

March 21st. Covid-19 Update by Stratforward BID

The situation changes daily, but the Government's announcements yesterday have provided greater clarity and certainty for many businesses and their employees.

The order for pubs, restaurants, cafes, cinemas and clubs to shut has removed one element of uncertainty for business owners. Businesses are still being allowed (& encouraged) to run takeaway services.

The package of support measures announced over the last 10 days (yep, ten days) includes:

- a Coronavirus Job Retention Scheme
- deferring VAT and Income Tax payments
- a Statutory Sick Pay relief package for SMEs
- a 12-month business rates holiday for all retail, hospitality and leisure businesses in England
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- the HMRC Time To Pay Scheme

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



[COVID-19: support for businesses - GOV.UK](#)

The Chancellor has set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19.. This ... www.gov.uk

The Government announcement yesterday included support for workers in leisure and hospitality. The scheme provides for government support for staff payments. To access the scheme, businesses will need to:

- 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 will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

If your business needs short term cash flow support, you may be eligible for a [Coronavirus Business Interruption Loan](#).

There is also support for businesses through deferring VAT and Income Tax payments. The Income Tax Self-Assessment payment dates are also being deferred.

Earlier in the week, the government announced a year long business rates holiday for retail, hospitality and leisure businesses. Cash Grants of either £10k or £25k are also being made available to businesses in those sectors as well. Please see our previous note on this.

The Government is also setting up a Business Interruption Loan Scheme. Details of the scheme will be released w/c 23rd March.

As soon as we have further details, then we will ensure that they are passed onto all businesses.

In the meantime, stay safe, don't panic and try to enjoy this long overdue sunshine. We all need it.

Joe Baconnet

BID Director