COVID-19 UPDATE – SUPPORT FOR CHARITIES AND BUSINESSES

Date updated 23rd March 2020
CURRENT UK SITUATION AND LINKS

Guidance from the government is changing on a daily basis with regards to how we are to perform our daily lives, therefore for information on this please refer to the C360 website https://www.community360.org.uk/, NHS Website https://www.nhs.uk/conditions/coronavirus-covid-19/ and Gov.uk https://www.gov.uk/coronavirus websites.

We have compiled this document in order to help and guide you through these uncertain times and how you can best protect your charity or business. As above, information is updating daily so please see the below link and keep yourself familiarised with the current information:

Gov.uk
WHAT SHOULD BE THE MAIN FOCUS WITHIN YOUR ORGANISATION?

Over the coming months you will need to be making very crucial and critical business decisions on how best to overcome the current pandemic, therefore organise an urgent trustee/board meeting (using things such as Skype and conference calling – see more details on page 13). You will all need to discuss the major implications upon your organisation.

Areas to consider in meetings:

Impact on income, cashflow, business continuity planning, governance and trustee decision making, the support you provide to the community to vulnerable people, grants and funding available to you, physical environment and work force and employee communication.

Gain the right support

Anxieties are running high with everyone at the moment, but please do reach out to your funders, accountant, mentors or board members in order to discuss ideas and gain different perspectives.
CURRENT HELP FROM THE GOVERNMENT

Chancellor Rishi Sunak has set out a package of temporary, targeted measures to support public services, people and businesses through the period of disruption caused by COVID-19. The information is being updated daily so please follow the Gov.uk link listed previously to obtain the most live up to date details.

So far the package includes:

- Coronavirus Job Retention Scheme
- Extended access to Statutory Sick Pay (SSP), with reliefs available to SMEs
- Grant funding of £10,000 for small firms in receipt of Small Business Rate Relief (SBRR) and Rural Rates Relief
- Grant funding of £25,000 for certain businesses in the retail, hospitality and leisure sectors
- Business rate holiday for Nurseries
- A 12-month business rates holiday for businesses in the retail, hospitality and leisure sectors
- A temporary Coronavirus Business Interruption Loan Scheme to support businesses in accessing bank lending and overdrafts
- Deferring VAT and Income Tax payments
- Expanded access to HMRC's Time to Pay scheme
CORONAVIRUS JOB RETENTION SCHEME

• HMRC will reimburse 80% of furloughed workers (temporary laid off) wage costs, up to a cap of £2,500 per month, backdated to 1 March - initially open for 3 months, to be extended if necessary
• To access the scheme you will need to designate affected employees as ‘furloughed workers' and notify your employees of this change. They would have needed to be an employee as of the 29th February 2020 (although this date may be amended in the legislation).
• Information will be submitted via a new online portal
• Please seek HR advice to ensure you are adhering to staff contracts that are in place
• The Coronavirus Business Interruption Loan can provide short term cash flow support for this

We will update you with more information on how to access the scheme when it is released via the government websites.
EXTENDED ACCESS TO SSP (STATUTORY SICK PAY)

If an employee cannot work due to having Coronavirus or are staying at home because of government advice to self-isolate or household isolation then SSP will be payable from day 1. This is available to SMEs (less than 250 employees as at 28 February 2020) and they will be able to reclaim SSP paid for sickness absence for the above reasons for up to two weeks.

Staff will not have to obtain a sick note, but you can ask for the employee to obtain an isolation note. They can access this by visiting NHS111 online and completing the relevant form https://111.nhs.uk/isolation-note/.

At present a rebate scheme is being developed and we will provide you with more information when this is available.
GRANT FUNDING – SBRR & RURAL RELIEF

A grant will be available to organisations who are eligible for Small Business Rate Relief and Rural Rates Relief. The grant will be for £10,000 in order to support you to pay your ongoing costs.

You will be written to by your local authority if you are eligible for the scheme, you will not need to apply for this.

GRANT FUNDING – RETAIL, HOSPITALITY AND LEISURE BUSINESSES

The government is making grants available for the above organisations and will base the grant amount (£10,000 or £25,000) on their rateable value. For a business with a rateable value under £15,000 they will receive £10,000 and businesses with a rateable value of between £15,000 and £51,000 they will receive £25,000.

You will be written to by your local authority if you are eligible for the scheme, you will not need to apply for this.
BUSINESS RATE HOLIDAYS – NURSERIES

Some childcare providers are remaining open during this time to ensure Key Workers still have access to the support they need, however they are offering business rate holidays to support these organisations.

Organisations will benefit from this if they are based in England, are providers on the Ofsted’s Early Years Register and are wholly or mainly used for the provision of the Early Years Foundation Stage.

You do not need to do anything to claim this, it will be deducted from your next rates bill in April 2020. Some authorities may need to reissue the bills and apply this deduction. For further guidance on eligibility please see https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2020-to-2021-coronavirus-response-local-authority-guidance.

BUSINESS RATE HOLIDAYS – RETAIL, HOSPITALITY AND LEISURE

Organisations in the above sectors can obtain a 12 month business rate holiday. Your local authority will identify who this applies to and apply the discount to your next rates bill. You do not need to do anything.
CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

This loan provides SME’s access to working capital of up to £5 million in value and for up to 6 years.

- This funding is available now and is 12 months interest free.
- The government will guarantee 80% of the loan.

Trustees and Directors will need to consider their governing documents and memorandum of articles and what is stated with regards to loans when looking into this scheme.

This will need to be repaid, so please also consider the repayments and whether this is the best option for you.
DEFERRAL OF VAT AND TAX PAYMENTS

VAT

If you are an organisation that submits VAT returns, you do not have to pay any VAT due until the 30th June 2020. This is to give businesses an immediate cash injection in order to pay ongoing costs. However when considering your cash flow situation, please ensure that you have this in mind as it will still need to be paid in due course.

Any VAT refunds and reclaims will paid as usual in this period.

You do not need to apply for this, it is automatically offered but please do ensure that VAT returns are completed as normal.

SELF-ASSESSMENT – INCOME TAX

Income Tax payment due on the 31st July 2020, do not need to be paid until the 31 January. You do not need to apply for this as it is an automatic offer but please do bear in mind that this will still need to be in due course. No interest or late payment fines will be applied in this period.
TIME TO PAY SCHEME

This scheme is for businesses and organisations that are in financial distress and with outstanding tax liabilities. If this is the case you may be able to seek a Time to Pay arrangement with HMRC. They are on a case to case basis and are tailored to individual circumstances.

In order to access this assistance you will need to call HMRC on 0800 0159 559. Please call them if you have missed a tax payment or if you are worried you are going to miss the next tax payment due. If you are concerned about any payments in the future, they are advising that you call them closer to the time of payment.

The arrangements currently are as follows, but this may be subject to change as the COVID-19 situation progresses:

- Businesses can defer PAYE between one and three months (you will need a valid reason such as the company has temporarily closed)
- Expectation is the deferral will apply up to and including April payroll
- If the business can’t pay after the deferral period, a formal payment plan may be set up (this is usually between three and nine months).
OTHER ITEMS TO CONSIDER

COMPANIES HOUSE

Organisations that have been affected by COVID-19 can apply to Companies House to request an extension to file their accounts, reports and confirmation statements. This must be applied for before your deadline. You will need to provide details about why you cannot meet your deadline and the rules are still likely to be strict. More information on how to do this is found here https://www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts. The Companies House call centre is now closed to protect employees, therefore if you have any queries, please contact them via email on enquiries@companieshouse.gov.uk.

CASH FLOW

This is a big concern for many at the moment, if you want to discuss this further please do feel free to contact us.
OTHER ITEMS TO BE CONSIDERED (CONTINUED)

CHARITY COMMISSION

At present, Charity Commission are advising that current filing deadlines should be adhered too, however if you are struggling to meet these please contact the Charity Commission directly if a delay may be needed.

Many Charities will be worried about adhering to the governing documents in regards to trustee meeting and discussions. You need to be practical and follow guidance issued by the government in relation to social distancing. Skype and conference calls could be considered at this time, as these meetings are still crucial and at the moment even more so for the continuation for the organisation. If you do decide to hold these virtual meetings, please again check your governing documents and make changes as required, also note in the minutes of the meetings how you are all able to be involved.

INSURANCE

The current guidance on the Gov.uk website is as follows:

Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to
OTHER ITEMS TO BE CONSIDERED (CONTINUED)

INSURANCE CONTINUED

avoid pubs, theatres etc is sufficient to make a claim as long as all other terms and conditions are met.

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers. Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

FUNDERS

Most funders have not given specific information on how yet they will provide support through this time. Some may have temporarily suspended funding for specific projects while others may be extending deadlines.

Some funders may be considering relaxing the conditions placed on the funding and it could include a change or removal of restrictions (such as movement of funds from restricted to unrestricted to support you in this time). It will all be on a case to case basis and the best thing to do would be to contact the funders directly to gain some clarification and what support they may be providing.
OTHER ITEMS TO BE CONSIDERED (CONTINUED)

FUNDERS CONTINUED

It is expected that the government will announce specific details of a package for the sector in the coming days. We will of course keep you updated of details as we receive them.

SORP REQUIREMENTS

No changes have been made to the SORP, however the SORP-making body have issued advice on the financial reporting implications that could arise due to the government advice to contain the COVID-19 virus. If your accounts are due to be, or in the process of being completed, or are not yet approved then there are some areas you will need to reflect on:

Accounts:

- Trustees will need to consider the impact of COVID-19 on the charity with regards to cash flow and continued operations and whether in light of this, notes or amendments to the accounts need to be made.
- The accounts will need to be assessed if they are on a going concern basis. You will need to assess all the future events, budgets and forecasts when considering this and the amount of unrestricted monies you hold. When accounts are completed and examined this is an area that is already looked at by us as examiners so please seek advice if needed.
OTHER ITEMS TO BE CONSIDERED (CONTINUED)

SORP REQUIREMENTS CONTINUED

Trustee Annual Report – Risk Reporting:

- The impact on your charity may also need to be reflected in trustee annual reports as there may be implications on fundraising, changing circumstances of staff and volunteers and changes not controlled by the charity such as demand for charitable services and amendments in value of assets and liabilities due to changes to the economy such as pension assets, fixed assets, liabilities and investments.

- It is important to detail to your users of the accounts with as much information as possible on how the COVID-19 virus has affected you and how it will affect you in the future. Areas you need to cover include detailing information as listed above and if your reserves are going to be affected or have been and whether a change in reserve policy needs to be made.

When completing the accounts and reports in the months to come, we are here to assist you with any guidance or queries you may have.

Please do contact the Community Accounts team as we are all here to support you during these uncertain times.