

Clearly, the recent changes to our lifestyles has had a massive impact on our family and business lives.

These are uncertain, frightening and challenging times and of course, we must all do our bit, by closing or reducing our business activities unless we can work from home and we must all stay indoors where possible.

Rest-assured that we will keep researching the Government's support measures for business and we will roll out explanatory notices as soon as we have any news on how the schemes will be implemented.

Please do let us know if you have any queries and we will put the solutions up on our website as soon as we can find them.

On the back of the government briefings over the past few days, where they announced the various financial measures, the gov.uk website has been updated with more detailed information.

The support that the government has made available will be a welcome relief to a large proportion of our clients as they do their best to navigate the next few months. We expect that the main problem you will be facing is cash flow – particularly covering staff wages.

We are experiencing many worried clients contacting us to request guidance and reassurance, and we expect plenty more will come forward over the next few weeks.

We hope that the support measures that the Govt. has announced will help to ease some of your worries, but please do make contact with one of our team if you wish to discuss any of these measures, or if we can be of any assistance to you or your business.

A summary of the support measures are as follows;

1. **Job Retention Scheme** – There is currently very little detail about how this scheme works, but it seems to be based on US and Dutch employment rules. In the US a worker may be furloughed where economic conditions affect a specific company or the whole economy. In the US a furloughed worker is put on temporary unpaid leave, but retains all employment rights as and when the economy picks up. In the US a furloughed worker can do no work for the company.

The Govt. is suggesting that they will reimburse 80% of 'furloughed workers' wage costs, up to £2,500 per month – but it is uncertain whether this is gross or net, whether it includes or excludes pensions and benefits, whether holiday pay accrues, how it interacts with SSP, whether zero hour contract employees are eligible and whether it includes Directors.

Finally, it is uncertain how this will be claimed, when claims will be paid and when payroll systems will be revised to cope with the detail.

You should always seek legal advice before altering any staff member's rights. Market Tax who administer our Tax Investigation Legal Support Service (TILSS) can offer Employment and Contract legal advice. Annual membership of the TILSS costs between £110 + VAT for an individual and £242 + VAT for a company. Please let us know if you would like further details on the service. We can also recommend various local law firms.

2. **Deferral of all VAT liabilities falling due between now and 30 June 2020. All VAT Registered businesses are eligible.** No business is *required* to make payment for VAT during this period (of course they can still pay if they wish). Businesses are given until 5 April 2021 to clear any unpaid VAT accumulated during this period. This is an automatic offer; nothing needs to be applied for, you file your return but make no payment. We are uncertain whether HMRC will continue to collect DDs so it may be sensible to cancel any in place. VAT refunds will continue to be paid as normal.
3. **Deferral of 31 July 2020 Income Tax payments on account. This is limited to the self-employed.** No payment is required until 31 January 2021. This is an automatic offer, nothing needs to be applied for.
4. **SSP relief:** For staff off as sick due to coronavirus – this can be reclaimed by employers with fewer than 250 staff. There is currently no system in place to recover the SSP from HMRC, however this is being developed. Employers are advised to keep records of any staff paid SSP due to coronavirus so that they make a claim once HMRC’s portal is released.
5. **Business Rates holiday:** For businesses in the retail, hospitality and leisure sector and for childrens’ nurseries for 2020/21.
6. **Cash grant of £10,000 for all ‘small’ businesses:** An eligible business must be based in England, must occupy property, and must be a small business in receipt of Small Business Rate Relief or Rural Rates Relief. You will be entitled to £10,000. This will be paid by your local authority automatically.
7. **Cash grant of £10,000 for hospitality, retail and leisure sector:** An eligible business must be in the retail, hospitality or leisure sectors. The business must be based in England, must occupy property, and must be a small business in receipt of Small Business Rate Relief or Rural Rates Relief. If the rateable value is between £15,001 and £50,000 you should be eligible for £25,000. If the rateable value is less than £15,000 then you will be entitled to £10,000. You should contact your local authority to claim this grant.
8. **Coronavirus Business Interruption Loan Scheme (CBILS):** These are administered by the British Business Bank and are made available by 40 accredited lenders. Businesses can request a loan of up to £5M over 6 years. First year fees and interest will be payable by the Govt. who will guarantee 80%. For loans of less than £250,000 the Govt will guarantee the whole loan. Overdrafts and invoice finance deals are also available for 3 year terms. If the lender would lend on normal terms then this facility is not available. Businesses must have a turnover of less than £45M and fewer than 250 staff.
9. **HMRC Time to Pay Arrangements:** HMRC are more receptive and flexible with their ‘Time to Pay’ arrangements. These arrangements allow businesses to spread their tax liabilities over a reasonably short period, normally 3 to 12 months. DSCO can assist you with a claim, but HMRC’s helpline is currently extremely busy.

Please do contact us with your queries and we will do our utmost to help you navigate these troubled times.

From all the team at DSCO