



CORONAVIRUS SUPPORT FOR SMALL BUSINESSES



We recognise this is a challenging time for small businesses and their owners, not least because of the vast array of misinformation and conflicting messages circulating in the media.

To counter this, we have collected data from official reports to create a summary of the government support available for small businesses in the UK.

*The information provided here is accurate as of the 29th of April 2020.



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Coronavirus: Support for Small Businesses

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Grants & Loans

Coronavirus Business Grants

The government has released two grants to help with the impact of Coronavirus (COVID-19) on small businesses.

Small Business Support Grant:

This is a one-off £10,000 grant available for businesses with a rateable value of £15,000 or less, and that were eligible for either The Small Business Bonus Scheme (SBBS) or Rural Rate Relief Scheme on the 11th of March.

Retail, Hospitality and Leisure Grant:

This one-off £25,000 grant is available for businesses in the retail, hospitality and leisure industry with rateable values between £18,001 and up to and including £51,000.

The application forms include lists of properties and businesses that are eligible for each grant. If you believe your property or business should qualify and is not listed on the form, you are still encouraged to submit an application and the council will assess your eligibility. Councils aim to get back to applications within 10 working days.

Eligible ratepayers can apply for a one-off grant payment. Only one grant is allowed per ratepayer regardless of the number of premises held.

These payments are grants and not loans. You do **not** have to pay these grants back. The deadline for applications is the 31st of March 2021.



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How to Access

The government has stated that they will write to businesses that are eligible for either of these grants. If you do not hear anything and you believe you are eligible for a grant, you should check with your local authority. [You can find your local authority on the government website here.](#)

Bounce Back Loans for Small Business Owners

Small businesses will be able to access loans worth 25% of their turnover, for up to £50,000. SMEs will be able to borrow between £2,000 and £50,000.

The new “bounce back loans” will be 100% guaranteed by the Treasury, and the government has confirmed it will pay the interest for the first 12 months. The loan terms will be up to 6 years.

This new micro-loan scheme is designed to help small businesses struggling to access credit during the current lockdown. They are not subject to business liability tests or complex eligibility criteria.

Eligibility

- Your business is based in the UK
- Your business has been negatively impacted by the Coronavirus
- Your business was not “an undertaking in difficulty” on the 31st of December 2019.

You cannot apply for the Bounce Back loan if you are already applying for the Coronavirus Business Interruption Loan. How to access The loans will be available from the 4th of May 2020. More information will be posted in GOV.uk



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Coronavirus Business Interruption Loan Scheme (CBILS)

If you have a turnover of up to £45 million you can apply for loans, overdrafts, invoice finance and asset finance of up to £5 million for up to 6 years. The government will provide lenders with a guarantee of 80% on each loan to inspire them with confidence to continue to offer financial support to small and medium-sized businesses.

The government will also cover the first 12 months of interest payments and any lender-levied costs, which means there are no upfront loan charges. The interest rate after the first year has not yet been confirmed.

The government has extended the CBILS to all viable small businesses affected by the pandemic – not just businesses that cannot get regular commercial financing. Additionally, the government has banned lenders from requiring you to use your own property or savings to guarantee a loan under £250,000.

Operational changes are being made to speed up lending approvals to facilitate. Furthermore, banks will provide further support to businesses by making sure interest rates are reasonable, and ensuring the benefit of the government guarantee to those borrowing under the CBILS is passed on.



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How to access

The scheme, delivered through the British Business Bank, is now available through participating lenders.

Your business needs to:

- Be based in the UK
- Have an annual turnover of up to £45 million
- Have a borrowing proposal the lender would consider viable if it wasn't for COVID-19
- Have been adversely impacted by Coronavirus (you can self-certify for this)

All major banks will offer this scheme. The government advises speaking to your own business banking provider to ensure you access any cash you're eligible for as quickly as possible.



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Tax Deferrals

VAT Payment

The UK government has announced a VAT tax deferral. The deferral will apply to businesses with a VAT payment due between the 20th of March 2020 until the 30th of June 2020. You can still pay the VAT on time if you wish.

Eligibility

All UK businesses are eligible for the deferral.

How to access

This is an automatic offer whereby no applications are required. If you do choose to defer you must pay the VAT on or before the 31/03/2021. Please be aware that you must submit your VAT returns on time.

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

HMRC will continue to process VAT refunds and reclaims as normal during this time.



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Self-Assessment Income Tax

Self-Assessment tax return payments due on the 31st of July 2020 may be deferred until the 31st of January 2021

Eligibility

You are eligible if you are due to pay your second payment on account on the 31st of July 2020. You do not need to be self-employed to be eligible for the deferment. The deferment is optional. If you are still able to pay your second payment on account on time you should do so.

How to access

This is an automatic offer with no applications required. There will be no penalties or interest for late payment charged if you defer the payment until January 2021. If you choose to defer you must pay the full sum by the 31st of January 2021.

Time to Pay Coronavirus Helpline

HMRC's Time to Pay service is available for all businesses with outstanding tax bills in financial distress. If COVID-19 has prevented you from paying your tax bill, and the tax deferrals mentioned above cannot help, you can try the special coronavirus helpline.

How to access

You can call the dedicated HMRC helpline on 0800 024 1222. Please be aware it may take longer than usual to speak to an adviser. Decisions about any extra time you get to pay your bill will be made on a case-by-case basis.



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Business Rates Holiday for the tax year 2020-2021

The government is temporarily cancelling business rates for all retail, leisure and hospitality businesses in England for the 2020-2021 tax year.

How to access

You do not need to do anything to access this support – it will be applied to your April 2020 Council Tax bill. Your local authority may need to reissue your bill to remove the business rate charge. They'll do this automatically, as soon as possible. You can use the government's business rates calculator to calculate the amount that you will no longer have to pay this year.

***Northern Ireland:** Northern Ireland is offering a three month holiday to non-domestic ratepayers (excluding public sector and utilities). No rates will be charged for April, May and June of 2020. This reduces the 2020-2021 bill for business rate by 25%.

*** Scotland:** All non-domestic properties in Scotland will receive a 1.6% rates relief. This relief effectively reverses the change in poundage for 2020-2021. Retail, hospitality and leisure businesses will receive 100% rates relief from the 1st of April 2020 until the 31st of March 2021.

*** Wales:** All retail, leisure and hospitality businesses with a rateable value of £500,000 or below will receive 100% non-domestic rates relief in 2020-2021.

The Welsh Government provides non-domestic rates relief to eligible SMEs. Eligible business premises with a rateable value of up to £6,000 will receive 100% relief. Those with a rateable value between £6,001 and £12,000 will receive relief on a tapered basis from 100% to zero.



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Protection Against Eviction

The government announced that commercial tenants who cannot pay their rent as a result of the COVID-19 outbreak will be protected from eviction.

This means you will not be forced out of your business premises if you miss a rent payment up until the 30th of June.

How to access

Commercial tenants and landlords are encouraged to come to voluntary arrangements on repayment. This protection from eviction is available to those who cannot currently pay commercial rent due to the impacts of the pandemic. It is not a rent holiday, and as such, commercial tenants will still be liable for the rent.



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The Coronavirus Statutory Sick Pay Rebate Scheme

HMRC have brought forward legislation to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.

Employers will be able to reclaim expenditure for current or former employees for periods of sicknesses starting on or after the 13th of March 2020.

The refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19. Reasons for this include contracting Coronavirus, needing to self-isolate at home, shielding in line with government guidelines.

Employers should maintain records of staff absences and payments of SSP, however, employees do not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website.

The government will work with employers over the coming months to set up the repayment mechanism as soon as possible.

If you are an employer who pays more than the current rate of SSP you will only be able to claim the current rate back.



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Eligibility

You are eligible for the scheme if

- Your business is UK based
- Your business is small or medium-sized
- You had fewer than 250 employees on the 28th of February 2020
- You have a PAYE scheme that started on or before the 28th of February 2020.

How to access

A rebate scheme is being developed. Further details will be provided in due course once the legislation has passed.



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Coronavirus Job Retention Scheme (CJRS)

The Coronavirus Job Retention Scheme is a temporary scheme open to all UK employers whose operations have been affected by COVID-19. The scheme is open for at least three months starting from 1st March 2020.

Employers will be able to use an online portal to claim 80% of furloughed employees' usual monthly wage costs, up to a maximum of £2,500 a month.

Eligibility

UK businesses with employees who are paid via PAYE are eligible for this scheme. You must have created and started a PAYE payroll scheme on or before 28th February 2020 and have a UK bank account.

To be eligible for the scheme the employee must agree to being placed on furlough. The employer cannot make changes to the employment contract without the consent of the employee.

Which employees can you claim for?

Employers can claim for any staff member that has been furloughed due to the Coronavirus pandemic. The employees can be full-time, part-time, flexible or on zero-hour contracts.

The scheme covers employees who were made redundant since the 28th of February 2020, if the employer rehires them.



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Employees hired after the 28th February 2020 cannot be furloughed or claimed for in this scheme. The employees' wages will be subject to the usual income tax and other deductions.

The employees who are furloughed cannot undertake work for, or on behalf of the employer's business. An employee can take part in volunteer work or training, as long as it does not provide services to, or generate revenue for, or on behalf of your business.

You can furlough yourself. The condition is that you only carry out statutory duties such as submitting accounts, confirmation statements, VAT returns, etc. during the time you are furloughed. The 80% will be on the salary that is submitted via payroll. It does not include dividends.

What can you claim for?

HMRC will cover 80% of an employee's regular wage or £2,500 per month, plus the Employer National Insurance contributions and the minimum automatic enrolment employer pension contributions on that wage. Fees, bonuses and commissions are not included in this.

The employer can choose to top up the remaining 20% but does not have to.

For full and part-time employees - the employee's actual salary before tax should be used to calculate the 80%.



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For employees whose pay varies – If the employee has been employed for a full 12 months prior to the claim, you can claim the higher of either:

- The same month's earnings from the previous year
- Their average monthly earnings from the 2019/20 tax year.

If the varied pay employee has been employed for less than 12 months, you can claim for an average of their monthly earnings since they started work.

If an employee only started work in February 2020, you can use a pro-rata for their earnings so far for the claim.

Employers will need to calculate the amount being claimed. HMRC will retain the right to audit any claims. Once you know how much you need to claim for, you can apply through the Coronavirus Job Retention Scheme (CJRS).

You will need

PAYE reference number

- The number of employees being furloughed
- The start and end date of the claim period
- The amount claimed
- Bank account number and sort code
- Contact name and number

You can only submit one claim at least every 3 weeks, which is the minimum length an employee can be furloughed for. Claims can be backdated to 1st March 2020, if applicable.