

In response to the coronavirus pandemic, the government has implemented a comprehensive package of economic support to protect jobs, promote economic stability and preserve the productive capacity of the UK.

This factsheet provides an overview of the key financial measures introduced and how these can provide invaluable support to both businesses and individuals during these challenging times.

Finance Schemes

These five temporary schemes are designed to help businesses across the UK who may need to respond to cashflow pressures by seeking additional finance:

1. COVID-19 Corporate Financing Facility (CCFF)

The joint HM Treasury and Bank of England CCFF was launched to support businesses making a material contribution to the UK economy which are fundamentally strong but have been affected by short-term funding difficulties.

2. Coronavirus Business Interruption Loan Scheme (CBILS)

The scheme provides loans of up to £5 million with an 80% government guarantee to the lender, giving lenders the confidence to provide finance to SMEs.

The government will not charge businesses for this guarantee and will also cover the first twelve months of interest payments and fees.

3. Coronavirus Large Business Interruption Loan Scheme (CLBILS)

The scheme provides loans of up to £200 million (to a maximum of 25% of turnover), with an 80% government guarantee to the lender.

4. Bounce Back Loan Scheme (BBLs)

Loans are between £2,000 and £50,000, capped at 25% of turnover, with a 100% government guarantee to the lender to provide them with the confidence they need to support the smallest businesses.

The borrower does not have to make any repayments for the first twelve months, with the government covering the first twelve months' interest payments.

5. Future Fund

The loans provided range from £125,000 to £5 million and are subject to at least equal matching from private investors.

Further details of these finance schemes can be found here on our *'Coronavirus Financial Support for Businesses'* web page:



Support for Businesses

HMRC Time To Pay Scheme

Time to Pay supports businesses and individuals who have outstanding tax liabilities and are in financial difficulty as a result of COVID-19 by providing targeted tax deferral and payment plans to help with finance and cashflow challenges.

VAT and Import Duties Support

The government has made changes to VAT to provide businesses across the UK with greater cash flow, which include:

- + Deferring VAT payment from 20 March to the end of June 2020, giving businesses until the end of March 2021 to repay;
- + Providing importers access to HMRC's Time to Pay service to help with their VAT liabilities;
- + Bringing forward the removal of VAT on e-publications from December to May 2020;
- + Providing more time for businesses to prepare for previously announced changes, including:

Making Tax Digital: 

VAT domestic reverse charge for the construction sector: 

Business Rates Holidays

All businesses within the retail, hospitality and leisure sectors in England have been given a 100% business rates holiday for the whole of 2020-21.

Business Grants

The government has provided a series of grant schemes to businesses in England affected by COVID-19:

1. The Small Business Grant Fund

One-off grants of £10,000 to small businesses that already receive small business rate relief (SBRR) and/or rural rate relief (RRR) and occupy property.

2. The Retail, Hospitality and Leisure Grant Fund (RHLGF)

Businesses in these sectors with a rateable value of under £15,000 will receive a cash grant of £10,000. Grants of £25,000 are provided for businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.

Further details on the above two Grant Funding Schemes can be found here:



3. The Local Authority Discretionary Grants Fund

These grants are provided by Local Authorities and are primarily aimed at small businesses that have high ongoing fixed property-related costs and that occupy property (or part of a property) with a rateable value or annual mortgage/rent payments below £51,000.

Grants are £25,000, £10,000 or any amount under £10,000.

The Fund is for businesses that are not eligible for other support schemes.

Further details of the Discretionary Grants Fund, including the relevant links for Local Authorities in our region can be found here:



Statutory Sick Pay (SSP) Rebate Scheme

The government has provided a rebate to small and medium-sized employers (SMEs) across the UK to cover up to two-weeks' worth of statutory sick pay costs for employees either diagnosed with COVID-19 or who are unable to work because they are self-isolating in line with government advice.

Further details on the scheme, along with eligibility and how to apply can be found here:



Safeguarding High Streets

Protecting shops and other businesses from aggressive forms of debt recovery and protecting commercial tenants in England, Wales and Northern Ireland from eviction until 30 September 2020.

This is accompanied by the government's publication of a Code of Practice which encourages fair and transparent discussions between landlords and tenants over rental payments during the coronavirus pandemic. The government has also worked closely with lenders to confirm support and flexibility is being shown to commercial borrowers.

Further details of the extended measures to prevent business evictions and a link to the new Code of Practice can be found here:



Trade Credit Reinsurance Scheme

The government has announced £10 billion of reinsurance guarantees to promote trade by providing eligible UK businesses with cover against counter party default. The scheme is delivered through authorised insurers.

Support for Innovative Companies

Promising and innovative firms are being supported by a range of grants and loans through *Innovate UK*. These include the recently announced Sustainable Innovation Fund which will help firms to commercialise their cutting-edge ideas while supporting sustainability objectives.

Further details of the Sustainable Innovation Fund and a link to the application form can be found here:



Charities

The government has committed £750 million of grant funding to support charities to provide essential services and support to vulnerable people in response to COVID 19.

Further details of support measures for charities can be found here:



Further details of the Coronavirus Community Support Fund, supporting small and medium sized charities and social enterprises can be found here:



Fisheries

The government has provided £10 million of assistance for England's catching, aquaculture and seafood businesses. Over 1,200 catching and aquaculture businesses have received grants worth up to £10,000.

Dairy Response Fund

Eligible dairy farmers can access up to £10,000 each to continue to operate and sustain productive capacity without impacts on animal welfare. Payments to qualifying applicants began on 6 July.

Cultural Recovery Fund

The government has committed £1.57 billion to support thousands of arts and cultural organisations through the COVID-19 pandemic. Organisations including museums, galleries, theatres, independent cinemas, heritage sites and music venues will be able to apply for emergency grants and loans.

Zoos and Aquariums

A £100 million Zoo Support Fund (ZSF) has been made available to help licensed zoos and aquariums in England who are in financial difficulty as a result of COVID-19 and need help with the costs of keeping animals.

Support for Individuals

Coronavirus Job Retention Scheme (CJRS)

The government has paid the wages for over 9.4 million jobs, enabling 1.1 million employers to keep employees on a period of temporary leave ('furlough') between March and October 2020. From 1 August 2020, employers will be asked to contribute to the cost of furloughing employees, having been provided with the flexibility to bring back workers on a part-time basis from 1 July 2020.

Download our Coronavirus Job Retention Scheme Factsheet (covering details of the new flexible scheme and the employer contributions required from 1 August 2020):



Download our Coronavirus Job Retention Scheme Factsheet (covering details on how to determine furloughed employees' pay and calculating a claim):



Self-Employed Income Support Scheme (SEISS)

The government has supported 2.7 million self-employed individuals, including members of partnerships, whose businesses have been adversely affected by COVID-19.

Eligible individuals have claimed £7.7 billion so far through the SEISS via a first taxable grant worth 80% of their average monthly trading profits, paid in a single instalment covering three months' worth of profits, and capped at £7,500.

The applications for the first SEISS grant are open until 13 July 2020.

From 17 August until 19 October 2020, eligible applicants whose businesses have been adversely affected by COVID-19 on or after 14 July will be able to claim a second and final taxable grant worth 70% of their average monthly trading profits, paid in another single instalment covering three months' worth of profits, capped at £6,570.

Statutory Sick Pay (SSP)

COVID-19 related SSP has been made payable from the first day of sickness absence, rather than the fourth, and extended to people self-isolating and shielding.

Mortgage and Credit Payment Holidays

Support for people across the UK to manage their finances by providing payment holidays on mortgages (including Buy to Let mortgages to help renters), consumer credit products and support on overdrafts.

Support for Housing and Renters

Alongside payment holidays on residential and Buy to Let mortgages, the government has extended the stay on repossession proceedings in the private and social rented sector until 23 August 2020. Lenders should also pause repossession proceedings until 31 October 2020 to help people to stay in their homes. The government also introduced emergency measures in the Coronavirus Act 2020, which are in place until 30 September 2020, to require landlords to give tenants at least three months' notice before seeking repossession.

Income Tax Self-Assessment

Income Tax Self-Assessment payments due in July 2020 have been deferred to January 2021.

Delay to Off-Payroll Working Rules Changes

The government has delayed reform to the off-payroll working rules (commonly known as IR35) in the private and third sectors from April 2020 to April 2021.

Further details on the changes to Off-Payroll Working in the private sector can be found here:



Universal Credit

To support families on low incomes through COVID-19, the government has temporarily increased the generosity of the welfare system and made it easier to access support.

Download our Universal Credit Factsheet here:



At M+A Partners, we are here to help and support you as you navigate through the government's coronavirus support payment measures during these challenging times. If you need help then please get in touch.



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