

## COVID-19: Compensatory Measures

This briefing covers 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](#).

The briefing covers UK-wide measures as well as measures for businesses in England. To find out measures announced by devolved administrations in Wales, Scotland and Northern Ireland, click [here](#).

### *Business Rates Expanded Retail Discount (England only)*

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 launderettes
- 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?**

- There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.

### *Retail and Hospitality Grant Scheme (England only)*

Retail, leisure and hospitality businesses which have a rateable value between £15,000 to £51,000 will receive 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 £10,000.

#### **How can I find out more?**

- You do not need to do anything. Your local authority will write to you if you are eligible for this grant. The Government will provide local authorities with funding to administer the grants in early April.
- Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

### *Coronavirus Business Interruption Loan Scheme (UK-wide)*

The Government has created the Coronavirus Business Interruption Loan Scheme which allows (primarily small and medium-sized businesses) businesses to borrow up to £5 million available on repayment terms of up to six years.

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 12 months of that finance interest free as the Government will cover the first 12 months of interest payments.

You are eligible for the scheme if:

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

#### How can I find out more?

- The Scheme launched on Monday 23rd March. The full details of the Scheme are available [here](#).
- The Scheme is available through the British Business Bank's accredited lenders, a full list of these is available [here](#). All the major banks will offer the Scheme once it has launched.
- You should talk to your bank or finance provider (not the British Business Bank) as soon as possible and discuss your business plan with them. If you have an existing loan with monthly repayments you may want to ask for a repayment holiday to help with cash flow.

## HMRC Payment Delays (UK-wide)

### VAT Deferral

The government has confirmed that they will defer Valued Added Tax (VAT) payments for three months. For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

Business MUST still submit their VAT returns on the specified dates. HMRC are working to simplify this process.

#### How can I find out more?

- This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period.
- Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period.

### HMRC Coronavirus Helpline

HMRC has also 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 (UK-wide)*

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.

## *Commercial Renter Protection (England, Wales and Northern Ireland)*

The Government has announced that a measure in the Coronavirus Bill will mean that businesses cannot be evicted from their premises if they miss a rent payment in the next three months.

This is not a rental holiday and landlords will still be owed rent.

Once the measure in the Bill has lapsed, landlords can evict tenants if the rent has not been paid. More information is available [here](#).

## *COVID-19 Corporate Financing Facility (UK-wide)*

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.