



## Government Guidance on Business Support Schemes for Corona Virus – 6<sup>th</sup> April 2020

Dear Client,

We thought it would be helpful to dispel some of the myths currently in circulation on two of the main support packages from the government, namely Business Rates Grants (applicable to all businesses) and the Job Retention Scheme (or employees in a business). So, this is what we know to date:

Please note this is general advice. If you require specific guidance in relation to your business, please get in touch.

### 1. **Business Rates Grant** - *Applicable to all businesses*

**If you are registered for business rates**, you are entitled to claim a grant. To do this, you must have your valuation reference number and the rates valuation of your building. These would have been sent to you (usually by letter, dated March) by your local council. If you have this, you are registered for business rates... even if the actual amount you pay is £0.00 due to the low rateable value of your business. In this situation, go online to your local council website, search for 'Rates Grants' and complete their application form. Many of our clients have already received a £10,000 grant in their bank account.

**If you are NOT registered for business rates**, but believe you should have been, i.e. you have a business which operates from a premise, even if this is part of your home, you can apply to register for business rates. While there is no guarantee that you will receive a grant, it is the first step to getting into the system. Each local authority has a different approach for doing this, some are online, others require forms to be completed and emailed etc. Check on-line with your local authority. ***However, please be aware, some businesses may face back bills. Also, some businesses required licenses to operate. Please check your individual circumstances before applying!!***

#### **Common problems reported to us:**

- Where the business did not register for business rates, unscrupulous landlords are claiming the grant for themselves. In these circumstances, we are recommending clients talk to their landlord in the first instance. If there is no agreement there, we suggest you apply for business rates as suggested above.
- There are multiple tenants per building and the grant is per business not per building, so do not be put off by this.

## 2. Government Grants (Job Retention Scheme) – *Applicable to employees*

**If you are an employee**, your employer is entitled to claim 80% of your wages from the government and pay it to you. To do this, your employer must 'Furlough' you. This is essentially saying you have no work to do and are being kept on 'stand by' should work return. Your employer must have this term in your contract of employment or have asked you to sign an agreement to this extent. If you work reduced hours, you are still working and so would only be entitled to your wage (or reduced wage if that is the agreement you have with your employer). In this scenario, you would not be 'Furloughed' and so unlikely to be entitled to a grant under the Job Retention Scheme. **Please seek specialist HR advice for more detail on this area.**

### **Common problems reported to us:**

- The scheme is not yet open to make the claim and receive the money. However, it should be available this month.
- A myth we hear is that owner/ directors are excluded from this scheme. To date, there is nothing to suggest that an owner/ director who pays himself through PAYE would be excluded from this scheme. Please be aware of the rules of reduced working hours (mentioned above) which could impact your ability to claim.

We will be here to help and support you throughout this difficult period.

Yours sincerely

