

Emergency measures announced – 18.03.2020

In the last few days, the Government has made major announcements about help for small businesses and individuals affected by coronavirus. Below is a summary of the significant points, although details are awaited as to how some of these schemes may be accessed.

The following measures were announced in the Budget and have not (to date) been updated.

- Statutory Sick Pay (SSP) to be paid from the first day of absence, not the fourth, where people have the virus or have to self-isolate, or care for such people.
- Support through Universal Credit and Employment and Support Allowance for self-employed people and others not entitled to SSP.
- Full funding of the cost of two weeks' SSP for small and medium-sized employers whose workers have claimed SSP as a result of coronavirus.
- Businesses and self-employed individuals in financial distress will be able to negotiate 'time to pay' arrangements with HMRC without incurring late payment penalties.

At a press conference on Tuesday 17 March, the following additional measures were announced.

- Any business that needs access to cash to pay their rent, salaries, suppliers, or to purchase stock, will be able to access a government-backed loan on "attractive terms" (which have not yet been specified).
- That support will be delivered to small and medium businesses via the new Business Interruption Loan Scheme (announced at the Budget), which will now provide loans of up to £5 million, with no interest due for the first six months.
- The scheme will be up and running by the start of next week.
- Retail, hospitality and leisure sectors
- All businesses (not just those with a rateable value of less than £51,000, as previously announced), will pay no business rates for 2020/21.
- Those businesses with a rateable value below £51,000 will also be eligible for an additional cash grant of up to £25,000 (i.e. cash payment from the government) per business, to help them through this period.
- This means that every single shop, pub, theatre, music venue, restaurant, etc. will pay no business rates whatsoever for 12 months and, if they have a rateable value of less than £51,000, they can now get a cash grant as well.
- The 700,000 or so small businesses that are already eligible for 100% business rates relief will receive a grant of £10,000 (not £3,000, as previously announced) to help with business costs.

For those individuals in difficulty due to coronavirus, mortgage lenders will offer at least a three-month mortgage holiday, so that people will not have to pay a penny towards their mortgage while they get back on their feet.

Separately, speaking in Parliament on Tuesday evening, Chief Secretary to the Treasury Steve Barclay said: "The government is postponing the reforms to the off-payroll working rules, IR35, from 6 April 2020 to 6 April 2021."

The Chancellor, Rishi Sunak, intends to come forward with proposals next week to help those unable to work due to coronavirus. In some other countries, such support has included the government paying a large proportion (sometimes over 75%) of the person's normal salary or self-employed earnings for several weeks. We await to see if the UK will go down a similar route.

Business support helplines

HMRC tax helpline

HMRC has set up a helpline for businesses and self-employed people who are concerned about paying their tax due to COVID-19.

Call 0800 0159 559 for help and advice.

And as ever please don't hesitate to get in touch with us if there is anything we can do to help you.

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