



Update on UK Government coronavirus initiatives, grants and policies

23rd March 2020

This is a summarised update on the various Government policies and initiatives that have been announced in response to coronavirus over the last couple of weeks. Details are still incomplete in some instances but this is a quick digestible summary to the best of our knowledge. It is not intended to be financial or legal advice (which we are not qualified to give), but simply a guide, based on our understanding of the information available.

Business rates cuts

Top line: In England, Wales & Scotland, the UK Government has cut business rates to zero for all retail and leisure business for the whole of this financial year (2020-2021), starting from April.

What do I do?

Nothing. Councils will be briefed fully by 1st April and they should be sending updated Business Rates bills very shortly after that (which will be updated to zero). These are generally sent to your business premises. If you don't receive them fairly soon after the 1st, give your council a call.

If you don't pay business rates directly (and they are instead either factored into your monthly rent or paid by your landlord and then billed to you, be sure these are reduced accordingly by approaching your landlord for a rent reduction for the relevant amount).

Leisure and retail grants

Top line: The Government will be providing a grant to all UK retail, hospitality and leisure businesses on the following lines:

- £10k grant for any such business operating from a premises that benefits from Small Business Rates Relief (premises with a rateable value of less than £15k);
- £25k grant for any such business operating from a premises that has a rateable value of between £15k and £51k (in Wales this is £12-51k and in Scotland it's £18-51k).

n.b. 1- currently, the advice seems to be that this is on a per property basis. So, if you have multiple properties, you may be due multiple grants.

n.b. 2- if you operate from a premises in either of the above 2 categories, but don't receive the business rates bills, you may not be informed of the grant directly, but this doesn't mean it's not due to you - as the operator in the premises. So, speak to your landlord to ensure they pass on any Council information then cross-check this with the Council.

What do I do?

Nothing. As with the above, the Council will contact you with details of the grant due to you. So, the Grant details should be covered in your next Council Tax bill for April. If you don't hear from them fairly soon in April, contact the Council to ask.

VAT delay

Top line: VAT payments due between 20th March and 30th June 2020 will be deferred automatically - HMRC will not be taking payment. The amount will still be due but will not need to be paid in full until the end of the 2020-21 tax year (5th April 2021). If you happen to have a VAT reclaim this quarter (i.e HMRC owe you money, it will be paid as usual).

What do I do?

Don't pay HMRC your VAT due during the period. If you pay by direct debit, it won't come out. VAT returns will still need to be filed, but they just won't be paid out.

Keep a record of the amount due and do your best to set the amount aside so you can pay when it is due. (It's a deferral only at this point, not relief)

Income Tax Self-assessment delay

Top line: if you filled-out a self-assessment as you're self-employed and have a payment due on the 31st July, payment has been delayed until 31st Jan 2021.

What do I do?

Nothing. Again, no application needed, just don't pay until Jan next year. Do remember however it's a deferral only at this point, so try to set aside the money in anticipation of paying in Jan 2021 if you can.

Business Interruption Loan

Top line: the Government is backing loans of up to £5m. These will be interest free for 12 months. They'll be delivered through retail banks (full list [here](#)) and will require application through these banks. These applications will be much like a normal bank loan application (you'll have to provide a reasonable business case to show you're going to be able to pay it back and are a viable business). Banks are also considering offering these loans in the form of an overdraft facility as well as just loans (these may be more efficient, if you don't know how much you need and want to have something to dip in and out of). Many of these loans will be unsecured loans, but for absolute clarity - you will still be liable for the full amount borrowed and taking out a loan should be a last resort.

What do I do?

If you're interested in the Loan (or an Overdraft) contact your bank - provided it's listed at the page linked above. The best bet is to talk to your bank so that you can understand their individual processes and requirements (as it will differ a little from bank to bank) and then decide if you'd like to go ahead with an application. You can do this right away.