

# **UK & SCOTTISH GOVERNMENT ACTIONS**

## **A Covid-19 job retention scheme.**

The scheme is open to all employers, regardless of the size of their business.

It is a grant available for employees not able to work of up to 80% of their salary (to a maximum of £2,500 per month), backdated to 1 March –This will be available through HMRC for those involved in a PAYE scheme. Initially this is for three months but may be extended as required.

Employers will be able to contact HMRC for a grant to cover most of the wages of people who are not working but are kept on payroll rather than being laid off. There are no limits to availability.

The first payments are expected within weeks, and it will be fully up and running before the end of April. For the first time in history, the government is helping to pay wages. Detailed guidance of the scheme will be published shortly.

## **VAT payment deferral plan**

VAT payments for the next quarter are being deferred, meaning no VAT will be paid until the end of June. This means that time to pay arrangements will still need to be agreed for PAYE, NI, Corporation Tax and other taxes.

## **Individuals**

Self-assessment payments on account due on 31 July 2020 will be deferred until 31 January 2021.

An increase to the Universal Credit standard allowance by £1,000 a year for the next 12 months, by £1,000 a year. The Working Tax Credit basic element is also increasing by the same amount.

Self-employed people will be able to access, in full, Universal Credit at a rate equivalent to Statutory Sick Pay for employees.

## **Business Rates.**

All non-domestic properties in Scotland will get a 1.6% rates relief. This relief effectively reverses the change in poundage for 2020-21. You do not need to apply for this relief and it will be applied to your bill by your local council.

Retail, hospitality and leisure businesses will get 100% rates relief. To get this relief, a property has to be occupied. The Scottish Government are working with Scotland's 32 Councils to make sure this relief is administered in the most effective way.

You can get these rates reliefs even if you already get another relief for your property.

Kate Forbes has stated that she will also be writing to all local authorities to encourage them to answer positively to requests for payment deferrals from rate payers for a fixed period.

## **Grant Funding.**

Retail, hospitality and leisure businesses with a rateable value between £18,000 and up to and including £51,000 will be able to apply for a one-off grant of £25,000.

A one-off grant of £10,000 will also be available to small businesses who get:

- Small Business Bonus Scheme relief (see Appendix)
- Rural Relief

You can also get this grant if you applied for Nursery Relief or Disabled Relief but are eligible for the Small Business Bonus Scheme. You can only apply for one grant – even if you own multiple properties.

**Statutory Sick Pay concerning COVID – 19.** Will be refunded by businesses with less than 250 employees, for up to two weeks per employee. Sick pay has also been extended for those who have to self-isolate, even if not ill, and sick notes will be available from NHS number 111. This is on top of the Statutory Sick Pay announcements during the Budget for both individuals and companies

**Employment Allowance** from £3,000 to £4,000 from April 2020. Please note this will only be available to businesses which have a Class 1 Secondary NICs bill of £100,000 or less in the previous tax year.

**Loans.** All businesses can access loans backed by the Bank of England (if large) or the Business Interruption Loan Scheme (small or medium), which will be interest free for 12 months.

**Homeworking.** There will also be increases in the flat-rate deduction for homeworking from April 2020, to cover additional household expenses from £4 per week to £6 per week. This is typically paid to help employees with the additional costs of heating the home, water usage etc.

**Others:**

- A three-month mortgage holiday has been agreed with all major mortgage lenders and will be available for all individuals should they wish to take this up to assist family cash flow.
- Recent government actions have confirmed that the virus will be a valid reason for a claim on Hospitality, Leisure and Retail (HLR) insurance policies.
- Pubs and restaurants are able to provide a takeaway service without a planning application.
- There will be a return of “Time To Pay ” for businesses and individuals struggling to make tax payments. While these hadn’t disappeared following their launch during the financial crisis, they had become more difficult to obtain.
- If your business is going to struggle to submit accounts to Companies House before filing deadline due to the effects of COVID-19, you can make an application for a time extension [here](#) .
- One year extension of implementing IR35 off-payroll working rules to the private sector.

## Appendix 1: Small Business Bonus Scheme Scotland

You can get non-domestic rates relief through the Small Business Bonus Scheme if:

- the combined rateable value of all your business premises is £35,000 or less
- and, the rateable value of individual premises is £18,000 or less

From 1 April 2020 SBBS relief will only be available for properties that are actively occupied.

It's free to apply for rates relief, including the Small Business Bonus Scheme. You should be wary of anyone who proposes to apply on your behalf for a fee.

Use our non-domestic rates calculator to estimate your non-domestic rates bill.

Rates relief for small businesses is handled differently in England, Wales and Northern Ireland. Visit GOV.UK's rates relief for small businesses to find out more.

### The benefits

Based on the total (cumulative) rateable value of all your non-domestic premises, the following relief is available:

- total rateable value up to £15,000 - 100% relief (no rates payable) on each individual property
- total rateable value of £15,001 to £35,000 - 25% relief on each individual property with a rateable value of £18,000 or less

You can save a maximum of £7,350 in 2019-20 and £7,470 in 2020-21.

If you fail to declare additional business properties occupied in Scotland on your application, this may constitute fraud and appropriate action may be taken.