

Corona Virus – Business Interruption Action Steps (BIAS)

24/3/20 v7

Update as at 24/03/2020

1. Businesses in rented properties

Commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction;

No business will be forced out of their premises if they miss a payment in the next three months.

Commercial tenants will still be liable for the rent after this period, the Government is also actively monitoring the impact on commercial landlords' cash flow and continues to be in dialogue with them.

2. Business Interruption Loan Scheme (BILS)

Further to point 4 under the 'Business Funding' section below;

Banks have stated they will only provide these loans as a last resort if all other avenues of funding have been exhausted along with the current business rates grant on offer and if the Corona Virus Job Retention Scheme is not enough to help you through this period.

Update as at 23/03/2020

Dealing with staff

1) Govt Assistance – Statutory Sick Pay (SSP)

Reclaim of SSP for Covid19 = 2 weeks per employee

Eligible if less than 250 employees // Doesn't require doctors certificate

Rebate access tbc

2) Staff into teams wherever possible so that key functions are covered in each team(s); Separate teams not to meet physically to preserve at least one team if virus spreads amongst staff;

office: 020 7433 6940

3) Staff payment policy on working from home and SSP to be made clear;

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London NW3 4QG



4) Govt Assistance – Coronavirus Job Retention Scheme

Employers able to reclaim 80% of staff salaries up to £2.5k per month
Staff must be 'furloughed'. Redundancies not included. 3 month initial period backdated to 1st March 2020.

All UK businesses are eligible.

Designate affected employees as 'furloughed workers,' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.

Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)

HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

Business Funding

5) Business rates holiday

Reclaim if in retail / hospitality/Leisure. Rebate automatically when rates bills come out

6) Cash grants retail/hospitality & leisure

£25,000 grant where rateable value is between £15,000 & £51,000,
Claim from local authority – more information to be provided

7) Cash grants retail/hospitality & leisure

£10,000 one off grant to those businesses that don't pay rates
Eligible rateable value less than £15,000
No need to apply // Local Authority will contact business

8) Business Interruption Loan Scheme (BILS)

The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims). The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.

Eligibility:

- Business is UK based, with turnover of no more than £45 million per year
- Your business meets the other British Business Bank eligibility criteria

Talk to your bank or finance provider (not the British Business Bank) as soon as possible and discuss your business plan with them. This will help your finance provider to act quickly once the Scheme has launched

The scheme will be available from week commencing 23 March 2020.

Access via <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

- Talk with own bank / Provide business plan Can also request
- Payment holiday for existing loans

9) Time to Pay services

Eligibility – Outstanding tax liabilities due to Co-Vid19 disruption
HMRC dedicated helpline 0800 0159 559

10) VAT payment Deferral

VAT payments deferred for 3 months to 30 June. This is automatic and no application required and repay by March 2021 • VAT refunds paid as normal

11) **Corporation Tax** – do not pay as loss relief / time to pay arrangements available;
If making a loss this year then don't pay corporation tax for last year;

12) **Equipment leasing** – request repayment holiday;

13) **Business interruption insurance** – are you covered ? Usually excludes
Pandemics;

14) **Rental holiday** – Rent free or pay 1 month at a time (instead of quarterly in advance). Claim from landlord.

15) **Utilities providers : Claim for holiday on energy bills;**

16) Debt Collection priority - Review credit terms; service / goods without payment on account;

17) Co-Directors / Shareholders of SME's – to discuss salary / **dividends reductions** with each other;

18) Cash flow retention : **Review discretionary costs** such as Directors pension contributions // Marketing costs //

Self Employed/Individuals

19) All payments on accounts due by 31st July 2020 have now been deferred to **31st January 2021**.

20) Personal Mortgage holiday.

3 month payment holidays offered to Help to Buy equity loans, Buy to Let mortgages and Residential mortgages

-It is important to remember that you still owe the amounts that you don't pay as a result of the payment holiday. Interest will continue to be charged on the amount owed.

-Taking a payment holiday will not impact your credit score.

21) Universal Credit

Can be accessed in full at rates equivalent to statutory sick pay

Useful HMRC websites

Business Support

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

Guide for Employers

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19>

Guide for Employees

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-guidance-for-employees>

General Guidance

<https://www.gov.uk/guidance/coronavirus-covid-19-information-for-individuals-and-businesses-in-scotland>

