

COVID-19: Compensatory Measures

This briefing covers all the areas for which businesses can access support from the government in relation to the coronavirus outbreak. For more information on the measures detailed in this document, visit the dedicated government guidance on support for businesses [here](#).

Business Rates Expanded Retail Discount

Retail, hospitality, and leisure businesses in England, irrespective of their rateable value do not need to pay business rates for the 2020 to 2021 tax year.

This means the following business types will benefit from the relief:

- Shops, Post Offices and petrol stations
- Services such as shoe repairs, dry cleaners and laundrettes
- Hospitality businesses including restaurants, takeaways, sandwich shops, coffee shops, pubs and bars.

The Government intends to seek approval from the European Union for the Expanded Retail Discount to become a notified State Aid. This means Local Authorities would be able to administer the relief and ignore the State Aid Limit of €200,000 over three years. The Government is currently awaiting approval from the European Union.

How can I find out more?

- Any enquiries on eligibility for, or provision of, the retail rate relief should be directed to the business' local authority.

Cash Grants

Businesses which have a rateable value between £15,000 to £51,000 can apply for a one-off cash grant of £25,000.

Businesses which pay little or no business rates because they receive small business rate relief or rural rate relief will be entitled to a one-off cash grant of £10,000.

How can I find out more?

- If your business has a rateable value between £15,000 and £51,000, you will need to contact your local authority to enquire about eligibility.
- If your business receives small business rate relief or rural rate relief, you will be contacted by your local authority and do not need to apply.
- The Government will provide local authorities with funding to administer the grants in early April.

Loan Schemes

The Government has created the Coronavirus Business Interruption Loan Scheme which will allow businesses to borrow up to £5 million.

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.

Businesses will be able to access the first 6 months of that finance interest free as the Government will cover the first 6 months of interest payments.

How can I find out more?

- The Government will be launching the Scheme by the end of the week commencing 23rd March. The scheme is likely to be held on the HM Treasury website.

HMRC Payment Delays

HMRC has set up a dedicated helpline to help businesses and self-employed individuals in financial distress and with outstanding tax liabilities receive support with their tax affairs. Through this, businesses may be able to agree a bespoke Time to Pay arrangement.

For businesses unable to pay due to the coronavirus, HMRC will discuss your specific circumstances to explore: agreeing an instalment arrangement, suspending debt collection proceedings, and cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately.

How can I find out more?

- The helpline number is 0800 159 559 and is open Monday to Friday 8am to 8pm, and Saturday 8am to 4pm. The helpline will not be available on Bank Holidays.
- HMRC has not published any information about steps they are taking to support businesses with outstanding tax liabilities since 11th March. There is no further information regarding support for businesses with tax (including VAT) payments other than the helpline.

Insurance Claims

Businesses that have cover for both pandemics and government-ordered closures should be covered, as the government and insurance industry confirmed on 17th March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim.

Insurance policies differ significantly; most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

How can I find out more?

- Check the terms and conditions of your specific insurance policy and contact your provider to determine the scope of your cover, and if you are eligible to claim.
- The government has not provided any information on how they plan to specifically support businesses who are not covered by their insurance policies.

Corporate Financing

To support larger firms, the Bank of England has announced a new lending facility to provide a way to raise working capital via the purchase of short-term debt. It is expected to support companies which are fundamentally strong, but had been affected by short-term funding issues.

How can I find out more?

- Further details, including on how to access this funding will follow in the coming days, and the scheme will be available from the week commencing 23rd March.

Devolved Administrations

The Chancellor has clarified that as part of additional measures, devolved administrations will receive at least £3.5bn in funding to support businesses in Scotland, Wales and Northern Ireland. Devolved administrations have also announced the following measures:

In Wales, retail, leisure and hospitality businesses with a rateable value of £51,000 or less will receive 100% rates relief. A further £100m will be available for a new grant scheme for small businesses, with details to be confirmed shortly. For more information, click [here](#).

In Scotland, retail, leisure and hospitality businesses with a rateable value less than £69,000 will receive 75% rates relief from 1st April 2020. There will also be 1.6% rates relief for all properties across Scotland, effectively reversing the planned below inflation uplift in the poundage from 1st April 2020. The Scottish Government has also confirmed additional measures to support businesses, including grants for small businesses. For more information, click [here](#).

In Northern Ireland, all businesses will pay zero rates for the next three months. For more information, click [here](#).