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## Newsletter - March 2020 (Covid-19)

Hello and welcome to a special issue of my mini newsletter. In this I have tried to pull together some of the current financial implications and help relating to the Coronavirus Pandemic that are relevant to you. I will not reiterate the health, travel or more general advice other than to say there is lots of information online but make sure you are looking at a reputable source (eg Gov.uk website or BBC).



Obviously many business are being affected either directly by the social distancing measures or by self-isolation affecting them or their staff or customers as well as indirectly by the general reduction in economic activity.

The first thing I would say is **plan now**. Don't just carry on and then realise you have a cash issue - you should start to budget now considering how the situation will or might impact your business and staff. Here are a few things you could do:

- \* Review all your business costs. Trim or eliminate those that are non-essential at the moment. It may be possible to defer some finance and tax costs (more on this below). Ask larger suppliers, who should have more resilience, if payments can be spread.
- \* Adapt your offering - can you offer your service online (eg tutoring)? A lot of restaurants are switching to takeaway/delivery (I believe the government are relaxing the licencing rules on this but you need to check).
- \* Review your supply chain, you may have UK suppliers but they may source from abroad. Investigate alternative suppliers where necessary.
- \* Check your insurance if you have to close temporarily - the Association of British Insurers are saying unfortunately most standard business interruption insurance (if you have it) won't cover this situation but you don't know until you check the small print.
- \* Use the quiet time (assuming you are well) to catch up on all the admin and other tasks that get put off. Or maybe consider some training - learning or improving a skill such as software skills that can be done online.
- \* Make a bounce back plan - although we don't know how long this will last it won't be forever - plan a relaunch, keep in touch with customers/clients.

### Employment matters

#### Working from home

The government have recommended anyone who can work at home should do so. If you are asked to do this or are asking staff to do this then bear in mind the following:

- \* The terms such as work to be done and working hours should be clearly defined.
- \* The employer is required to protect the health and safety of the employee but obviously it is not practical for the usual assessments to be carried out at the moment so both must be sensible. If, for example, you are doing home assembly of some sort then relevant protective equipment/clothing should be provided.
- \* The employer is only responsible for equipment they supply. They can restrict what you use it for (consider a laptop). They can make an arrangement for you to use your own equipment.
- \* You should agree how extra costs such as phone bills may be claimed.

## Unpaid leave and short time working

- \* Where the business is not of a nature that staff can work at home and there is not enough work for them, then an employer can ask staff to take unpaid leave. (You may have seen in the news that, for example, many airlines have already done this). This can be reduced hours or a complete lay-off.
- \* Employers can also tell employees to take holiday if they have to shut for a short time.
- \* If this lasts for more than 4 weeks the employee can apply for redundancy.
- \* How much pay is due while not working will depend on the terms of the individual employment contract - if there is no term allowing unpaid or reduced pay lay-offs then you should receive full pay.
- \* More information here:  
<https://www.gov.uk/lay-offs-short-timeworking>

## Sick leave, sick pay and time off to look after others

Again the exact conditions for sick leave and pay will depend on the individual employment contract. The details below relate to the statutory minimums, most large employers will give more than this so check your contract.

- \* The current rules for Statutory Sick-Pay (SSP) state that it is paid from day 4 of any period of sickness at a rate of £94.25 a week (pro-rated). The employee must earn at least £118pw to be entitled to SSP.
- \* The government have announced that they are relaxing these rules for cases relating to Coronavirus so (i) SSP can be claimed from day 1 instead of day 4 and (ii) it can be paid to people self-isolating who cannot work even if they don't have symptoms.  
The government also announced that small businesses (less than 250 employees) will be able to reclaim 2 weeks from the government for any SSP paid to staff affected by Coronavirus.  
Legislation is going through parliament to enable these changes and the government website says this will apply from 13 March, although exact details are awaited.
- \* Employers must also allow time off for employees to care for dependant relatives (spouse, grandparent, child etc). There is no set time but it must be reasonable for the emergency, however there is no entitlement for pay during such periods. More info here:  
<https://www.gov.uk/time-off-for-dependants>

## Help for those not entitled to full pay including the self-employed

Self-employed people and those on low earnings are not entitled to SSP. So far the government has only said it will make it quicker and easier for such people affected by Coronavirus to access benefits, including being able to claim online or by phone.

- \* You can apply for Employment and Support Allowance (ESA) if you have a disability or health condition that affects how much you can work. You can apply for ESA if you're employed, self-employed or unemployed.
- \* For self-employed and others who have paid National Insurance in the last 2-3 years there is a contribution based ESA, otherwise it is means tested. More info here:  
<https://www.gov.uk/employment-support-allowance>
- \* Depending on circumstances you may also be able to claim Universal credit.  
<https://www.gov.uk/universal-credit/what-youll-get>
- \* The government also said more funds will be provided to local councils for "hardship funds"

## Financial help

The government has announced some measures to help businesses and individuals, with probably more to come - here's some help available now or shortly:

- \* Time To Pay (TTP) for taxes due to HMRC - this could be VAT, PAYE, Personal or Company tax. HMRC have set up a dedicated number for people to call if they can't pay because of the effect Coronavirus has had on their work or business:  
**The HMRC coronavirus helpline number is 0800 015 9559.** Before you call make sure you have your tax reference (eg VAT registration or UTR as applicable) to hand and be prepared to be asked about your financial circumstances. More info here:  
<https://www.gov.uk/difficulties-paying-hmrc>
- \* Some help with SSP payments for small businesses (see above)

- \* A holiday business rates for small businesses in retail and hospitality and leisure industries for 2020/21 tax year. Also grants of upto £25,000 for those with premises in the £15-51k rateable value band. Local authorities will contact them soon.
- \* Cash grants to the smallest businesses of upto £10,000 - this will be delivered by local authorities to those that are entitled to small business rates relief and local authorities will contact them, probably next month.
- \* For the above 2 items further details are due to be published on 20 March. More on all the above here: <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>
- \* In addition to the above banks should be helpful at this time. Many banks have already said that they will help with loan repayment holidays, increased credit card limits, waiving late payment fees for credit cards and loans and early access penalties for fixed savings. You should talk to you own bank to find the specific help for your circumstances.

### **Mortgages**

- \* Yesterday the government has announced that mortgage lenders will provide a 3 month mortgage holiday for those that need it - no details at the moment on this.
- \* It may also be a good time to consider re-mortgaging! This could be to release cheap borrowing to tide you over or just to get restructure loans to get a cheaper interest rate. The reasons for this are (i) interest rates are low and (ii) lending is usually based on past profit data - delaying may mean showing accounts with reduced figures down the line causing difficulties. **Of course you shouldn't borrow more than you think you can afford going forward.**

### **More to come?**

The prime Minister said "We must act like any wartime government and do whatever it takes to support our economy". There are some obvious areas where hopefully more help and announcements will follow such as:

- \* More help for the self-employed and freelancers and those in the gig economy.
- \* Increased sick pay and financial support for those that lose their jobs.
- \* Help for people who rent their homes

I will endeavour to keep you updated (health permitting) as more details are released. I hope you stay well.

As always I welcome any comments and please do get in touch if I can help with anything mentioned

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