



COVID-19: ADDITIONAL INFORMATION

Help and support is being announced every day, and it is becoming tough simply to keep on top of the proposals, let alone how to access them. We will be circulating as much information as possible, as we become aware of the help and financial support given by the Government.

Help Smoothing Payments

1. HMRC Time to Pay service

HMRC have been told to treat the Time to Pay request favourably. However, without knowing what we can commit to and when the current crisis will end, it will be difficult to agree a formal plan. There is a long wait to get through at the moment but you should let HMRC know if you will not be paying if at all possible. It is difficult to see how any business will pay PAYE/NIC, corporation tax or VAT beyond this month, as everyone will wish to preserve cash. 0800 1059 559 - 8am to 8pm (4pm Saturday - closed Sunday).

2. Talk to Suppliers

Relief and support may be available from suppliers where they may be willing to extend their terms. It's worth a conversation.

3. Reimbursement of Statutory Sick Pay (SSP)

SSP is normally only payable from day 4, this is now available to employees earning more than £118 on average per week. It is recoverable from PAYE/NIC payable by employers for 2 weeks of SSP only. Normal SSP is payable by employers, but is not reimbursed by HMRC - many employers think it is reimbursed like SMP (statutory maternity pay). From a cash point of view, there are currently no moves to actually give you cash to pay the SSP.

Cash Grants

1. £10,000 Cash Grants

For those getting business rates relief. These apply to rateable values below £12,000, and may also apply for the transitional period from £12,000 to £15,000. They will be administered by your local business rates authority from April, but no detail yet as to when. They should approach you, and there should be no need to contact them - it would, however, seem sensible to do so to make sure you are on the list.

We understand grants means "not repayable", but those words do not appear anywhere yet. Currently there is no grant available for people not operating from business premises, but that may change.

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2. £25,000 Cash Grants

For retail, hospitality and leisure sectors, along with rates relief for rateable values below £51,000. These will be administered similarly to the £10,000 grants, and new £NIL rates bills should be issued imminently for those affected.

Loans

1. Coronavirus Business Interruption Loan Scheme (CBICS)

Operated by British Business Bank (the government) but via the high street and other banks (40 institutions in total). Promoted as monies available to pay for wages, stock, and most other business expenses, yet the banks we have spoken to say subject to normal lending criteria, which makes this an unlikely source of funding. But that may change.

Traditionally this sort of lending takes 4 to 12 weeks to secure, meaning some form of speed up is needed if it is to work.

2. Extend your Bank Overdraft

Talk to your bank to see what is available to you, including setting up a new facility.

3. Short Term Bank Loans

Most banks offer short term facilities, although rarely used, but worth enquiring into.

These include just in case facilities, or access to borrowing up to predetermined amounts if needed without the need to get prior approval.

4. Business Credit Cards

Some offer huge credit limits, and you may be able to get approval over the telephone.

5. Selective Invoice Discounting

This is where you obtain finance against a specific sale invoice until the customer pays, and can be very helpful for one off large invoices. You can literally choose just one off invoices, rather than have a facility across all your debtors. Bad debt cover is usually available, although that may change.

6. Merchant Cash Advances

These are advances from PayPal, WorldPay and other credit card merchants, set up as loans from them, with repayments normally taken as a percentage of future credit card sales (meaning you only receive say 80% of future credit card sales, with the 20% reduction applied against the loan).



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7. Non Bank Loans

There are many non-bank lenders in the market nowadays, and lending platforms to select possible lenders. We use Capitalise, and can help you source finance that way, or you can apply direct. One downside is that we do not yet know how they will behave going forward in terms of payment holidays, as they have not been included in the same high level discussions as the high street banks with the Government.

8. Bank Loans

Loans are available from the banks, but unlikely to be on favourable terms or see lending criteria relaxed.

Other Ideas

- Reduced hours working at home with children may be needed
- Staff working from home may work best working different hours, such as starting very early in morning before the family wake
- Make plans for home working is one of family falls ill, or staff member does
- Think about having a daily zoom or similar video call so that everyone can see each other and just chat to make up for lost social time, particularly where individuals are alone at home
- New methods of communication may well become the new norm, so think of some changes as permanent changes, for example zoom video meetings may replace face to face meetings enabling us to work more effectively in the future
- Look at positivity and mindfulness resources on the internet and through apps, to help people deal with working at home
- If you use Office or Google you will be paying for their team applications – look at Google Hangouts and office Teams as new methods of communications.