

# Support Available During the Coronavirus Crisis

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26<sup>th</sup> March 2020

## Background

- This document compiles some of the support available to organisations.
- Links are included to signpost you to other organisations which have compiled useful guides.
- Please share with us any example of best practice you have had which we can anonymously share in future briefings.
- The government has hinted at increased support for charities and we will include information on this in future briefings if necessary.
- The Government publishes regularly updated information. It can be found at <https://www.businesssupport.gov.uk/>

## Statutory Sick Pay (SSP) Refund

### Eligibility

- Employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020

### What is the scheme?

- Eligible employers can claim a refund for up to 2 weeks SSP per employee who has been off work because of COVID-19.
- SSP is £94.25 per week. You usually need to be off work for more than 4 days to qualify however, as part of the emergency legislation currently in Parliament, you can claim SSP from the first day you are off of work due to COVID-19. This will be backdated to 13<sup>th</sup> March.
- You will still need to take into account your existing sick pay policies within your organisation but should still be able to apply for SSP refunds to assist with costs.

### Process

- The Government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. (Note – the Government will be unable to set this up until the emergency legislation clears Parliament this week.)
- Employers should maintain records of staff absences and payments of SSP, but employees will 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](#)

## Coronavirus Job Retention Scheme

### Eligibility

All employers are eligible.

### What is the scheme?

- The scheme is an alternative to making employees redundant. If an employer is struggling with staffing costs, it can instead designate an employee as “furloughed”.
- HMRC will reimburse 80% (capped at £2,500 a month) of furloughed employees’ wage costs. Employers can make up the difference in pay but are not obligated to do so.
- However, depending on their contract, consent may be required from your employees if their pay is being reduced to the reimbursed amount.
- Furloughed employees remain on the payroll but must not undertake their responsibilities in order to be eligible. Depending on their individual circumstances, they may be eligible for further support from the welfare system.
- The scheme will run for an initial 3 months backdated to 1<sup>st</sup> March 2020 but will be extended if necessary. The Government has not put a limit on the total amount of funding available.
- You will still need to pay any furloughed employees the minimum of 80% (up to £2,500 per month) but **HMRC will reimburse you for this at a later date.**

### Can furloughed workers volunteer for other organisations?

- As furloughed workers cannot undertake work for their employer, we believe that you are not able to instruct them to volunteer for other organisations.
- However, as they will now have increased free time, you should be able to signpost them to organisations which require volunteers. It should be made clear that this is entirely voluntary and does not impact on their future employment status.

### Process

- You will need to:
  - designate affected employees as ‘furloughed workers,’ and notify your employees of this change - **changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation**
  - submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)
  - (Please note that at the time of writing, we are still waiting on HMRC to create the mechanisms for this.)

### Further information

[Furloughing employees – what does it mean for employers?](#) – Lewis Silkin

[Furlough & the Job Retention Scheme \(Guidance Notes\)](#) – Croner

## Free HR Advice for NCVO Members

NCVO members have unlimited access to [Croner's](#) HR & Employment Law helpline to help get answers to your HR queries and concerns on 0844 561 8133. Quote NCVO scheme number 86544 when you call.

## **Business Rates Holiday**

### **Eligibility**

Any organisation which pay business rates, for instance for charity shops, would be eligible if they meet the following criteria:

You are eligible for the business rates holiday if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure
- as hotels, guest & boarding premises and self-catering accommodation

### **What is the scheme?**

- The business rates holiday will apply to the 2020/21 tax year.

### **Process**

- No action is required, changes will be applied to your council tax bill.
- You can estimate the amount you will no longer have to pay with the [business rates calculator](#).

## Deferring VAT Payments

### Eligibility

All UK businesses.

### What is the scheme?

- VAT payments are deferred until 30<sup>th</sup> June 2020.

### Process

From the Government [website](#):

*“This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.*

*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.”*

## Coronavirus Business Interruption Loan Scheme

### Eligibility

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria

### What is the scheme?

- The temporary scheme supports “SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years”
- It is open to charities but is primarily focussed on businesses. From the website [charitytaxgroup.org.uk](http://charitytaxgroup.org.uk):
  - The Scheme delivered by the British Business Bank, will enable businesses to apply for a loan of up to £5m (up from £1.2m), with the government covering up to 80% of any losses with no fees.
  - Businesses can access the first 12 months (increased from 6) of that finance interest free, as Government will cover the first 6 months of interest payments. This appears to be limited to businesses with a turnover of <£45m.
  - The eligibility criteria is that 50% of turnover be from trading. CTG is working to clarify how trading is defined and will be proposing that it includes service

delivery and also adopts the turnover test used for IR35 and the Senior Accounting Officers rules, which would exclude donation and voluntary income. If not it is unlikely to be accessible to very many charities.

- While the scheme will work for many businesses, it may in practice be less attractive for charities unwilling to take on loans on the basis that they are facing lost not deferred income streams and do not want to saddle themselves with unnecessary debt.

## **Process**

From the Government [website](#):

*“To apply, you should talk to your bank or one of the [40 accredited finance providers](#) (not the British Business Bank) as soon as possible, to discuss your business plan. You can find out the latest on the best ways to contact them via their websites. Please note that branches may currently be shut down to enable social distancing.*

*The full rules of the scheme and the list of accredited lenders are available on the [British Business Bank website](#).*

*If you have an existing loan with monthly repayments you may want to ask for a repayment holiday to help with cash flow.”*

**We are aware that loans may not be the preferred route for charities. As an alternative, we know that one of our members who bank with Barclays were able to quickly come to an agreement on an overdraft and this may be something you wish to explore with your bank.**

## **Useful Resources**

[NCVO Information Page](#)

[Coronavirus and your charity – key legal issues to consider](#) – NCVO Webinar

[Coronavirus information hub for charity tax and finance professionals](#) – Charity Tax Group

## Government Links

- [Information for employers](#)
- [Information for employees](#)
- [Information for charities](#)