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LEVENE

COVID-19 UPDATE AND HOW WE CAN HELP YOUR BUSINESS

We are in the midst of a global pandemic and it has brought the global economy to its knees but the UK government has pledged its support in a number of ways in order to help businesses that have been affected by the coronavirus (COVID-19).

We list below the various schemes that have currently been set up to help your business and how you can get help for each scheme. As far as we understand, these may change in time as the government works on the operational side of the schemes and any changes will be communicated to you in due course.

1) Business rates holiday

A business rates holiday for the 2020/2021 tax year has been granted.

If you are currently in receipt of the retail discount for your Business rates, a rates bill with 100% relief will be sent for the year ended 31 March 2021.

Retail businesses that occupy a property with a rateable value above £51,000 will also be eligible for a 100% relief for the year ended 31 March 2021.

You do not need to contact the bank to cancel the direct debit mandate for rates – your local authority will not be collecting any payment for 2020/2021.

Detailed guidance on the business rates relief can be found at: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

Alternatively, please call your local authority for any enquiries relating to business rates relief.

2) The Retail and Hospitality Grant Scheme

This scheme provides businesses in the retail, hospitality and leisure sectors a cash grant of up to £25,000 per property. If the property you operate from has a rateable value of under £15,000, you should receive a grant of £10,000.

For businesses with a rateable value of between £15,000 to £51,000, a grant of £25,000 will be receivable. Businesses with a rateable value of over £51,000 are not eligible for this scheme.

Your local authority will write to you if you are eligible for this grant. Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

Please visit <https://www.gov.uk/find-local-council> to find your local authority.

3) Small Business Grant Scheme

Small businesses that pay little or no business rates due to Small Business Rates Relief (SBRR), Rural Rate Relief (RRR) or tapered relief will be provided a one-off £10,000 grant to meet their ongoing business costs. Your local authority will write to you if you are eligible for this grant.

4) Coronavirus Business Interruption Loan Scheme (CBILS)

The CBILS is intended to support SMEs with working capital of up to £5 million in value and for up to 6 years. This will include loans, overdrafts, invoice finance and asset finance. The government will also cover the first 12 months of interest as well and any fees levied by the lender and therefore you will benefit from lower payments for the first 12 months.

The lending is available from 23 March 2020 through 40 accredited commercial lenders and backed by the British Business Bank. The list of lenders is available at: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>

Having spoken to one bank, we have been informed that the loan will be limited to 25% of the last reported business turnover and you will be required to demonstrate how COVID-19 has affected your business. The timeline for approval is around 4 – 6 weeks if all requested information is provided in good time and accurate.

To apply, you should contact your bank first to let them know of your plans.

You will be required to provide most recent financial statements, management accounts, cashflow forecasts along with confirmations of whether you have applied to any other schemes. Please contact us and we can help you with all the above.

You can also ask your bank for a payment holiday on existing monthly loan repayments to help with cash flow.

5) Coronavirus Job Retention Scheme

This scheme has been introduced to pay the wages of employees unable to work due to COVID-19 and applies to all UK businesses. The government will pay 80% of the wages up to £2,500 per month for three months from March 2020 at present. Employers can choose to top up the remaining 20%.

This will include employees that have already been made redundant on the condition that the employer takes them back and designates them as “Furlough” workers. The definition of Furlough is to allow or force someone to be absent temporarily from work.

Employers will have to formally notify the employees that they have been furloughed and this scheme is designed for only furloughed employees.

Employers will need to submit information of the worker’s wage costs up to the £2,500 cap to HMRC through an online portal. A system for the payment is also being set up and the first reimbursement to employers will be made around mid to end of April.

Please ensure you obtain proper HR advice if you are deciding to put employees on furlough. Please contact us if you need any assistance.

You may also need to add sick leave policies in line with government advice for sickness related to COVID-19.

6) Statutory Sick Pay (SSP) reclaim

Small and Medium sized businesses will be allowed to reclaim SSP paid for sickness absence due to COVID-19. The refund will be for 2 weeks' SSP per eligible employee and claim can be made from Day 1 instead of Day 4 of the sickness. It will also be available to those employees that are caring for someone who is self-isolating.

This will be available to employers with less than 250 employees as at 28 February 2020. You should maintain records of staff absences and SSP that has been paid. If you require evidence of sickness due to coronavirus, your employees can get an isolation note from <https://111.nhs.uk/covid-19>. Those employees who live with someone that has coronavirus visit <https://www.nhs.uk/conditions/coronavirus-covid-19/> to get a note.

The government is working on a reclaim mechanism for the SSP currently and should be available in due course. We shall be able to assist in making the claims on your behalf once the system is in place.

7) Self-employed

If you are self-employed and have a self-assessment payment on account due by 31 July 2020, you will be able to defer this payment to 31 January 2020. This is an automatic offer i.e. no application is required for this.

Additionally, if a self-employed person is sick or been advised to self-isolate, they will be able to claim Employment Support Allowance (ESA) from day one instead of day eight. The weekly ESA payment is £73.10 or £57.90 for anyone under the age of 25, but the government has raised the payments so that the self-employed receive the same amount as an employee on SSP i.e. £94.25 per week.

The application for this claim can be made at: <https://www.gov.uk/government/publications/new-style-employment-and-support-allowance-esa-claim-form>

8) Time to Pay arrangements

All businesses and self employed that have outstanding tax liabilities (Corporation Tax, VAT, PAYE/NIC and Personal Tax) and difficulty settling them will be eligible for support from HMRC's Time to Pay service. These will be dealt with on a case by case basis and will depend on the individual circumstances and the liabilities involved.

HMRC has set up a dedicated helpline if you have missed a tax payment or fear that you may miss an upcoming payment due to COVID-19. The number to call is 0800 0159 559 and will operate from 8am to 8pm on Monday to Friday and 8am to 4pm on Saturday. It is advisable to contact HMRC ahead of any payment deadlines to arrange for Time to Pay.

If you need our assistance in dealing with HMRC, please let us know.

9) VAT deferral

If you have a VAT liability for example due to wholesale, the government has introduced a VAT payment deferral for VAT liabilities incurred from 20 March 2020 to 30 June 2020. The liabilities will be deferred to 31 March 2021 to help ease the cash flow.

VAT refunds will be paid as normal therefore you should aim to get your VAT records to us as soon as possible to ensure the VAT returns are filed in good time and refunds help with the cash flow.

If your VAT return period is quarterly, we suggest that you consider changing this to monthly so that you have a monthly cash inflow.

10) Insurance

We advise you to check your insurance if you are covered for government ordered closure and pandemics. Most businesses will unlikely be covered as standard business interruption policies are dependent on damage on property and will generally exclude pandemics.

11) Rent

If you are having difficulty making payments to your landlords, it may be worthwhile speaking to them for a payment holiday to help with the cashflow. If they agree, they may request for cashflow forecasts, management accounts, etc. Please do contact us if you require these and we can help you.

With the current situation, it is important that you plan ahead and keep on top of your finances. If you would like our assistance with any of the above, please speak to your usual contact person in the Pharmacy department. As we are currently working from home, their respective mobile numbers have been shared for your convenience.



CONTACT US

For more information, please contact **Vinku Shah**(Manager - Pharmacy Department) on **020 7383 3200** or email vinku.shah@silverlevene.co.uk

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