

JANUARY 2021

CORONAVIRUS (COVID-19)

A SUMMARY OF SOME OF THE UK GOVERNMENT'S GUIDANCE AND ASSISTANCE

The UK government has announced a stimulus package to help support individuals and businesses in the wake of the COVID- 19 outbreak. These measures have expanded over the last few months and the scenario is subject to constant and rapid change.

The Liberty Church Global has set out below a few of the measures which some of its congregation may find useful. The information applicable to England is current to January 2021 and may aid with any initial queries you have.

The information contained in this document is not to be taken as legal advice and we recommend you seek specialist professional advice should you have any inquiries that are pertinent to your circumstances.

SCOPE OF INFORMATION

The information we have provided focuses on 5 main areas:

- a) Information for business owners.
- b) Information for employers.
- c) Information for the self-employed.
- d) Information relating to Immigration.
- e) Information relating to tenancies and mortgages.

INFORMATION FOR BUSINESS OWNERS

1. Test and Trace

Businesses are now under a duty to support NHS Test and Trace. Businesses are required to have a system to collect NHS Test and Trace data and keep it for 21 days. These sectors include hospitality, tourism, and leisure, close contact services like hairdressers, barbershops, and tailors and facilities provided by local authorities.

2. Bounce back loan¹

Small businesses in the UK can now apply for so-called "bounce back" loans of up to 25% of the business's annual turn-over capped at £50,000. Under this scheme:

- Companies can borrow from £2,000 to £50,000 up to a maximum of 25% of their annual turnover. The loan is for a period of up to **FIVE** years;

¹ <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

- The government will guarantee 100% of the loan and will cover the first twelve months of interest and fees for the loan with no principal payments due in the first 12 months;
- The interest rate on the loan will be 2.5%;
- The business must self-declare to the lender;
 - it is UK based and established by 1 March 2020
 - it has been adversely affected by Coronavirus
 - it was not in financial difficulty as of 31 December 2019
 - it is not currently using a government-backed coronavirus loan scheme or, if it is, the bounce back loan will refinance that other loan fully
 - it is not currently in liquidation or undergoing debt restructuring
 - it derives more than 50% of its income from its trading
 - it is not in a restricted sector (credit institutions, insurance companies, public sector organizations, and state-funded schools);

Please note that this new scheme is different from the CIBLS described below. It was introduced to counter the complexities of the CIBLS involving adequate security and encountered delays.

It is important to point out that as with any other loan, you remain responsible for payments irrespective of the government's guarantee and your assets and property remain at risk if you default on the loan.

3. Annual Accounts²

UPDATE: Companies have been permitted an extension to their accounts filing deadline. Companies House will extend a companies deadline if it falls anytime between 27 June 2020 and 4 April 2021.

Please note, if your company has already received an extension to its original filing, it will not be added to the filing extension already granted by Companies House.

Please speak to your professional advisor to clarify your position.

4. Business Rate Relief³

- a) All retail, hospitality, and leisure services in England will benefit from a 12-month business rate relief for the period 2020/2021.
- b) It will be applied to the next council bill in April 2021.
- c) It applies to all business premises irrespective of rateable value.
- d) It is limited to retail, hospitality, and leisure services at present.

²<https://www.gov.uk/government/publications/the-companies-etc-filing-requirements-temporary-modifications-regulations-2020/temporary-changes-to-companies-house-filing-requirements>

³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875613/Expanded_Retail_Discount_Guidance_25.03.20.doc.pdf

5. VAT

- a) VAT payments payable by all businesses for the period 20 March 2020 – 30 June 2020 are deferred until the end of the tax period for 2020/21 and are not due for payment until 5 April 2021.
- b) There is no need to apply for this deferral, it will apply automatically.
- c) It may be necessary to cancel direct debit payments for any VAT payable for this period.

UPDATE: Pay VAT deferred due to coronavirus. You can pay the deferred payments in full by 31 March 2021 or get ready to opt into the VAT deferral new payment scheme⁴.

6. BUSINESSES WITH OUTSTANDING TAX LIABILITIES

- a) Businesses in financial distress and with outstanding tax liabilities can benefit from HMRC's "Time to Pay" services.
- b) This is agreed on a case by case basis with possible tax deferrals, agreed on installment payments, and the suspension of interest accruals.

7. CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)⁵

Registered Small Medium Sized (SMEs) businesses that are not able to obtain finance on normal lending terms can apply for loans under the CBILS facility (whether as an overdraft, term loans, or other finance facilities).

The loan will be administered through already existing UK banks and finance houses and the government has agreed to:

- a) Guarantee up to 80% of the outstanding loan, meaning that the lender is more likely to agree to loan the amount;
- b) To pay interest on the loan for the first 12 months.

UPDATE: The Chancellor has provided a further extension of the Coronavirus Business Interruption Loan Scheme. The deadline has now moved to 31st March 2021 to make an application.

Please exercise caution:

- c) The guarantee is only to the lender, which means you as the borrower remain responsible for paying 100% of the loan amount as well as any interest after the 12 months;
- d) If your company has other debt facilities it may be curtailed or restricted from incurring additional debt.

The decision on whether a borrower is eligible will be taken by the partner bank, but basic eligibility criteria are:

⁴ www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid

⁵ <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>

- e) The borrower having a borrowing proposal which, were it not for the pandemic, would be considered viable by the lender AND for which the lender believes the provision of the finance will enable the business to trade out of any short to medium term difficulties;
- f) The company must be UK based with 50% of its income coming from trading activity;
- g) The funds being applied for business purposes and will continue to support trading in the UK;
- h) The borrower (whether a sole trader or freelancers so long as the business is operated through a business account) not having a turnover of more than £45m (turn over measure likely to be 12 months to December 2019);
- i) The borrower not being any of the following: banks, building society, part of the public sector, membership organization (including but not limited to professional, religious, or political).

8. GRANTS FOR BUSINESSES⁶

The UK government will provide two grants to businesses based on their business rate banding.

- a) Small Business Grant - £10,000 to all businesses regardless of the sector currently eligible for small business rate relief (i.e. rateable value less than £15,000).
- b) RHL Business Grant - £25,000 to all retail, leisure, and hospitality businesses operating out of smaller premises with a rateable value of between £15,000 - £51,000).

The payment will be made to the person who was the ratepayer as of 11 March 2020. It is not available for properties occupied for personal use or for recipients who are in liquidation or dissolved as of 11 March 2020.

Businesses do not need to apply for the Small Business Grant – your local authority will contact you. For the RHL Business Grant, you will need to actively contact your local authority.

UPDATE: In addition to the Grants offered above by the government, a host of other support has since been provided by the government including but not limited to the following:⁷

- Coronavirus grant due to national restrictions (for closed businesses)
- Closed Businesses Lockdown Payment
- Additional Restrictions Grant
- Local Restrictions Support Grant (for open businesses)

Please click on the link provided and you will be directed to the government website where you can find more information.

⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875348/small-business-grant-fund-and-retail-guidance-v2.pdf

⁷ <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19#support-for-small-and-medium-sized-businesses>

INFORMATION FOR EMPLOYERS

1. Job Retention Bonus

As an employer you will be able to claim a one-off payment of £1,000 for every eligible employee you furloughed and claimed for through the Coronavirus Job Retention Scheme (CJRS), kept continuously employed until at least 31 January 2021 and who meets the other eligibility criteria. You do not have to pay this money to your employee.

You will be able to claim the bonus between 15 February and 31 March. To do this you must have submitted PAYE information for the period up to 5 February 2021 on time.

Further information on eligibility and when you can claim can be found on GOV.UK by searching 'Job Retention Bonus Guidance' and further guidance on the claim process will be published by the end of January 2021

2. Job Support Scheme⁸

The Job Support Scheme (JSS) opened on 1 November 2020 and will continue for six months. There are two variations to JSS – JSS Open and JSS Closed.

JSS Open will provide support to businesses that are open where employees are working shorter hours due to reduced demand. Your employees will need to work at least 20% of their usual hours. You will continue to pay employees for the hours they work, and the UK government will pay a contribution of 61.67% of the usual pay for hours not worked, up to a maximum of £1,541.75 per month. You will pay 5% of the usual pay for hours not worked, up to a maximum of £125 per month, and can top this up further if you choose. This means employees should receive at least two-thirds of their usual pay for hours not worked.

JSS Closed will provide support to businesses whose premises are legally required to close as a direct result of coronavirus restrictions set by one of the four governments of the UK. This includes premises restricted to delivery or collection-only services from their premises and those restricted to providing food and/or drinks outdoors.

For JSS Closed, the UK government will fund two-thirds of employees' usual wages for time not worked, up to a maximum of £2,083.33 per month. You will not be required to contribute, but you can top up the government's contribution if you choose to. You will still need to cover all employer National Insurance and pension contributions.

3. Coronavirus Job Retention Scheme⁹

⁸ <https://www.gov.uk/government/news/job-support-scheme-expanded-to-firms-required-to-close-due-to-covid-restrictions>

⁹ <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

The Coronavirus Job Retention Scheme ended on 31 October 2020.

4. Statutory Sick Pay (SSP)

Generally, businesses are required to pay a minimum amount of statutory sick pay (SSP) for employees who are off sick for up to 28 weeks and are currently payable from the 4th day of sickness absence.

As a response to COVID-19, the government has introduced legislation to change the rules from 13 March 2020 so that employees that self-isolate can receive SSP.

To be eligible to claim back SSP:

- a) The employer must be UK based and have fewer than 250 employees;
- b) The employer must retain a record of staff absences;
- c) The employee must be eligible for SSP and is off as a result of COVID-19.

Please note it will not cover any enhanced sickness pay offered by employers and the companies will still be required to fund this element.

UPDATE: You cannot get SSP if you are self-isolating after entering or returning to the UK and do not need to self-isolate for any other reason.

INFORMATION FOR THE SELF EMPLOYED¹⁰

1. Self – Employment Income Support Scheme (SEISS)

UPDATE: If you are self-employed or part of a partnership and have lost income due to coronavirus you may be able to benefit from the Self-Employment Income Support Scheme.

The Self Employment Income Support Scheme (SEISS) is currently accepting applications for this third grant which is worth 80% of average monthly trading profits capped at £7500 in total. People looking to claim the third grant, which covers the three months of November 2020 to January 2021, must make their applications on or before January 29, 2021. The months of February to April 2021 will be covered by a fourth SEISS grant which the government announced last year, details for the application will be released by the government in due course. In any event, information can be accessed at <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

The rule of eligibility for this third scheme is as set out for the earlier grants and if you were not eligible for those grants you will not be eligible for this one. You can apply if you are self - employed or part of a partnership, provided:

- a) Traded in 2 tax years: 2018 – 19 (and submitted your SAE return on or before 23 April 2020 for that year) and 2019 to 2020

¹⁰ <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

- b) You are trading when you applied or would have been save for COVID – 19;
- c) You declare you intend to continue to trade in the tax year 2020/21;
- d) You declare you reasonably believe there will be a significant reduction in your trading profits
- e) Your self-employed trading profits must be no more than £50,000 and at least equal to your non-trading income;

2. The Bounce - back Loan Scheme (BLS)

The bounce-back loan scheme enables smaller businesses to access finance more quickly during this pandemic. Please see section 1 above.

INFORMATION RELATING TO IMMIGRATION

The Home Office has published guidance on GOV.UK on immigration provisions for those affected by travel restrictions associated with COVID-19.

1. Visa holders in the UK¹¹

UPDATE: If you intend to leave the UK but have not been able to do so and you have a visa or leave that expires between 1 January 2021 and 28 February 2021 you may request additional time to stay known as “exceptional assurance”. Please submit your request for an exceptional assurance by emailing cihassurance@homeoffice.gov.uk. Please include the title “Request for an assurance” with the following information:

- **Full name**
- **Date of birth**
- **Nationality**
- **Home office. GWF or another reference**
- **Type of visa**
- **The expiry date of the visa**
- **Reason for request**
- **Evidence of flight or evidence showing reason you cannot leave**

Please note that if your visa or leave expired between 24 January 2020 and 31 August 2020, there will be no future adverse immigration consequences if you didn't make an application to regularize your stay during this period. However, if you have not applied to regularize your stay or submitted a request for an exceptional assurance you must arrange to leave the UK.

2. Student Visa Holders in the UK

Typically Tier 4 students are not permitted to undertake distance learning, however, due to current circumstances related to COVID-19, it will not be deemed a breach of sponsorship rules if these are offered to Tier 4 students in the UK or those who have chosen to return to their countries overseas but who wish to continue their studies.

3. Workers in the UK

¹¹ <https://www.gov.uk/guidance/coronavirus-covid-19-advice-for-uk-visa-applicants-and-temporary-uk-residents>

Many workers sponsored under Tier 3 and Tier 5 routes are now working from home instead of their places of work. As a result of the current circumstances relating to COVID – 19, sponsors are not required to notify of this change if such change is as a result of the COVID – 19 out-break. Please note other changes must still be reported as usual.

TENANCIES AND MORTGAGES

1. Protection for private tenants

UPDATE: The introduction of the Coronavirus Act 2020 increased the required notice period length before landlords can start proceedings to evict tenants. From 29 August 2020 (except for the most serious cases), landlords will give all renters 6 months' notice if they intend to seek possession – this means the landlord cannot start the court process until after this period.

The protection covers most tenants in the private and social rented sectors in England and Wales.

The stay on possession proceedings expired on 20 September 2020 and landlords are now able to progress their possession claim through the courts.

Please note, tenants are still liable for their rent and should pay this as usual. If you face financial hardship in this regard, speak to your landlord in the first instance. You may also be entitled to support under one of the schemes mentioned in this document.

2. Protection from eviction for commercial tenant¹²

UPDATE: Current government legislation prohibits a landlord from exercising its right to forfeit a lease for non-payment of rent before 31 March 2021. The government has confirmed that landlords of commercial tenants will be prevented from taking steps to forfeit and recover possession of those premises if a tenant fails to pay rent.

The legislation will protect non-payment of rent, service charges, insurance contributions, and other sums due under the business tenancy.

This will apply from the day the Coronavirus Bill is passed into law (expected to be April 2020) and will be in place till 30 June 2020. Please note that the law will not apply retrospectively so any enforcement action underway will not be affected.

It is important to note that the landlord can still forfeit the lease for reasons other than those relating to non-payment of rent.

3. Mortgage Payment holidays¹³

UPDATE: The Financial Conduct Authority (FCA) confirmed new rules for mortgage holidays which needed to be applied by all banks and lenders by 20 November 2020.

¹²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876500/Consolidated_Landlord_and_Tenant_Guidance_COVID_and_the_PRS_v4.2.pdf

¹³ <https://www.fca.org.uk/firms/mortgages-coronavirus-guidance-firms>

These new rules are:

- those who have not had a holiday payment will be able to request one until 31 March 2021
- those who have already had or are on a payment holiday will be able to extend for a total of 6 months
- those who have started their first mortgage payment holiday, ending after 31st March 2021, will be able to extend it
- those who want to make a partial payment can pay something towards their mortgage
- those who already have a 6 month payment holiday will not be eligible for a further mortgage payment holiday
- those who have already had 6 months of payment holidays and are still struggling to make repayments will be offered “tailored support appropriate to their circumstances”. Please speak to your lender if you think this might be the case

The FCA also confirmed that nobody will have their home repossessed without their agreement until after 31 January 2021.

Please note that interest will continue to accrue and so you will pay more interest as it will take you longer and cost you more to pay off your mortgage.