

# Guidance for businesses and employers to plan and respond to the Coronavirus crisis

The outbreak of Coronavirus is causing disruptions to businesses globally. This guide provides some initial advice on how to plan and respond to the crisis as a business and employer.

## Further measures announced by the Chancellor on 17 March 2020

### £330bn of Government-backed loans

Equivalent to 15% of GDP, the Government has pledged that it will make £330 billion of guaranteed funding available to any business that needs it. The Chancellor has also stated that, if demand is greater than the £330 billion of funding, he will provide additional funds.

### Coronavirus Business Interruption Loan Scheme for SMEs

To support small and medium sized business, the Chancellor is extending the Business Interruption Loan Scheme. This will be administered through the British Business Bank. The limit of funding has increased from the £1.2 million announced on the 11 March to £5 million for companies with a turnover of less than £41 million. No interest will be due for the first six months.

The following link provides a few details with more information promised soon:

<https://www.british-business-bank.co.uk/ourpartners/supporting-business-loans-enterprise-finance-guarantee/>

### Cash grants for retail, hospitality and leisure sectors

For businesses with a rateable value of up to £51,000 in the retail, hospitality and leisure sectors, an additional grant of up to £25,000 per business will be made available. The grant is intended to cover the cost of business disruption and, in particular, the payment of rent.

### Rates relief

All businesses in the retail, hospitality and leisure sector, irrespective of size, will have a 12-month holiday from 1 April and will pay no rates at all.

If businesses who qualify for this do not receive a letter from their local council, it is important they contact them directly to claim this relief.

### Implementation

At the time of writing, very little detail has been published on implementation or the precise nature of the new regulations and measures announced by Rishi Sunak on 17 March. As soon as we have more detail, we will publish additional guidance here.

## HMRC guidance on IR35

HM Revenue & Customs (HMRC) have confirmed that the proposed changes to IR35, which were due to take place with effect from 6 April 2020, have now been pushed back to 2021.

For UK businesses and contractors, especially those worst affected by COVID-19, this will be a welcome pause from what would have been some significant changes.

Overseas businesses engaging with UK contractors via their personal services companies will also be pleased to learn that no further action in respect of the IR35 changes are currently required. Note that the delay is only relevant to those companies that engage workers via their personal service companies and not those arrangements where companies are engaging workers directly.

In summary, the reforms to IR35 mean that companies who engage workers via their personal service companies will be responsible for determining whether the workers should be deemed an employee (and therefore put on payroll) or can be deemed a contractor. Given the announcement, the responsibility for this determination and the operation of payroll where required will remain with the personal service companies until 6 April 2021.

Once the effects of COVID-19 have settled, businesses and contractors should re-visit the position later this year, in order to make preparations well in advance of 6 April 2021.



## Responses to the measures announced in the Budget on 11 March 2020 and other recommendations

### Filings with Companies House

If, immediately before the filing deadline, it becomes apparent that accounts will not be filed on time due to the company being affected by Coronavirus, you can make an application to extend the period allowed for filing. You will need:

- the company number
- an e-mail address
- information about your extension reasons

You can do this by using the following link:

[www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts](http://www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts)

It is critical that the application is made before the deadline or it will be rejected.

If you have passed the filing deadline and are receiving notices concerning the overdue accounts, it is always recommended that you contact Companies House to explain the circumstances behind the delay. If Coronavirus is a factor, you should let them know this. You can email them at:

[enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

### Time to pay HMRC

A dedicated helpline has been set-up to help businesses and self-employed individuals in financial distress and with outstanding tax liabilities to receive support with their tax affairs. Through this, businesses may be able to agree a bespoke 'Time to Pay' arrangement.

If you are concerned about being able to pay your tax due to Coronavirus, call HMRC's dedicated helpline on 0800 0159 559. Alternatively, we are always happy to approach HMRC on your behalf.

### Filing of VAT and PAYE Returns

In the event of being unable to file a VAT or PAYE return due to staff absence, it is recommended that HMRC are contacted before the due date, to explain the situation to them and help mitigate any surcharges that may be levied

### Sick pay

The Chancellor, Rishi Sunak, also announced in the Budget that for businesses with fewer than 250 employees the cost of providing 14 days of Statutory Sick Pay per employee would be funded by the Government in full. This will also apply to those who are in self isolation.

The Government has announced that the three-day waiting period for statutory sick pay will also be removed, but legislation will be needed to implement this. Further details on the implementation of these measures are awaited.

### Bank covenants and loan repayments

Many businesses will not be able to meet their banking covenants if there is a period of significant disruption, as envisaged. This could either be on performance covenants or simply the provision of financial information in case of staff disruption. Banks will be expecting this, and it is recommended that there is early communication with banks and, where possible, covenant waivers are sought. In those businesses with particular cash constraints, it is also recommended that the subject of payment holidays is raised with the bank early.

### Contact us

If you would like to discuss the potential impact of Coronavirus on your business, please get in touch.