

## COVID-19

### Government Support for Business

---

#### Introduction

COVID-19 is a highly infectious illness caused by a particular type of virus known as a 'coronavirus'. Thousands of cases have now been reported in the UK, and the outbreak has been classified by the World Health Organisation (WHO) as a global pandemic. The UK government has introduced a range of measures to support businesses and specific sectors.

This factsheet provides an overview of the measures the Government has introduced to support businesses across the UK as a result of the coronavirus outbreak.

#### Grants and loans

A number of grants and loan schemes have been introduced across the UK to help businesses in all sectors continue to trade. These include:

- A local authority cash grant of £10,000 for businesses that are currently eligible for Small Business Rate Relief or Rural Rate Relief, to help meet their ongoing business costs.
- Grants of £25,000 to retail, hospitality and leisure businesses operating from smaller premises with a rateable value over £15,000 and below £51,000.
- A Coronavirus Business Interruption Loan Scheme that will provide loans of up to £5 million to support and protect small businesses. For the first 12 months the loan will be interest free. The scheme will temporarily replace the Enterprise Finance Guarantee (EFG) scheme.

Go to [www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses](https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses) for more information.

#### Statutory sick pay

Employers with fewer than 250 employees will be refunded by the Government for the cost of providing 14-days' statutory sick pay for employees who need to self-isolate. Statutory Sick Pay will also be made available from day one to employees who need to self-isolate as a result of coronavirus. Under the current rules, Statutory Sick Pay is paid by employers from day four of an employee's absence when they know the reason why the employee is unable to work and they have received proof of sickness.

#### Job retention scheme

Under the Government's Coronavirus Job Retention Scheme, all UK business will be able to access support to continue paying their employees' salary for those who would otherwise have been laid off due to coronavirus. To access the scheme, employers will need to designate affected employees as 'furloughed workers' and submit information to HMRC, which will reimburse 80% of furloughed workers wage costs up to £2,500 per month. Go to [www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses](https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses) for more information.

#### Relaxation of planning rules

The UK Government has announced that all pubs, bars and restaurants are required to close, except for offering takeaway food. Planning rules have been relaxed to allow pubs and restaurants to alter their mode of operation and

trade as hot food takeaways without making a change of use planning application, which is currently required. The relaxation of the rules, which will last for up to 12 months, will be introduced as soon as possible and apply to hot food and drinks only. Serving or supplying alcoholic drinks will continue to be subject to existing licensing laws. Go to [www.gov.uk/government/news/government-to-grant-permission-for-pubs-and-restaurants-to-operate-as-takeaways-as-part-of-coronavirus-response](http://www.gov.uk/government/news/government-to-grant-permission-for-pubs-and-restaurants-to-operate-as-takeaways-as-part-of-coronavirus-response) for more information.

## **Childcare funding**

Schools and nurseries across the UK have been closed due to the coronavirus outbreak. However, the Government will continue to pay local authorities the free childcare entitlements for two, three and four-year-olds. The Department for Education has also stated that it expects local authorities to pass the entitlement funding onto childcare providers if they are advised to close by Public Health England or if children are unable to attend due to coronavirus.

Go to [www.gov.uk/government/news/free-childcare-offers-to-continue-during-coronavirus-closures](http://www.gov.uk/government/news/free-childcare-offers-to-continue-during-coronavirus-closures) for more information.

## **Coronavirus measures for landlords and tenants**

Under the business support measures that have been introduced, residential landlords, will be eligible to claim a three-month mortgage payment holiday if their tenants are experiencing financial difficulties due to coronavirus, meaning they cannot pay their rent. However, landlords will not be able to start proceedings to evict tenants for at least a three-month period due to the financial impact the coronavirus may have on tenants.

Go to [www.gov.uk/government/news/complete-ban-on-evictions-and-additional-protection-for-renters](http://www.gov.uk/government/news/complete-ban-on-evictions-and-additional-protection-for-renters) for more information.

## **Drivers' hours rules relaxed**

In order to ensure that vital supplies of food and medicine can continue to be delivered, a temporary relaxation of the EU drivers' hours rules in England, Scotland and Wales, which currently limit the amount of time that drivers can work, has been introduced. The relaxation applies to drivers of vehicles involved in the delivery of food, personal care, household paper and cleaning products and over-the-counter pharmaceuticals. The relaxation will apply until 16th April 2020 and does not include drivers undertaking deliveries directly to consumers.

Go to [www.gov.uk/government/publications/temporary-relaxation-of-the-enforcement-of-eu-drivers-hours-rules](http://www.gov.uk/government/publications/temporary-relaxation-of-the-enforcement-of-eu-drivers-hours-rules) for more details.

## **Business Rates relief (retail, hospitality and leisure sectors)**

A range of Rate Reliefs has been introduced to support smaller businesses in England, including:

The Business Rates retail discount has been increased to 100% for the 2020/21 tax year, meaning that businesses will be entitled to a business rates 'holiday'. The relief will apply to the hospitality and leisure sectors. Go to [www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses](http://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses) for more information.

In order to support nurseries, non-local authority childcare providers in England will be eligible for the same 100% Business Rates discount (business rates holiday) that has been introduced to help support the retail, hospitality and leisure sectors that have been affected by the coronavirus outbreak. The discount will apply for a year from 1st April 2020. Go to [www.gov.uk/government/news/schools-colleges-and-early-years-settings-to-close](http://www.gov.uk/government/news/schools-colleges-and-early-years-settings-to-close) for more information.

## **Delay to IR35 tax reforms**

From 6th April 2020 tax rules known as IR35 were due to be reformed by requiring medium- and large-sized private

sector organisations (as well as public sector organisations) to be responsible for deciding the employment status of freelance workers and contractors they hire.

However, due to the coronavirus outbreak, the extension to the private sector of the requirement to decide whether the IR35 rules apply to freelance workers and contractors they hire have been delayed until 6 April 2021 to help protect hundreds of thousands of contractors' livelihoods.

## HMRC helpline

A dedicated HMRC COVID-19 helpline has been introduced to help businesses and self-employed people in financial distress and with outstanding tax liabilities to receive support with their tax affairs.

The helpline number is 0800 0159 559.

## Further information

Acas: 'Coronavirus: advice for employers and employees'

[www.acas.org.uk/coronavirus](http://www.acas.org.uk/coronavirus)

NHS England: 'Coronavirus (COVID-19)'

[www.nhs.uk/conditions/coronavirus-covid-19](http://www.nhs.uk/conditions/coronavirus-covid-19)

Public Health England: 'What is self-isolation and why is it important?'

<https://publichealthmatters.blog.gov.uk/2020/02/20/what-is-self-isolation-and-why-is-it-important/>



**DISCLAIMER** While all reasonable efforts have been made, the publisher makes no warranties that this information is accurate and up-to-date and will not be responsible for any errors or omissions in the information nor any consequences of any errors or omissions. Professional advice should be sought where appropriate.