

COVID 19 – What support is available to businesses and individuals

Gall Robertson CA are constantly reviewing the position in regard to Covid-19 and the support available to businesses and individuals. As further details are announced by the Government we will update you however this is the latest update for you as a business relating to the support available for you

On 17 March 2020, the Chancellor promised again to “do whatever it takes to support the economy” from the impact of the coronavirus outbreak. This package of help for business will evolve over time but Economy Secretary Fiona Hyslop has confirmed that Scottish businesses will receive £2.2 billion of support.

“To break this down, support includes:

- small firms receiving the small business bonus or rural relief will be eligible for a £10,000 grant
- 12 months relief for businesses in hospitality, leisure and retail. Grants will also be available for companies in this sector
- a £25,000 grant for buildings in those sectors with a rateable value between £18,000 and £51,000
- effectively freezing the poundage rate next year

The Economy Secretary also confirmed that regulation will be relaxed in areas such as:

- restaurants will be allowed to become takeaways
- bottle return system will be delayed from April 2021 to July 2022
- tourist tax legislation halted”

How to access the funding

The information below with regard to applying for funding will be updated on the Government website: <https://findbusinesssupport.gov.scot/coronavirus-advice/>

At the time of writing on Thursday 19th March the website states:

We will update this website as soon as further details on how to apply are released. Please do not call the helpline for details, they have no further information at present.

Gall Robertson CA will keep reviewing the website to see the detail and keep you updated but as yet there is no detail as to how to apply.

Support and reliefs available to businesses

Finance & loans

A new, temporary Coronavirus Business Interruption Loan Scheme, delivered via the British Business Bank, will support SME businesses to access lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

All SME businesses can apply for the loans from 23 March 2020. The terms of the loans will be ‘attractive’ and the Chancellor has stated no interest will be charged for the first six months of the

loan period. The British Business Bank will be working with its current Enterprise Finance Guarantee delivery partners and the government to make the new scheme available and to implement the package of enhancements.

For large businesses there is to be a special funding arrangement, the Covid Corporate Financing Facility (CCFF), available through the Bank of England. Businesses will need to issue special 1 year corporate bonds which the Bank of England will purchase to give businesses liquidity.

Business Rates Relief

12 months relief for businesses in the hospitality, leisure and retail sectors.

It should be noted that more specific support tailored to Scottish Business can be found at the following website which continues to be updated: <https://findbusinesssupport.gov.scot/coronavirus-advice/>

Direct business grants

To support the many small businesses that pay little or no business rates because of Small Business Bonus Scheme, the government will provide funding for local authorities, who will provide the business grants. This will provide up to £10,000 each to business currently eligible for Small Business Bonus Scheme or Rural Relief. The Council will make contact with the eligible businesses directly.

A £25,000 grant for businesses in the hospitality, retail and leisure sectors with buildings with a rateable value between £18,000 and £51,000.

Supporting the self employed

On Budget day, the Chancellor announced that the government would make it easier for those not able to work as a result of the Covid-19 crisis to claim state benefits. For those who are sick or required to self-isolate, the Employment Support Allowance will be paid from Day 1 of the sickness period. In addition, the requirements of the Universal Credit Minimum Income Floor will be temporarily relaxed for those who have COVID-19 or are self-isolating in line with official guidance. This means that all self-employed individuals should be able to make a claim.

On 17 March, the Chancellor also announced that mortgage lenders would offer an initial three-month mortgage payment holiday for those in financial need as a result of the Covid-19 crisis.

In addition, the government has delayed the introduction of the off-payroll labour/IR35 reforms for private sector businesses until 6 April 2021. Self-employed individuals will still need to consider their existing IR35 obligations when accepting work but a delay in placing new obligations onto engagers will prevent further disruption to the contractor market for the 2020/21 tax year.

Tax - Improved Time To Pay arrangements

The government has announced extra resources to assist those struggling to pay their tax liabilities and in financial distress. HMRC will be committing 2,000 experienced call handlers to support taxpayers.

This includes a dedicated COVID-19 helpline to help those in need. The helpline number is 0800 0159 559. Opening hours are Monday to Friday 8am to 8pm, and Saturday 8am to 4pm.

Support will include agreeing a bespoke Time To Pay arrangement with HMRC. This will help those struggling with cash flow and allow those who enter into arrangements to spread liabilities owed over a pre-agreed period. In addition, HMRC will waive late payment penalties and interest where businesses experience administrative difficulties contacting HMRC or paying taxes due to COVID-19.

As always, it will be important to get upfront agreement from HMRC before a payment deadline. There is also a commitment to suspend debt collection proceedings.

Advice for employers and employees

A number of measures have been announced. All employees who self-isolate will be able to claim SSP and, as a temporary measure, SSP claims can be made from Day 1 rather than Day 4 of illness. Employees who are caring for someone who is self-isolating will also be able to claim SSP on this basis.

Businesses with fewer than 250 employees as at 28 February 2020 will be able to reclaim SSP expenditure up to a maximum of two weeks per employee from the government. Details of the reclaim method have not been announced, but it is expected that the government will confirm that employers will claim by offsetting any amount of reclaim for a period against the amount of PAYE payable to HMRC for the period.

Further information related to Coronavirus and the effect this has for employers and employees can be obtained from ACAS -

https://www.acas.org.uk/coronavirus?utm_medium=email&utm_campaign=March%202020%20coronavirus%20special&utm_content=March%202020%20coronavirus%20special+CID_36140482e6945ca4e5b016c108c4ccee&utm_source=Acas%20National%20Email%20Marketing%20Live&utm_term=Acas%20Coronavirus%20advice%20for%20employers%20and%20employees

Employer

If the employer needs to close the workplace

An employer may want to plan in case they need to close the workplace temporarily.

This might be a difficult time for both employers and staff. It's a good idea to make sure staff have a way to communicate with the employer and other people they work with.

Lay-offs and short-time working

In some situations, an employer might need to close down their business for a short time, or ask staff to reduce their contracted hours.

If the employer thinks they'll need to do this, it's important to talk with staff as early as possible and throughout the closure.

Unless it says in the contract or is agreed otherwise, they still need to pay their employees for this time.

Employees who are laid off and are not entitled to their usual pay might be entitled to a 'statutory guarantee payment' of up to £29 a day from their employer.

This is limited to a maximum of 5 days in any period of 3 months. On days when a guarantee payment is not payable, employees might be able to claim Jobseekers Allowance from Jobcentre Plus.

Find out more about:

- [lay-offs and short-time working](#)
- [your nearest Jobcentre Plus on GOV.UK](#)

Using holiday

Employers have the right to tell employees and workers when to take holiday if they need to. For example, they can decide to shut for a week and everyone has to use their holiday entitlement.

If the employer does decide to do this, they must tell staff at least twice as many days before as the amount of days they need people to take.

For example, if they want to close for 5 days, they should tell everyone at least 10 days before.

This could affect holiday staff have already booked or planned. So employers should:

- explain clearly why they need to close
- try and resolve anyone's worries about how it will affect their holiday entitlement or plans

Employee

If an employee needs time off work to look after someone

Employees are entitled to time off work to help someone who depends on them (a 'dependant') in an unexpected event or emergency. This could apply to situations to do with coronavirus.

A dependant does not necessarily live with the person, for example they could be an elderly neighbour or relative who relies on the person for help.

There's no statutory right to pay for this time off, but some employers might offer pay depending on the contract or workplace policy.

The amount of time off an employee takes to look after someone must be reasonable for the situation. For example, they might take 2 days off to start with, and if more time is needed, they can book holiday.

If a dependant such as a partner, child or relative in the same household gets coronavirus symptoms, they should receive Statutory Sick Pay (SSP) as a minimum for this time. They'll also need to follow [self-isolation guidance on GOV.UK](#).

School closures

As schools in England, Scotland and Wales will be closing, this will affect care and working arrangements. This may be an anxious time for parents, and employers will need to be planning cover at work.

If employees need emergency time off for child care or to make new arrangements, they can use:

- time off to care for someone else (['time off for dependants'](#))
- holiday, if their employer agrees

Employers and employees can consider these steps:

- talking to each other early on about time off that might be needed
- agreeing regular conversations so both can plan ahead
- agreeing flexible working instead of taking longer periods of time off, for example working from home or changing working hours to allow for child care

If any agreement is made, it's a good idea for it to be in writing.

As always we are here to help and support. If you have any questions please do not hesitate to contact Gall Robertson CA either by phone or email.

In line with social distancing, we are no longer having clients coming to the office. Any contact will be by phone or email.

There will be staff available to assist in any enquiries you have.