

The banner features a dark blue background with the text 'PracticeWeb' in white. Below the text is a thin horizontal line, followed by the tagline 'Intelligent marketing for accountants' in red. On the right side, there are three overlapping circles in yellow, red, and purple.

# PracticeWeb

Intelligent marketing for accountants

## PracticeWeb briefing on COVID-19

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## **Communicating around coronavirus/COVID-19**

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## Summary of Government support for business

**In the wake of Spring Budget 2020 the Government announced a series of measures designed to counter the threat posed to the UK economy by the outbreak of the coronavirus that causes the respiratory disease COVID-19.**

This paper summarises all measures so far announced and provides up-to-date information on how PracticeWeb clients can:

- a. find out more about each measure from reliable sources and
- b. help their UK business clients access the support on offer.

It will be updated as new information emerges on eligibility and how businesses can access each service or fund.

### Updates from 1 June

On Friday 29 May, Chancellor Rishi Sunak announced a **[“second and final grant” under the self-employed income support scheme](#)**, with applications to open in August.

The second grant will cover 70% of average monthly trading profits for three months, and will be capped at a total of £6,570.

Sunak also announced that the **coronavirus job retention scheme will finish at the end of October**. The scheme will also close to new entrants on 30 June, so it will only be available to those who were already using it.

From 1 July, employers will be able to agree any working arrangements with their previously furloughed employees, including part-time work. They will be responsible for paying employees' wages while in work.

Support under the job retention scheme will then begin to taper off as follows:

- **August:** The Government will pay 80% of employees' wages up to £2,500, but employers will pay employer national insurance contributions (ER NICs) and pension contributions.
- **September:** The Government will pay 70% of wages, up to £2,187.50. Employers will pay ER NICs and pension contributions, plus 10% of staff wages to make up the 80% total (up to a cap of £2,500).

- **October:** The Government will pay 60% of wages up to a cap of £1,875. Employers will pay ER NICs and pension contributions, and 20% of wages to make up the 80% total (up to a cap of £2,500).

## Updates from 12 May

Chancellor Rishi Sunak has **extended the coronavirus job retention scheme until the end of October.**

He said there will be no further changes to the scheme until the end of July, but that from August it will offer “greater flexibility” to support the transition back to work, by allowing employers to bring furloughed members of staff back part-time.

It will also require employers to make a contribution to the cost of salaries.

The full details are expected to be released by the end of May, but Sunak stressed that while this scheme is open, workers will continue to receive the same level of support as they do now, at 80% of their wages up to £2,500 a month.

The Department for Business, Energy and Industrial Strategy has also issued [new guidance on how businesses can operate safely during the pandemic](#). The guides cover eight different types of work, with information on how social distancing can be implemented.

## Updates from 11 May

In an address to the nation on Sunday 10 May, Prime Minister Boris Johnson announced a “conditional plan” for easing lockdown restrictions. He said a new five-level alert system will determine the rate at which restrictions are lifted.

The plan, which will depend on whether conditions for combating COVID-19 are met, includes the following steps:

- **From Wednesday 13 May**, those who cannot work from home, such as workers in the manufacturing and construction sectors, are being encouraged to go to work but have been told to avoid using public transport. Those who are able to work from home should continue to do so.
- **From 1 June**, shops and schools could be reopened in phases.
- **From 1 July**, some hospitality businesses and other public places could reopen – but only “if the numbers support it”.

The Government has published a 60-page guidance document on its COVID-19 recovery strategy, which can be found [here](#).

## Updates from 4 May

On Saturday 2 May, [the Government announced](#) an additional grant scheme designed to plug a gap in provision of support for businesses operating from shared working spaces and not paying business rates.

The local authority discretionary grant fund is worth £617 million in total – a 5% increase on the £12.33 billion already pledged – and is expected to help market traders and those in co-working office spaces. Councils have been told to use their discretion in deciding which types of business might be eligible, based on local knowledge and need.

Grants are capped at £25,000 and apply only to firms with fewer than 50 employees trading on or before 11 March 2020.

Businesses claiming the new grant will be expected to demonstrate that they have ongoing fixed building-related costs and have suffered a fall in income due to COVID-19. Those already claiming via existing grant schemes or through the self-employment income support scheme will not be able to access this additional funding.

## Updates from 27 April

Chancellor Rishi Sunak announced a new micro-loan scheme called [Bounce Back Loans](#), which offers loans of 25% of a business's turnover, up to a maximum of £50,000, with the Government paying 100% of the interest for the first twelve months.

Sunak promised there will be “no forward-looking tests of business viability; no complex eligibility criteria; just a simple, quick, standard form for businesses to fill in”, and said the loans should arrive within 24 hours of approval for most firms.

The scheme is due to open from 9am on 4 May 2020.

Measures have also been put in place to [protect high street businesses against aggressive debt recovery actions](#). These include a temporary ban on the use of statutory demands made between 1 March 2020 and 30 June 2020, and on winding-up petitions presented from 27 April 2020 to 30 June 2020.

## Updates from 20 April

A new scheme to support startups, [the Future Fund](#), was announced by Chancellor Rishi Sunak yesterday, 19 April.

The £1.25 billion fund is designed to help firms not eligible for funding through existing coronavirus support schemes. It will provide loans to UK-based companies, from £125,000 to £5 million, as long as they've found at least equal funding from private investors.

Further detail is expected soon but applications are expected to open in May. Your business may be eligible if:

- it is based in the UK
- has appropriate funding from private investors and institutions
- has previously raised at least £250,000 in equity investment in the past 5 years.

On 20 April 2020, the **coronavirus job retention scheme (CJRS) portal** opened, receiving 67,000 applications for furlough payments in the first ten minutes. It can be accessed [via the gov.uk website](#).

[CJRS was also extended](#) last week, up to the end of June. The [cut-off date](#) was also changed so it covers people on payroll on or before 19 March, instead of 28 February as originally announced.

Finally, in the past week councils have urged businesses notified of their eligibility for **business support grants** to complete their applications. Although at the time the grant schemes were announced businesses were told they would need to take no action, it is necessary to complete an application to receive this funding.

## Updates from 3 April

The [coronavirus business interruption loan scheme](#) for struggling businesses has been revamped.

In addition to the previous offering, it will offer state-backed loans of up to £25 million for larger firms with turnover of between £45m and £500m.

UK Finance said more than 130,000 loan enquiries had been made since the scheme opened, but less than 1,000 had been approved by banks.

In response, the Government will underwrite 80% of these loans to nudge banks into speeding up the provision of these emergency funds.

Banks will also be banned from asking company owners to underwrite loans of up to £250,000 with their own assets, such as property or savings.

## Updates from 2 April

The [coronavirus job retention scheme](#) now applies to off-payroll contractors working for public-sector organisations.

Furlough can be offered to all public-sector workers, including those paid under PAYE, through an umbrella or their own personal service company.

## Updates from 1 April

The second phase of [Making Tax Digital for VAT](#), which introduces more complex technology and stringent rules, has been deferred for 12 months.

New rules around the way digital firms link their MTD software and how they upload their VAT returns will now kick in on 1 April 2021.

## Updates from 27 March

[Full guidance has now been published](#) setting out how businesses can claim through the coronavirus job retention scheme. Some key details are as follows:

- Only employers that created and started a PAYE payroll scheme on or before 28 February 2020 are eligible.

- The scheme covers full-time employees, part-time employees, employees on agency contracts and employees on flexible or zero-hour contracts.
- Employees made redundant after 28 February 2020 but rehired by their employer can be furloughed.
- Employees hired after 28 February cannot be furloughed.

To make a claim, employers will need to provide:

- ePAYE reference number
- number of employees being furloughed
- the claim period
- amount claimed
- bank account number and sort code
- contact name and number.

## 26 March: Support for self-employed people

Having been under pressure for the past week, Chancellor Rishi Sunak has announced measures to support self-employed people whose earnings have been affected by the coronavirus outbreak.

### Self-employed income support scheme

- Those who are already self-employed and facing financial difficulties are asked to apply.
- The scheme will cover up to 80% of average profits over the past three years, up to £2,500 per month, for at least three months.
- Those with trading profits of more than £50,000 are not eligible.
- Eligibility is determined with reference to earnings in 2018/19 as reported on tax returns filed this year.
- **What next?** Application will be to HMRC via an online platform, yet to launch. The grants probably won't be available until June 2020, backdated to 1 March. In the meantime, self-employed people who can't work are expected to claim universal credit, access to which was broadened in the Spring Budget.

### Updates from 25 March

Further to the news below that Companies House would automatically be giving those who need it a two-month extension on **filing their accounts**, the Government has now confirmed [an automatic three-month extension](#) for businesses that need it:

As part of the agreed measures, while companies will still have to apply for the three-month extension to be granted, those citing issues around COVID-19 will be automatically and immediately granted an extension. Applications can be made through a fast-tracked online system which will take just 15 minutes to complete.

Note, though, that the application must be made before the original filing date has passed.

A new note has been added to [the guidance](#) on **deferral of VAT payments** reminding businesses that pay by direct debit to cancel if they want to defer payment:

Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay. Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return

The Scottish Government has [published guidance on its support for businesses](#) in **Scotland**, with some specific differences:

- The threshold for £25,000 grants for small business is £18,000 rather than £15,000, as in England.
- All non-domestic properties in Scotland will get 1.6% rates relief, applied automatically.
- Retail, hospitality and leisure businesses will get 100% rates relief, as in England, also applied automatically.

Guidance from the **Welsh Government** [is also now available](#). One notable difference is that the threshold for the £25,000 grant payment for retail, leisure and hospitality businesses is £12,001 – lower than in England or Scotland.

Businesses in Wales can also access loan and equity funding via [the Development Bank of Wales](#).

## **Updates from Tuesday 24 March**

There is now a clearer, more user-friendly government website covering the full range of coronavirus support: [businesssupport.gov.uk](https://businesssupport.gov.uk)

Fuller detail of the retail, hospitality and leisure grant (RHLG) fund has been published by the Department of Business, Energy and Industrial Strategy

(BEIS). The guidance document, intended to help local authorities administer the scheme, [is available on the Government website](#).

- Payments will be made to the person listed in local authority's records as the ratepayer for the business premises on 11 March 2020.
- There is a strong warning against fraudulent claims with a promise of prosecution and clawback for any such payments.
- Certain premises are excluded on the grounds of private use, such as private stables and beach huts. Car parks and parking spaces are also ineligible.
- Businesses in liquidation or dissolved as of 11 March aren't eligible either.

The Coronavirus Bill currently before Parliament now [includes an amendment](#) calling for support for the self-employed and freelancers in line with that being provided for employees under PAYE via the coronavirus job protection scheme. It was [passed by the House of Commons](#) and will now go to the House of Lords for scrutiny. The Chancellor is expected to announce provision for the self-employed tomorrow, 25 March.

### Updated for 23 March

The scheduled 5pm press conference was cancelled and the Prime Minister instead addressed the nation at 8:30pm announcing, to all intents and purposes, a total lockdown of the UK. Movements are to be restricted and non-essential shops are to close.

This means expected clarifications on how businesses can access support are likely to be delayed until later in the week. As scheduled, however, the British Business Bank has published [comprehensive details](#) of how the coronavirus business interruption loan scheme (CBILS) can be accessed:

- **Eligibility:** an SME must be UK-based with annual turnover of no more than £45m and have a proposal which would be considered viable by the lender under normal circumstances.
- **Types of finance available:** Term loans, overdrafts, asset finance, invoice finance.
- **How to apply:** via one of the [accredited lenders on this list](#). In the first instance, the British Business Bank is urging businesses to apply online and asking those who don't need emergency finance to 'consider the urgency of your need'. More detail is available here.

## Measures announced on 20 March

On the evening of 20 March 2020, the Prime Minister announced further restrictions on the compulsory closure of bars, cafes, pubs and restaurants.

Alongside these new measures, the Chancellor announced a further package of support for businesses facing the prospect of having to reduce staff numbers.

### Coronavirus job retention scheme

- Grants of up to £2,500 per employee where those employees are unable to work (are 'furloughed') because of coronavirus, covering 80% of salary costs.
- Intended to run for three months in the first instance with the first payments expected in early April and the scheme fully up and running by the end of that month. Claims can be backdated to 1 March 2020.
- The grants will be paid via HMRC.
- All UK employers will be eligible.
- **What next?** At present, no information has been provided on how to apply. Though it is generally understood to mean 'stood down but still employed', there is as yet no official definition of 'furloughed'. It is unclear whether employers will be expected to make up the remaining 20% of salary.

### Extension of the coronavirus business interruption loan scheme (CBIL)

- Maximum turnover for eligible businesses was previously set at £41 million per year; it has now been increased to £45m.
- The interest-free period has been increased from six months to twelve.
- The scheme is being managed by the British Business Bank but businesses will access them via one of 40 accredited lending providers, including most major banks.
- The maximum value of a facility provided under the scheme will be £5 million – higher than the £1.2m announced initially.
- **What next?** Discuss business plans with existing lending providers. Loans will be available from Monday 23 March 2020.

### Deferral of tax and VAT payments currently due

- VAT payments from UK-based VAT registered businesses due between 20 March and 30 June 2020 won't need to be paid to the usual deadlines, with payment deferred until the end of the tax year.

- Self-assessment income tax payments for the self employed which were due on 31 July 2020 can now be deferred until 31 January 2021.
- **What next?** Both deferral schemes apply automatically with no application required.

### **Access to welfare for the self-employed**

- The minimum income floor for access to universal credit has been suspended for self-employed people affected by the economic impact of coronavirus.

### **Measures announced on 17 March**

At a press conference on 17 March, the Chancellor announced a package of support worth £350 billion – around 15% of the value of the entire UK economy.

It came upon the heels of a statement from the Prime Minister on 16 March which urged people to stop visiting cafes, pubs and restaurants.

It was intended to send a strong signal to British businesses not to act hastily in downsizing because support would be forthcoming.

### **Extension of business rate discount**

- All hospitality, leisure and retail venues in England, regardless of rateable value, can now claim a 100% discount on business rates for 12 months from 1 April 2020 to 31 March 2021.
- Unoccupied properties that become vacant in the next 12 months will be charged 100% full rates from three months after they become empty.
- **What next?** The discount will be applied automatically to the next council tax bill, due in April 2020.

### **Cash grants for very small businesses**

- Hospitality, leisure and retail businesses operating from units with rateable values between £15,000 and £51,000 will receive a grant of £25,000.
- Businesses in these sectors with a rateable value of less than £15,000 will receive a grant of £10,000.
- Those with a rateable value of more than £15,000 will receive £25,000.
- Your local authority will contact you if you are eligible for this grant.
- **What next?** Await notification from local authorities.

## Measures announced in Spring Budget 2020

In what the Office for Budget Responsibility called the “largest Budget giveaway since 1992”, Rishi Sunak announced business support measures worth billions. Events have moved quickly, though, and many of the specific measures announced have now been superseded or further extended.

### Grants for businesses receiving SBRR or RRR

- Businesses in England eligible for small business rate relief (SBRR) or rural rate relief (RRR) will receive a one-off cash grant of £10,000.
- **What next?** This will be processed automatically by local authorities.

### Statutory sick pay reclaim scheme for SMEs

- Small- and medium-sized businesses and employers will be able to reclaim statutory sick pay (SSP) paid for sickness absence due to COVID-19.
- The refund will cover up to two weeks' SSP for each member of staff off work because of COVID-19.
- It applies to all UK businesses that employed fewer than 250 employees as of 28 February 2020.
- **What next?** Legislation needs to pass before details of how to apply can be published.

### Interest rates

- On 19 March 2020 the Bank of England cut interest rates to a historic low of 0.1%, having previously reduced them to 0.25% on the day of the Spring Budget.

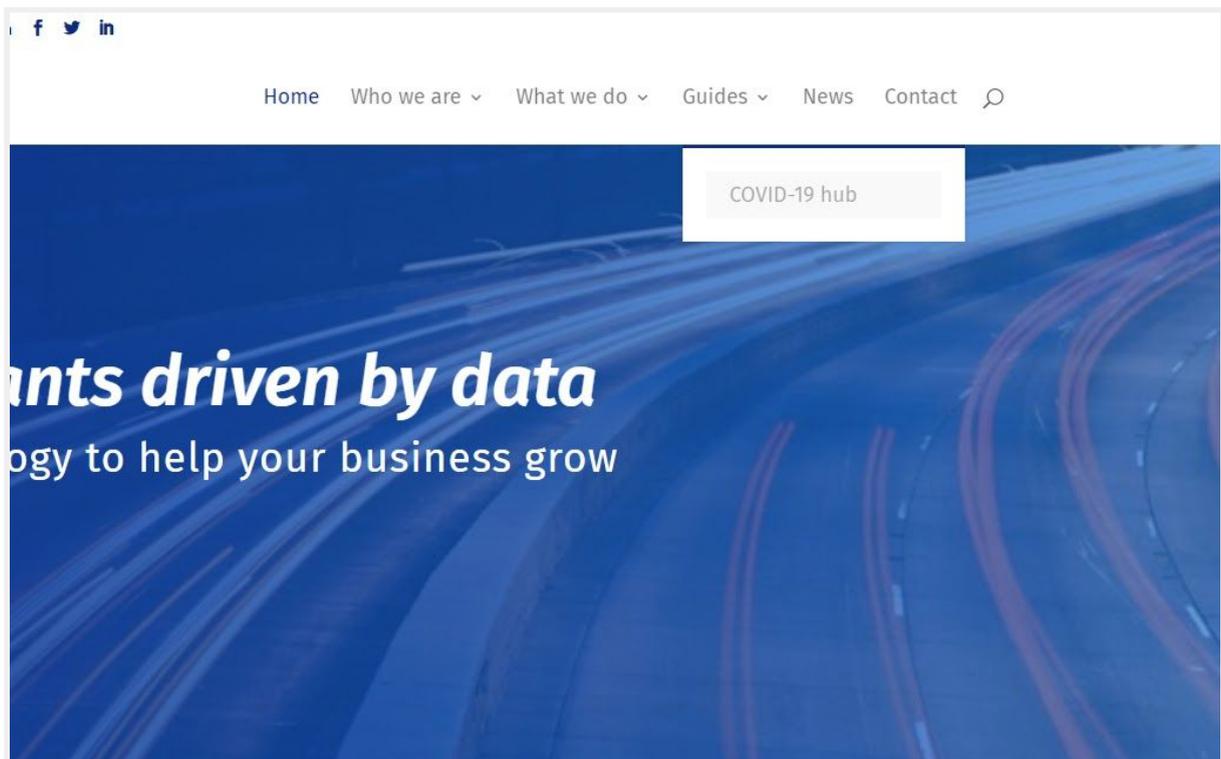
### Further information

- [businesssupport.gov.uk/coronavirus-business-support](https://businesssupport.gov.uk/coronavirus-business-support)
- [COVID-19: support for businesses](#) | HM Government
- [Coronavirus Business Interruption Loan Scheme \(CBILS\)](#) | British Business Bank
- [Supporting your workforce during the coronavirus](#) | HRZone
- [Coronavirus hub](#) | AccountingWEB

## Annex A: Constructing a COVID-19 hub for your accountancy firm's website

At this point, it's more important to give your clients quick access to useful, up-to-date information than it is to create a perfect page.

A page is more permanent and durable than a blog post, and you'll probably want to add a link from your main navigation bar. Here's an example.



For the page itself, we suggest the following structure.

1. Start with a personal introduction from a senior member of staff, or whoever at your firm is the individual best placed to offer advice on business planning and continuity.

The more sincere and personal you can make this copy, the better – refer to your own experiences as a business owner-operator, for example, or talk about the experiences of particular clients, suitably anonymised for the sake of privacy.

“We're living through turbulent times and I know many of our clients are struggling – not only financially but also mentally. If the coronavirus outbreak currently underway in the UK is affecting your business, or you're worried about the potential impact down the line, we hope you'll find the information below to some degree reassuring. If you need advice, don't hesitate to pick up the phone. Our team will be happy to talk through the health of your business and what we can do together to help it through the tough stretch that undoubtedly lies ahead.”

*Don't copy and paste this text – you need unique copy.*

2. An introductory text of around 300 words which covers:
  - **Coronavirus/COVID-19 in brief** – what it is, why is it important?
  - **How it is affecting clients in your region and/or target sectors** – this is a chance to make your copy unique and demonstrate empathy with the particular businesses you support.
  - **A summary of government announcements** – keep this up to date, adding to it or amending every time policy changes.
3. Further detail on the business support schemes of greatest relevance to your clients with links to authoritative sources such as the UK Government website, HMRC, the BBC, Financial Times, AccountingWEB and so on.

This is also a good place to link to any blog posts on the subject you have written. (**Annex B.**)

Our advice is to resist the urge to give a hard sell – focus on being genuinely helpful and making clients feel supported.

4. A call to action – Something like ‘Get in touch to discuss the challenges your business is facing’. Again, this isn't about the hard sell, it should make clear to your clients that you're there to offer support if they need it.

If you have the facility replacing the introduction with a personal video could be a good idea. And we've also provided some explainer videos you're free to use on your hub-page, in blog posts or on social media:

- [Coronavirus business bulletin 21.03.2020](#)
- [Overview of business support](#)
- [Coronavirus business bulletin 23.03.2020](#)

For best effect, use the option to **embed on a web-page**. For sharing on social media, **download the video** and then reupload to Facebook, Twitter, LinkedIn or whichever social media service you're using.

If you'd like branded versions of these videos, get in touch and we'll explain the process.

## Annex B: Blog posts to help your clients

Blog posts have less weight than pages in terms of permanence and authority but can be useful in providing up-to-date commentary and breaking news.

They're also a good place to expand upon ideas you've summarised on your hub page.

You might aim to produce a blog post of 500-1,000 words on each of the most important **Government support schemes**, explaining:

- What the scheme provides.
- Who is eligible.
- How to access the support.

Where possible, relate this to the businesses your accountancy firm works with, mentioning specific sectors, types of business (startups, family businesses) and locations.

This will help make the content unique and convey that you're writing with your clients in mind.

### Real world examples

As time goes on and you start to gather examples of how the Government schemes work in practice, you could prepare more practical advice.

For example, when you've helped clients prepare business plans to support applications for the coronavirus business interruption loan (CBILS) you'll be able to talk about what worked particularly well, and what didn't.

Hopefully, you will also start to be able to share some success stories of businesses that have got back on an even keel as the various forms of support have kicked in.

### General advice on best practice

Pieces you might already have published on general subjects such as business planning, cashflow, risk management and so on could all be updated with specific advice on the coronavirus. Rather than duplicating those existing posts, which could damage your SEO, rewrite and republish them with the current date. Just add a note at the bottom to say when and why it was updated.

## **Cutting costs and getting by**

Advice on how to reduce the cost of running a business is perennially useful but might be especially so right now.

Give clients a checklist of the usual things to review – subscriptions, utility suppliers, office expenses – supplemented with some new suggestions specific to this particular moment:

- Have they spoken to landlords about deferring or reducing rent on the premises?
- Have they taken advantage of the option to defer VAT and income tax payments?
- Have they negotiated payment terms with creditors?

## **Hospitality and leisure**

The hospitality and leisure industries have been hit particularly hard by this crisis. A 'complete guide' to turning your cafe, restaurant or pub into a takeaway only business will be really useful to many clients in this sector.

## **Annex C: Business news stories**

The following news articles were published via the PracticeWeb newsfeed between 18 and 20 March 2020.

If you receive our newsfeed as part of your content subscription, and you have the feed activated, these will already appear on your website.

Please feel free to use these as the basis of blog posts but be aware: if you don't either rewrite the text, or set the page or post to 'no-index', you may be penalised by Google for presenting 'duplicate content'.

## **C1. Shops get rent break during crisis**

*27 April 2020*

Temporary measures to protect high street businesses against aggressive debt recovery actions during the COVID-19 crisis have been announced.

The Government will temporarily ban creditors from using statutory demands between 1 March 2020 and 30 June 2020.

Any winding-up petitions issued to commercial tenants between 27 April 2020 and 30 June 2020 will also be voided.

Retailers and other companies that are struggling to pay their bills due to coronavirus are instead being asked to pay what they can.

In addition, commercial landlords will be unable to use commercial rent arrears recovery unless they are owed 90 days or more of unpaid rent.

Alok Sharma, business secretary, said:

“It is vital we ensure businesses are kept afloat so they can continue to provide the jobs our economy needs beyond the coronavirus pandemic.

“I know that like all businesses commercial landlords are under pressure, but I would urge them to show forbearance to their tenants.

“I am also taking steps to ensure the minority of landlords using aggressive tactics to collect their rents can no longer do so while the COVID-19 emergency continues.”

Helen Dickinson, chief executive at the British Retail Consortium, added:

“Rents are a huge burden for retailers that must be paid even where shops are closed and this announcement protects firms who – during these extraordinary times – are unable to meet their rent obligations.

“This will give retailers some vital relief and help safeguard millions of jobs all across the country.”

## **C2. Coronavirus job retention scheme goes live**

*20 Apr 2020*

A Government pay scheme to retain staff who have been placed on leave since 1 March 2020 has gone live, exactly a month after it was announced.

The coronavirus job retention scheme will cover 80% of employees' wages, up to £2,500 a month, if they have been furloughed due to COVID-19.

Chancellor Rishi Sunak said:

"Exactly one month ago today, I announced the unprecedented decision to step in and help pay people's wages.

"We promised support would be available by the end of April - today, we deliver our promise. The coronavirus job retention scheme is now live."

The Treasury is able to process up to 450,000 applications an hour from employers, who should receive the money within six working days.

Subject to when an employer submits an application, the emergency funding can be in place before many firms run monthly payroll.

Adam Marshall, director-general at the British Chambers of Commerce, added:

"Businesses can now begin to access the cash they need to pay their staff and protect livelihoods.

"With April's payday approaching, it is essential the application process is smooth and that payments are made as soon as possible.

"Any delay would exacerbate the cash crisis many companies are facing and could threaten jobs and businesses."

### **C3. HMRC suspends some investigations**

*15 Apr 2020*

HMRC has paused some ongoing investigations as a result of being stretched to capacity during the coronavirus pandemic.

The Revenue has temporarily stopped asking for information, documents and responses to queries during the lockdown.

Some probes have been suspended indefinitely as the tax authority prioritises providing support to businesses and individuals.

Over the last four weeks, HMRC has been tasked with setting up and operating COVID-19 furlough schemes in a bid to prop up the economy.

Jim Harra, chief executive at HMRC, said last week that every resource is being diverted to provide emergency payments as soon as possible.

A spokesperson at HMRC said:

"The Government has announced an unprecedented support package for business and workers to help them through this economic emergency.

"It is right that HMRC does everything possible to protect individuals, businesses and that the economy during this extremely difficult time. This includes prioritising work to support businesses and individuals.

"HMRC will always take tough action against fraudsters who attempt to deprive the UK of the public funds the Government needs to support the nation at this difficult time."

## **C4. Chancellor pledges £750m for charities**

*9 Apr 2020*

Chancellor Rishi Sunak has pledged a £750 million package to help charities during the COVID-19 pandemic.

Sunak announced the measure last night in an attempt to address concerns that some charities are facing collapse.

As part of the scheme, £370m will go to small local charities that are working with vulnerable people during the coronavirus crisis.

Another £360m in cash grants is available to charities, such as St John's Ambulance and the Citizens' Advice Bureau, that are providing key services.

For charities in England, this support will be provided through organisations like the National Lottery Communities Fund.

For charities in Northern Ireland, Scotland and Wales, £60m of funding will be available through the Barnett formula.

Sunak said:

"There are nearly 170,000 charities in this country, and we will not be able to match every pound of funding they would have received this year.

"Some charities are on the frontline fighting the coronavirus, others provide critical services and support to vulnerable people and communities.

"For them, shutting up shop at this moment would be to contravene their very purpose - their entire reason to exist.

"Those charities have never been more needed than they are now, and they've never faced such a sudden fall in their funding."

## **C5. Public-sector contractors in furlough boost**

*3 April 2020*

Public-sector contractors who are unable to work on ongoing contracts due to COVID-19 may be eligible for the job retention scheme.

'Contingent workers', such as doctors or locums, who operate through personal service companies (PSC) can furlough themselves in some cases.

It applies to contingent workers who are either operating through a PSC, an umbrella company, or those on PAYE as of 28 February 2020.

Those who cannot work on public-sector contracts because of the coronavirus, self-isolation or office closures qualify for the scheme in full.

It enables PSCs or umbrella companies to obtain grants to cover up to 80% of contingent workers' wages, up to £2,500 a month.

The grants cover whichever is the lower of 80% of a furloughed contingent worker's regular wage or £2,500 a month.

The scheme is open for an initial three months from 1 March 2020, although it may be extended beyond that if necessary.

However, those who cannot work because COVID-19 has closed schools or childminding facilities can only use the scheme for seven working days.

## **C6. Second phase of MTD for VAT delayed**

*2 April 2020*

HMRC has deferred rolling out the second phase of Making Tax Digital (MTD) for 12 months due to the coronavirus.

Phase one of MTD for VAT kicked in from 1 April 2019, with what HMRC described as a soft-landing period.

This included basic bridging software and no penalties for non-compliance throughout 2019/20.

The second phase will demand more complex, robust technology solutions to ensure a VAT-registered business remains 100% compliant with MTD.

It will also introduce stringent rules around the way businesses digitally link their software and how they must upload their VAT returns.

HMRC said:

"We understand the impact of COVID-19 is creating extremely difficult times for all, and we are committed to helping in every way possible all those businesses facing unprecedented challenges.

"Therefore, we are providing all MTD businesses with more time to put in place digital links between all parts of their functional compatible software.

"This means that all businesses now have until their first VAT return period starting on or after 1 April 2021 to put digital links in place."

The deferral was welcomed by the Chartered Institute of Taxation (CIOT), which recognised many businesses are working hard to simply survive.

John Cullinane, tax policy director at the CIOT, said:

"We are pleased the Government agrees this deferral of the digital links requirements can be put on ice while businesses concentrate on survival."

## **C7. Government urged to plug gaps in self-employed income**

*31 March 2020*

Concerns have been raised about self-employed workers who are excluded from the self-employed income support scheme.

The scheme provides a cash grant to sole traders or partners who are experiencing disruption as a result of the UK's coronavirus epidemic.

It provides those eligible with up to 80% of their income, up to £2,500 a month, for an initial three-month period.

The Association of Taxation Technicians (ATT), however, warned that not all of the UK's five million self-employed population are covered.

People who registered as self-employed on or after 6 April 2019 have not yet filed a tax return, for example, and are therefore ineligible for a grant.

Likewise, self-employed workers with trading profits of more than £50,000 are excluded from the scheme.

Company owners who receive dividends don't qualify, although they may be eligible for the job retention scheme to cover up to 80% of salary.

Jeremy Coker, president at the ATT, said:

"While we appreciate the Government's priority has to be getting support to the largest number of people in the quickest manner possible, in the coming weeks we would like to see the Government find ways to help those in self-employment and owners of small companies - who will otherwise not qualify for appropriate and much needed support.

## **C8. Government updates job retention scheme advice**

*30 March 2020*

Employer auto-enrolment contributions and national insurance liabilities are covered under the coronavirus job retention scheme.

The scheme was announced last week by Chancellor Rishi Sunak and will be open for an initial three months, starting from 1 March 2020.

It enables employers to obtain grants to cover up to 80% of furloughed workers' wages, up to £2,500 a month.

However, the Department for Work and Pensions has clarified this further to alleviate pressure on employers.

Firstly, the grants cover whichever is the lower of 80% of a furloughed employee's regular wage or £2,500 a month.

It can also be used to claim employer national insurance contributions and minimum auto-enrolment employer pension contributions (3%) on that wage.

Steve Cameron, pensions director at Aegon, said:

"This will alleviate any pressure to suspend auto-enrolment contributions and will avoid affecting individuals' longer-term finances.

"While employers paying above the minimum will not be able to claim back these additional amounts, including the auto-enrolment minimum in job retention grants is a very welcome demonstration of the importance the Government places on ongoing retirement savings."

Claims will be made to HMRC through an online service, which should be up and running by the end of April 2020.

## **C9. Government to pay 80% of self-employed income**

*27 March 2020*

Self-employed workers who are affected by COVID-19 can apply for a grant to cover 80% of their average monthly profits over the last three years.

Chancellor Rishi Sunak confirmed the taxable grants are worth up to a maximum of £2,500 a month and will be paid in a single lump sum.

The self-employed income support scheme will be open for an initial three months, although Sunak may extend it beyond that if necessary.

However, HMRC will not begin sending the payments until the start of June at the earliest.

The number of people registered as self-employed in the UK passed five million for the first time earlier this year.

The scheme will cover around 95% of the UK's self-employed population with trading profits of up to £50,000 a year.

Adam Marshall, director-general at the British Chambers of Commerce, said:

"This offers a lifeline to the majority of the UK's five million self-employed people, many of whom have seen their livelihoods vanish overnight."

Derek Cribb, chief executive at the Association of Independent Professionals and the Self-Employed, added:

"This will offer essential support to the many self-employed people who are losing projects and contracts because of the coronavirus outbreak."

The scheme brings self-employed workers in line with a move announced by Sunak last week to subsidise the wages of furloughed employees.

## **C10. Three-month extension for firms to file accounts**

*27 March 2020*

Around 4.3 million businesses in the UK can apply to Companies House for a three-month extension to file their accounts.

The joint initiative between the Government and Companies House aims to give firms time to focus on negating the economic impacts of COVID-19.

Companies must submit their accounts and reports each year, with automatic penalties in place for non-compliance.

Firms that apply and cite coronavirus-related disruption will automatically be granted the three-month extension.

[Applications can be made online](#) and should take around 15 minutes to complete.

Alok Sharma, business secretary, said:

"We are determined to help businesses in any way we can, so that they can focus all their efforts on dealing with the impact of coronavirus, and this new offer of a three-month extension for filing accounts is part of that.

Louise Smyth, chief executive at Companies House, said:

"I would encourage companies who believe they would benefit from this new flexibility to make an application in good time."

## **C11. Warning on coronavirus-related scams**

*25 March 2020*

Fraudsters are using the coronavirus outbreak as an opportunity to scam pension savers out of their retirement savings, according to a report.

Action Fraud said there were 105 reports of coronavirus-related fraud since 1 February 2020, with total losses amounting to £970,000.

There were 20 reports of COVID-19 scams last month, followed by 46 reports between 1 March and 13 March 2020.

As the epidemic deepens in the UK, a sharp spike - 38 reports - was reported in the four days between 14 and 18 March 2020.

Most reports were related to online shopping scams, specifically targeting people who had ordered protective face masks and hand sanitiser.

Coronavirus-themed phishing emails offering bogus investment schemes and trading advice have also been reported, along with fake tax rebates.

Katy Worobec, managing director of economic crime at UK Finance, said:

“We would urge the public to be vigilant against criminals using the publicity around the coronavirus as a chance to target their victims with fraudulent emails, phone calls, text messages or social media posts.

“Remember - your finance provider and the police will never contact you out of the blue and ask you to move your money.”

## **C12. Parliament mulls statutory self-employed pay**

*24 March 2020*

The Government could be set to extend urgent financial aid to the UK's five million self-employed workers in the coming days.

Currently, sole traders can access £94.25 a week in universal credit benefits and defer their payments on account, due on 31 July, until 31 January 2021.

As a result, Parliament is discussing an extension to the coronavirus bill, which may include the introduction of statutory self-employed pay.

If approved, HMRC would subsidise whichever is the lower of £2,917 a month or 80% of a sole trader's wages using an average from the last three tax years.

Should it get the green light, statutory self-employed pay would be similar to the coronavirus job retention scheme announced last week.

Chancellor Rishi Sunak revealed the emergency measure to pay the wages of employees who are unable to work due to the pandemic.

For at least the next three months, all employers can obtain grants from HMRC to cover up to 80% of wages for retained workers, up to £2,500 a month.

## **C13. Govt. to pay up to 80% of workers' wages**

*23 March 2020*

The Government has announced a series of measures aimed to protect the jobs of those who are unable to work due to the coronavirus.

A coronavirus job retention scheme will pay the wages of employees unable to work due to the COVID-19 pandemic.

For the next three months, all employers can obtain grants from HMRC to cover up to 80% of wages for retained workers, up to £2,500 a month.

The scheme can be backdated to 1 March 2020 and Chancellor Rishi Sunak could extend this beyond the initial three months.

Initial provisions were also announced by the Chancellor for the UK's five million self-employed workers.

The next 2019/20 payments on account deadline, due on 31 July, has been pushed back to 31 January 2021.

Sole traders who are claiming standard universal credit have seen the minimum income floor raised by £20 a week.

For businesses, a three-month VAT holiday means registered firms will not need to pay VAT until the end of June.

However, those bills will still need to be repaid in full by 31 January 2021, subject to further change.

The interest-free period for the coronavirus business interruption loan, which is available for firms with annual turnover of up to £45 million, has been extended to 12 months.

Carolyn Fairbairn, director-general at the CBI, said:

“This is a landmark package of measures for business, people and jobs.

“The Chancellor's offer of substantial payroll support, fast access to cash and tax deferral will support the livelihoods of millions.”

The Treasury is expected to confirm details of many measures already announced today, 23 March.

Further measures could be announced in the coming days after images emerged of people ignoring advice on social distancing over the weekend.

## **C14. Interest rates slashed to a 325-year low**

*20 Mar 2020*

Small businesses that rely on credit, such as bank loans or overdrafts, have been boosted by the Bank of England's decision to reduce interest rates.

In an emergency move to help firms deal with the coronavirus pandemic, rates were cut to 0.1%.

Interest rates in the UK are now the lowest ever in the Bank of England's 325-year history.

Last week, the Bank cut interest rates to 0.25% and revealed a package of measures to help businesses deal with the economic fallout from COVID-19.

Elsewhere, Prime Minister Boris Johnson yesterday urged companies to "think very carefully" before laying off any staff to cut costs.

In his daily COVID-19 briefing on Thursday, the PM said the Government will support businesses and they should support their employees.

Chancellor Rishi Sunak is expected to announce an employment and wage subsidy package in a bid to save colossal job losses in the UK.

Many firms risk collapse without government intervention to help them through these unprecedented times.

Earlier this week, Sunak confirmed a financial package worth £350 billion - 15% of the entire UK economy - to prop-up struggling businesses.

## **C15. COVID-19 postpones off-payroll extension to the private sector**

*19 Mar 2020*

The Government has delayed extending the controversial off-payroll working rules to the private sector, as the UK fights to contain the coronavirus pandemic.

Hot on the heels of announcing a £350 billion support package for struggling businesses, the Treasury pulled the plug on the extension less than three weeks before it was due to kick in.

Last month, the Treasury confirmed plans to press on with the extension which would see medium and large private-sector firms responsible for setting the tax status of any contractor they use from April.

The rules will now apply from 6 April 2021.

The rollout of the reforms was deferred in response to the ongoing spread of COVID-19, in an attempt to help businesses and individuals.

The 12-month delay was announced in the House of Commons by chief secretary to the Treasury, Stephen Barclay.

Barclay said:

"This is a deferral not a cancellation and the Government remains committed to reintroducing this policy."

Michael Steed, co-chair of Association of Taxation Technicians' technical steering group, said:

"This is a pragmatic and sensible decision given the highly uncertain times and unprecedented challenges which both businesses and HMRC face because of COVID-19.

"We hope this will, once the situation with COVID-19 improves, allow HMRC more time to address concerns over these rules and extend their education and support."

## **C16. Government provides £330bn lifeline to businesses**

*18 Mar 2020*

The Government has pledged £330 billion-worth of state-backed loans to support businesses feeling the effects of the coronavirus epidemic.

To put that unprecedented figure into context, it represents around 15% of the value of the entire UK economy.

The financial measures were announced following self-isolation and suppression moves imposed by the Government earlier this week.

Chancellor Rishi Sunak announced a one-year business rates holiday for all businesses in the retail, leisure and hospitality sectors.

Sunak provided grants of up to £25,000 for each retailer and pub affected by a dramatic drop in customers.

An employment support package is also to be provided in an attempt to help employers keep staff on their books.

Helen Dickinson, chief executive at the British Retail Consortium, said:

"The business rates holiday, together with the loan package, represent a vital shot in the arm for a sector facing enormous uncertainty.

"We need to make sure retailers can access cash with the minimum of delay, but it is a necessary first step to protect jobs."

Mike Cherry, chairman at the Federation of Small Businesses, agreed:

"This unprecedented package of loan guarantees, business rates breaks and cash grants marks a hugely welcome step forward.

"Some small businesses are on the brink - they need time and space from landlords, HMRC and lenders before these interventions take effect."

Adam Marshall, director-general at the British Chambers of Commerce, added:

"The key to the success of these measures is whether they get cash to businesses on the front line, fast."

## Annex D: Images

The Centers for Disease Control (CDC), the US government agency responsible for the response to COVID-19 in the US, has released some [high quality images via Unsplash.com](#).

Images on Unsplash are free to use for whatever purpose, including commercial.

We recommend using these, or other images from Unsplash, to illustrate any blog posts or pages you might put together.

