



Jane Hutt MS

Member of the Senedd for the Vale of Glamorgan

COVID-19 Update

Support for Businesses in the Vale of Glamorgan

Business Wales

Any businesses affected should, as a first port of call, contact the Business Wales telephone helpline on [0300 060 3000](tel:03000603000), or visit them online at [Business.gov.wales](https://www.business.gov.wales). They can help with practical advice on Coronavirus related support, provided by the Welsh Government, UK Government, or elsewhere.

If you have any difficulties, please contact my office.

Grants

The Welsh Government has announced a grants scheme for Welsh Businesses hit by coronavirus:

1. A £25,000 grant for businesses in retail, hospitality, and leisure sectors, with a rateable value of £12,001 - £51,000
2. A £10,000 grant for all businesses eligible for small business rates relief with a rateable value of £12,000 or less

Payment mechanisms for the grant are being finalised, with the aim of making it automatic

Business Rates

The Welsh Government has announced that all retail, leisure and hospitality businesses with a rateable value of £51,000 or less will receive 100% business rates relief, and pubs with a rateable value between £51,000 and £100,000 will receive a £5,000 reduction on their bill in 2020-2021.

The Welsh Government is allocating every penny of the funding it will receive as a consequence of the schemes the UK Government announce in England, to support Welsh Businesses.

Development Bank of Wales

The bank has equity and loan funding it can make available immediately to otherwise health small businesses to help them through any cash flow and other challenges they may be facing

Please call [0800 587 4140](tel:08005874140) or visit <https://developmentbank.wales/coronavirus-support-welsh-businesses>

The Welsh Government has announced that all businesses supported by the Development Bank of Wales will have a three month capital repayment holiday.



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Statutory Sick Pay

The UK Government is bringing forward legislation to allow small and medium sized businesses and employers to reclaim statutory sick pay paid for sickness absence due to COVID-19. This will be available to businesses in Wales and the Welsh Government is now working on supporting employers in Wales to make sure they have the right mechanisms in place to access this

The eligibility criteria will be:

1. This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
2. 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
3. Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
4. Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note
5. Eligible period for the scheme will commence the day after the regulations on the extension of the Statutory Sick Pay to those staying at home comes into force

For more information, call 0800 0159 559

Business Interruption Loan Scheme

The UK Government has set up a temporary COVID-19 business interruption loan scheme through the British Business Bank and it will support businesses to access bank lending and overdrafts.

Loans are interest free for 12 months. Lenders will be provided with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs.

Businesses and banks will not be charged for this guarantee, and the Scheme will support loans of up to £1.2 million in value.

The loans will be available from next week and there is a list of British Business Bank-accredited lenders here: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>

HMRC - Time to Pay

A Time to Pay scheme is also available, whereby all businesses and self-employed people in financial distress and with outstanding tax liabilities may be eligible to receive support with their tax affairs through HMRC's Time to Pay service.

This is also available to businesses in Wales. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559.



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Self-employed and Freelancers

Self-assessment tax payments on account due this year are to be deferred until January 2021. The introduction of IR35 (which would have extended the tax liabilities of people working via their own service companies) will be delayed for 12 months.

The minimum income floor in Universal Credit will be temporarily relaxed for all self-employed people. Self-employed people will be able to access Universal Credit at a rate equivalent to Statutory Sick Pay. The Universal Credit allowance has been increased by £1000 a year. Self-assessment payments are to be deferred until January 2021. Self-employed people will be able to access Universal Credit at a rate equivalent to Statutory Sick Pay, and a further £1bn has been released to cover up to 30% of housing rental costs.

The Welsh Government is setting up a fund specifically for self-employed people affected by coronavirus. We will provide the details as soon as we get them.

The Welsh Government has introduced a 3 month interest payment holiday if you are on Help to Buy mortgage. The UK Government has also announced a 3 month mortgage payment holiday. In the first instance, talk to your mortgage provider.

Self-Employed Income Support Scheme

The scheme will be open to those with a trading profit of less than £50,000 in 2018-19 or an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19.

To qualify, more than half of their income in these periods must come from self-employment.

To minimise fraud, only those who are already in self-employment and meet the above conditions will be eligible to apply. HMRC will identify eligible taxpayers and contact them directly with guidance on how to apply. The income support scheme, which is being designed by HMRC from scratch, will cover the three months to May. Grants will be paid in a single lump sum instalment covering all 3 months, and will start to be paid at the beginning of June.

Individuals should not contact HMRC now. HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational.

Those who pay themselves a salary and dividends through their own company are not covered by the scheme but will be covered for their salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.

Further information and details of the scheme will be shared shortly by HMRC. HMRC will use the average trading profits from tax returns in 2016-17, 2017-18 and 2018-19 to determine the size of the grant. This scheme also applies to members of partnerships before grant payments are made, the self-employed will still be able to access other available government support for those affected by coronavirus including more generous universal credit and business continuity loans where they have a business bank account

Leisure

The full list of business expected to close under “lockdown” as of 24 March is available here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874732/230320_-_Revised_guidance_note_-_finalVF.pdf

Caravan Parks, campsites and other tourism sites were closed in Wales on the 23 March.

Food and drink venues, pubs, bars, clubs, cinemas, casinos, gyms, museums, leisure centres, betting shops and galleries. As of 20 March 2020 all such businesses are to be closed under the Public Health Act 1984. Welsh Regulations allow those businesses that can to operate as takeaways. Any business that does not close as instructed risks permanently losing their license.

COVID-19 Job Retention Scheme

The UK Government will cover up to 80% of employees' wages for employees that would otherwise be laid off, up to a maximum of £2,500 a month per employee as a grant. This wage support will last for at least 3 months. This can be backdated and apply to employees who were on payroll as of 28 February, even if they have since been let go.

Employers will need to:

1. Designate affected employees as 'furloughed workers,' and notify your employees of this change – (this remains subject to existing employment law)
2. Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (when it's launched)

HMRC will administer the scheme which is currently being put in place. Employers needing short term cash flow support to meet payroll costs in the meantime, may be eligible for a Coronavirus Business Interruption Loan which will be available from next week or loans from Development Bank for Wales.

VAT deferral

UK Government has announced that VAT payments for the next quarter (Apr-Jun) will be deferred, to be paid by the end of the year.

Insurance

The UK Government and insurance industry confirmed on 17th March 2020 that the advice (at this stage) to avoid pubs, theatres etc is sufficient to make a claim as long as all other terms and conditions are met, where businesses have cover for both pandemics and government-ordered closure. For insurance policies that cover losses from the effects of "notifiable diseases" please note that COVID-19 has been classed as a "notifiable disease" in all parts of the UK - In Wales with effect from March 6th 2020: Health Protection (Notification) (Wales) Regulations 2020

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