

SUMMARY OF COVID-19 BUSINESS SUPPORT MEASURES

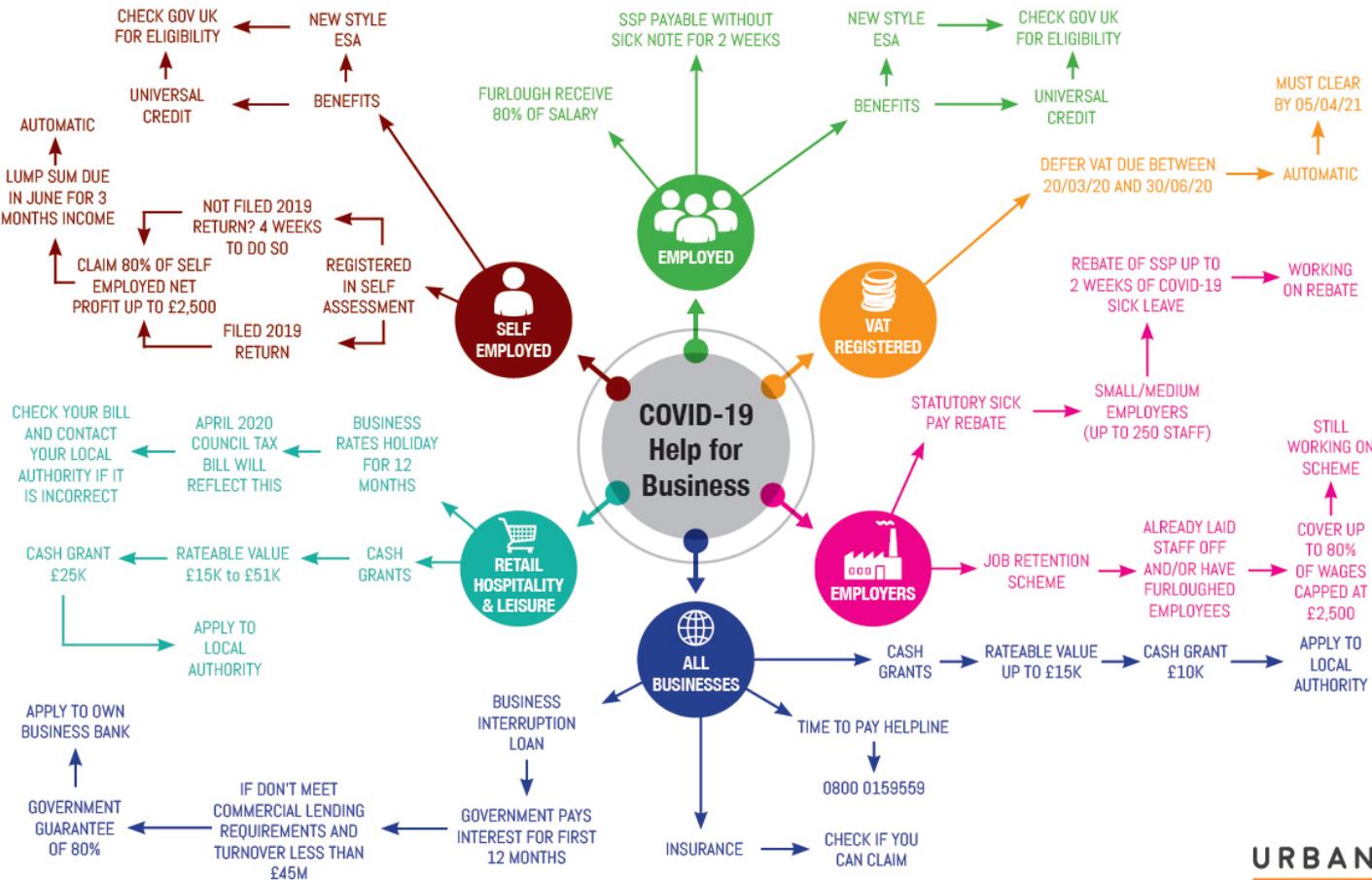
Updated 23 June 2020



INTRODUCTION

NEPO has summarised the range of support available to businesses in relation to COVID-19. This document will be updated as new guidance emerges, please refer to NEPO's [dedicated webpage](#) for the latest news and information.

Stirling Rees Tax & Accountancy have kindly agreed that NEPO can use this helpful diagram to provide an overview of available support. Published on 15 April 2020 the diagram offers a useful 'at a glance' summary. As this is a snapshot in time, NEPO recommends you refer to the numerous schemes and websites referenced later in this document to determine the current advice and guidance.



Information may be subject to change - please check with the Government portal for details. 15/04/20
Developed from an original compiled by Chatfield Accountants.



01.

EMPLOYERS

SUMMARY OF BUSINESS SUPPORT

- [Coronavirus Job Retention Scheme](#)

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employee's salary for those employees that would otherwise have been laid off during this crisis.

The Government's Coronavirus Job Retention Scheme went live on 20 April 2020, with businesses able to claim up to £2,500 a month towards staff wages. If you cannot maintain your current workforce because your operations have been severely affected by coronavirus (COVID-19), you can furlough employees and apply for a grant that covers 80% of their usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and pension contributions (up to the level of the minimum automatic enrolment employer pension contribution) on that subsidised furlough pay.

You can find out if you're eligible to use this scheme and how much you can claim to cover wages for employees on temporary leave ('furlough') due to coronavirus (COVID-19) [here](#). The claims portal is now open and can be accessed [here](#).

The Job Retention Scheme will remain open until 31 October 2020, as announced on 12 May 2020. Furloughed workers across the UK will continue to receive 80% of their current salary, up to £2,500. [Click here](#) for further information.

From 1 July 2020 businesses will be given the flexibility to bring furloughed employees back part time under the Coronavirus Job Retention Scheme.

From August 2020, the level of government grant provided through the job retention scheme will be tapered to reflect that people will be returning to work.

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For June and July, the government will continue to pay 80% of people's salaries. In the following months, businesses will be asked to contribute a modest share, but individuals will continue to receive that 80% of salary covering the time they are unable to work.

- [Statutory Sick Pay Rebate](#)

The Government will bring forward legislation to allow small and medium-sized businesses to reclaim Statutory Sick Pay (SSP) paid for staff sickness absence due to coronavirus. This refund will cover up to 2 weeks SSP per eligible employee who has been off work because of coronavirus.

- [Business 'support finder' tool](#)

The Cabinet Office has launched a new 'support finder' tool which aims to help businesses and self-employed people identify various financial support available to them during the coronavirus pandemic.

The new online platform helps businesses easily access the financial support they are eligible for. Business are asked to complete a simple online questionnaire which will signpost them to the relevant government financial support.

- [Bounce Back Loan Scheme](#)

The Bounce Back Loan scheme helps small and medium-sized businesses to borrow between £2,000 and £50,000.

The government guarantees 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years and no repayments will be due during the first 12 months. The government will work with lenders to agree a low rate of interest for the remaining period of the loan. The scheme will be delivered through a network of accredited lenders.

02.

SUPPLIER RELIEF

SUMMARY OF BUSINESS SUPPORT

- [PPN 02/20 - Supplier Relief due to COVID-19](#)

This Procurement Policy Note (PPN) sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current coronavirus, COVID-19, outbreak.

Many suppliers to public bodies will struggle to meet their contractual obligations and this will put their financial viability, ability to retain staff and their supply chains at risk. Contracting authorities are being advised to support suppliers at risk so they are better able to cope with the current crises and to resume normal service delivery and fulfill their contractual obligations when the outbreak is over.

Contracting authorities are being asked to consider impacts of COVID-19 to contract delivery and to consider payment on a continuity and retention basis to maintain cash flow and protect jobs, case-by-case.

Supplier relief can be considered in different ways by Contracting Authorities, some of these considerations include the following:

Accelerating payment of invoices

- Targeting high-value invoices where a prime is reliant on a supply chain to deliver the contract.
- Resolving disputed invoices as a matter of urgency – paying immediately and reconciling at a later date.
- Taking a risk-based approach – paying on purchase orders rather than receipt;
- Encouraging more regular invoicing.

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Payment to maintain business continuity

- On the usual contracted rates.
- Variation of payments on revised or extended milestones.
- Interim payments.

Payment by results or output/based payment

In this case, the Government recommends payment on the calculation of the last three months' invoices and where possible, the profit margin should not be paid on any undelivered aspects of the contract.

Payment where there is no contractual commitment to supply

Where there is no contractual commitment to supply, for example a Framework Agreement arrangement, the Cabinet Office suggests that this is considered on a case by case basis. This may be applicable where suppliers and supply chains are at risk.

Further details are provided in the FAQs [PPN 02/20 Frequently Asked Questions](#).

Please note: any supplier relief payments to be made under PPN 02/20 are for continuity and retention only. Suppliers claiming this relief must ensure that all parts of the workforce identified for the delivery of the contract in full are not furloughed if they are to receive it and that supplier relief payments are made on an open book accounting basis. If supplier relief is agreed then there will be provisions for payments to be directed to the full supply chain affected.

- [PPN 04/20: Recovery and transition from coronavirus](#)

This PPN updates and builds on the provision contained in PPN 02/20.

03.

TAX & RATES

SUMMARY OF BUSINESS SUPPORT

- [Deferring Added Value Tax \(VAT\) for 3 months](#)
- [HMRC Time to Pay](#)

HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of COVID-19 and have outstanding tax liabilities.

HMRC is delivering webinars on the measures available to support employers, employees and the self-employed. Watch the first webinar & register for future webinars [here](#).

- [Business Rates Holiday for Retail, Hospitality, and Leisure sectors](#)

Businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for the 2020-21 tax year.

- [Income Tax Deferral for the self-employed](#)

If you are self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

04.

FINANCE & LOANS

SUMMARY OF BUSINESS SUPPORT

- [Extended Coronavirus Business Interruption Scheme \(CBILS\)](#)

The Coronavirus Business Interruption Loan Scheme supports small and medium-sized businesses, with an annual turnover of up to £45m, to access loans, overdrafts, invoice finance and asset finance of up to £5 million for up to six years.

The scheme will be delivered through commercial lenders, backed by the Government-owned British Business Bank. 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 also make a Business Interruption Payment to cover the first 12 months of interest payment and any lender-levied fees, so businesses will benefit from no upfront costs and lower initial repayments.

In response to feedback received since the launch of the scheme, the Chancellor is taking further action by extending the scheme so that all viable small businesses affected by COVID-19, and not just those unable to secure regular commercial financing, will now be eligible. This change is designed to enable all long-term viable businesses experiencing difficulties as a result of the coronavirus outbreak to access finance.

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- [Coronavirus Large Business Interruption Loan Scheme \(CLBILS\)](#)

The new Coronavirus Large Business Interruption Loan Scheme (CLBILS) will provide a government guarantee of 80% to enable banks to make loans of up to £25m to firms with an annual turnover of between £45m and £500m. This will give banks the confidence to lend to many more businesses that are impacted by COVID-19. Facilities backed by a guarantee under CLBILS will be offered at commercial rates of interest.

It is expected that the scheme is to be delivered through commercial lenders. The Government will provide lenders with an 80% guarantee on individual loans for businesses that would be otherwise unable to access the finance they need.

Lenders will still be expected to conduct their usual credit risk checks, but this scheme allows them to specifically support a business that was viable before the COVID-19 outbreak but are facing significant cash flow difficulties, that would otherwise make their business unviable in the short term.

The new scheme will launch later this month and will support a wide range of businesses to access financial products including short term loans, overdrafts, invoice finance and asset finance. Businesses would remain responsible for repaying any facility they take out.

As announced on 19 May 2020, the maximum loan size available under the scheme will be increased from £50 million to £200 million to help ensure those large firms which do not qualify for the Bank of England's Covid Corporate Financing Facility (CCFF) have enough finance to meet cashflow needs during the outbreak.

The expanded loans, which have been introduced following discussions with lenders and business groups, will be available from 26 May.

- [Small Business Grant Funding](#)

This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs. **Anticipated to start from 1 April. All businesses will be contacted by their Local Authorities and asked to provide details so that payment can be made directly by BACS.**

SUMMARY OF BUSINESS SUPPORT

- [Cash Grant for Retail, Hospitality, and Leisure](#)

Retail, hospitality or leisure sector businesses will receive a cash grant of up to £25,000 per property. Businesses in these sectors with a ratable value of under £15,000 will receive a grant of £10,000. Businesses with a ratable value of between £15,001 and £51,000 will receive a grant of £25,000. **Anticipated to start from 1 April. All businesses will be contacted by the Member Authorities through the usual business rates billing systems.**

- [COVID-19 Corporate Financing Facility](#)

The new COVID-19 Corporate Financing Facility (CCFF) means that the Bank of England will buy short-term debt from larger companies.

- [Self-employment Income Support Scheme](#)

Introduction of the **Self-employment Income Support Scheme** which will:

- Pay the self-employed adversely affected a taxable grant of 80% of average profits over the past three years up to £2,500 per month for a period 3 over months.
- It is available to anyone with trading profits of up to £50,000 but they must have a tax return for 2019 for it to apply. For those who missed the tax return deadline, they have four weeks from 26 March to file the return. To be eligible, the majority of their income must be through self-employment. Grants can be claimed and the self-employed can continue to work.
- The process is that HMRC is contact eligible individuals requesting completion of an online form and grants will be paid directly into their bank accounts.

The Self-employment Income Support Scheme opened for applications on 13 May 2020. Those eligible will receive government grant worth up to £7,500 – [click here](#) for further information.

Other schemes that could help are:

- Business Interruption Loans
- Self-assessment payments can be deferred until January next year
- Universal Credit.

SUMMARY OF BUSINESS SUPPORT

As announced on 29 May 2020, those eligible for the **Self-Employment Income Support Scheme** will be able to claim a second and final grant in August worth 70% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £6,570 in total.

- [The Future Fund](#)

The Future Fund provides government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors.

These convertible loans may be an option for businesses that rely on equity investment and are unable to access other government business support programmes because they are either pre-revenue or pre-profit.

The scheme is now open for applications until the end of September 2020.

- [Local Authority Discretionary Grants Fund](#)

The Discretionary Grant Fund supports small and micro businesses that are not eligible for other grant schemes. Eligible businesses can receive a grant of £25,000, £10,000 or any amount under £10,000.

[Visit your local council's website](#) to find out how to apply.

05.

CHARITIES

SUMMARY OF BUSINESS SUPPORT

- [Charity support](#)

Charities across the UK will receive a £750 million package of support to ensure they can continue their vital work during the coronavirus outbreak. Tens of thousands of charities providing vital services will benefit from direct cash grants to ensure they can meet increased demand as a result of the virus as well as continuing their day-to-day activities supporting those in need.

As part of a UK-wide package of support, £360 million will be directly allocated by government departments to charities providing key services and supporting vulnerable people during the crisis. As well as this, £370 million for small and medium-sized charities, including through a grant to the National Lottery Community Fund for those in England, will support those organisations at the heart of local communities which are making a big difference during the outbreak, including those delivering food, essential medicines and providing financial advice.

The Chancellor also announced the Government will match fund whatever the public decides to donate to the BBC's Big Night In charity appeal on 23 April, starting with a contribution of at least £20 million to the National Emergencies Trust appeal.

06.

RECOVERY

SUMMARY OF BUSINESS SUPPORT

- [Recovery](#)

On 11 May 2020, new 'COVID-19 secure' guidelines were published to help UK employers get their businesses back up and running and workplaces operating as safely as possible.

The government has consulted approximately 250 stakeholders in preparing the guidance. It has been developed with input from firms, unions, industry bodies and the devolved administrations in Northern Ireland, Scotland and Wales and in consultation with Public Health England (PHE) and the Health and Safety Executive (HSE), to develop best practice on the safest ways of working across the economy, providing people with the confidence they need to return to work.

The new guidance covers eight workplace settings which are allowed to be open, from outdoor environments and construction sites to factories and takeaways.

Find out more [here](#).

- [Working safely during coronavirus](#)

Guidance to help employers, employees and the self-employed understand how to work safely during the coronavirus pandemic.

06.

LOCAL AUTHORITIES

North East local authorities have published guidance on their webpages and established local arrangements to support their businesses.

List of North East local authorities webpages:

- [Darlington Borough Council](#)
- [Durham County Council](#)
- [Gateshead Council](#)
- [Hartlepool Borough Council](#)
- [Middlesbrough Council](#)
- [Newcastle City Council](#)
- [North Tyneside Council](#)
- [Northumberland County Council](#)
- [Redcar & Cleveland Borough Council](#)
- [South Tyneside Council](#)
- [Stockton-on-Tees Borough Council](#)
- [Sunderland City Council](#)