatory grounds for eviction, increased from 3 months (*in rent arrears consecutively for 3 months, with 1 month unpaid*) to 6 months.
- Crisis Grants available from Scottish Welfare Fund for those who have suffered significant reduction in income, made redundant, on temporary unpaid leave. See <https://www.mygov.scot/Scottish-welfare-fund/crisis-grants/>

How to claim?

- Telephone call to lender to discuss.
- Call or visit local DWP office (if open) to apply.

Timescale for support?

- Available immediately.

GRANT FUNDING

- Ratepayers currently paying no rates and receiving the Small Business Bonus Scheme Relief (SBSS) or Rural Relief (property rateable value under £18,000) will be eligible for a one-off grant of **£10,000**.
- Ratepayers in the retail, hospitality and tourism sectors, with a property rateable value of between £18,000 to £51,000 will be eligible for a one-off grant of **£25,000**.

How to claim?

- This grant funding will be administered by local councils and will require an application. The Scottish Government are currently working with the local councils to agree a common approach to the application process, to ensure an effective and timely processing of the grants. *As yet no details provided.*

When will I receive grant?

- The aim by local councils is to ensure these grants are payable as quickly as possible from 1st April 2020.

QUALIFYING BUSINESSES (Retail, Hospitality & Tourism)

This list is not exhaustive. Please check with your local council for eligibility.

RETAIL

- Auction marts
- Opticians
- Furnishing shops/display rooms
- Second hand car lots
- Markets
- Garden centres
- Shoe repairs/key cutting
- Travel agents
- Dry cleaners
- Domestic appliance repair
- Photo processing
- Car hire
- Shops
- Post offices
- Showrooms (including car/caravan showrooms)
- Car washes
- Petrol stations
- Hair and beauty services
- Ticket offices
- Launderettes
- Funeral directors
- Tool hire

HOSPITALITY

- Bed and breakfast accommodation
- Caravans and caravan sites
- Guest houses
- Public houses
- Bothies
- Camping sites
- Chalets and holiday huts
- Hotels and hostels
- Restaurants

LEISURE

- Arts centres
- Sports clubs/centres/grounds
- Museums
- Music venues
- Studios
- Live music venues
- Fishing huts
- Galleries
- Cinemas
- Recreation grounds
- Theatres

BUSINESS INTERRUPTION LOAN SCHEME

- Coronavirus Business Interruption Loan Scheme to support **small and medium sized** businesses to access bank lending and overdrafts.
- Loans of up to £5M available, with Government providing 80% guarantee to assist with business proposals to lenders.
- First 12 months of loans will be interest-free – interest met by Government. No upfront guarantee or arrangement fees.
- Bank interest base rate now reduced to **0.1%** as of **19th March 2020**.
- Subject to eligibility restrictions – notably agriculture and fishing sectors.
- Key thing to note, this is a debt facility and will have to be repaid back on agreed terms & conditions. The borrower is 100% liable for the debt.
- Finance terms will be up to 6 years for term loans and asset finance, and up to 3 years from revolving facilities (overdrafts and invoice finance).
- Unsecured lending facilities of up to £250,000 may be available – *dependant on lender*.
- *On discussion with a couple of the leading banks, additional measures (below), are likely to be available options also. Will be very much on a lender to lender basis.*
 - *Capital repayment holidays on term loans*
 - *Payment suspensions on hire purchase agreements*
 - *Increasing debtor funding percentage on Invoice Finance facilities*

How to claim?

- Have a borrowing proposal which, were it not for the current pandemic, would be considered viable by the lender, and for where the lender believes the business will be able to trade out of any short-to-medium term difficulty.
- Accredited lenders included in scheme, list at <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbills/accredited-lenders/>
- Standard application to lender through their normal channels. *May be an online application due to volume of expected applications.*
- If the accredited lender can offer finance on normal commercial terms without the need to make use of the scheme, then will be the **preferred** option. *Key very much in the smaller print here.*

Timescale for loans?

- Scheme to be made available from 23rd March 2020.

SUPPORT ON PAYING TAXES

- All businesses and self-employed struggling with cashflow due to COVID-19 and with outstanding tax liabilities (VAT, Corporation Tax, PAYE, Income Tax) may be eligible to ‘spread’ payment of taxes, through a time to pay arrangement.
- Self-assessment tax payments due to be paid at 31st July 2020 are now deferred until 31st January 2021.
- All VAT due between the period 20th March 2020 to 30th June 2020 has been deferred. Liability arising for this deferral period should be settled to HMRC no later than 5th April 2021. Any VAT refunds/reclaims for this period will be paid as normal.

How to claim?

- HMRC have set up a dedicated helpline on **0800 159 559** for ‘time to pay’ arrangements. Arrangements are agreed on a case by case basis depending on circumstances.
- Self-assessment deferral will be applied automatically – no need to apply.
- *As it stands, there does not seem to be any leeway with regards to filing of Returns. Current advice is that all businesses should continue to file all VAT / CT / PAYE Returns to avoid late filing penalties and make a ‘time to pay’ arrangement for the tax with HMRC.*

Timescale for support?

- Available immediately.

SICK PAY

- Small and medium businesses able to reclaim 2 weeks’ Statutory Sick Pay (SSP) per employee who has been off work because of COVID-19. *(This includes employees self-isolating as a precaution and employees following advice to stay at home. No GP line required).* Employees must earn on average at least £118 per week.
- Statutory Sick Pay (SSP) now payable from day 1 instead of day 4. This applies from 13th March.
- Employers with fewer than 250 employees as at 28th February 2020 are eligible.

How to claim?

- No detail provided as yet, employers merely advised to maintain records of employee absences and payments of SSP made.

Timescale for refund?

- Vague – to quote government advice “*the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible*”. So, doesn’t appear to be quick assistance here.

ACCOUNTS AND TAX COMPLIANCE

- Companies House are offering extensions of 30 days to accounts filing deadlines for limited companies / LLPs badly affected by Coronavirus.
- *Side note – Companies House Scotland is now closed. Any postal documents to be submitted should be filed at Companies House Cardiff until further notice. All same day services are now also currently suspended.*

How to apply?

- Application can be made by post to Companies House, Cardiff or via online at <https://beta.companieshouse.gov.uk/extensions>. (N.B. This has already been done for clients with filing deadlines in the short-term.)

Timescale?

- It is imperative that application is made **prior** to current filing deadline. Applications after this will not be accepted and late filing penalties will be applied.
- Decisions on extension request can take up to 5 days, so please ensure you give yourself this time with any application.

COMMERCIAL RENTS

- If businesses are unable to pay their rents, please contact the landlord in the first instance to discuss reductions or deferrals. There will be a moratorium on tenant evictions for at least three months.

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BUSINESS SUPPORT CONTACT DETAILS

- **Find Business Support Scotland**
Website – <https://findbusinesssupport.gov.scot/>

Telephone: 0300 303 0660