



Covid19 Financial support



Majlis-e-Ulama-e-Shia (Europe)

Kindly prepared by Naail & Co Ltd (Accountancy firm) in collaboration with Majlis e Ulama e Shia (Europe) as discussed in the MUS National Conference 2020.

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1. BUSINESSES

1.1-Business Rates Holiday

Businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for 2020 to 2021 tax year. The relief will apply to your business rates bills for the 2020 to 2021 tax year. This will cover shops, restaurants, cafes, hotels, guest houses etc. Your local council will apply the discount automatically.

1.2-Cash grant

For businesses in the retail, hospitality and leisure sectors occupying properties with rateable values up to £15,000 on 11 March 2020, the cash grant is £10,000 and for the properties with rateable values between £15,000 and £51,000 on 11 March 2020, the cash grant is £25,000.

Businesses in any sector receiving the Small Business Rate Relief (SBRR), the cash grant is £10,000.

1.3-VAT payment deferral

If you are a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you can defer this payment up to 31 March 2021. You do not need to apply for deferment. Instead, you can simply cancel your direct debit and the deferral will automatically be applied by HMRC. Please note, the deferral will not cover Import VAT payments.

1.4-JRS: Job Retention Scheme (Furlough Scheme)

Government committed to pay 80% of your employment cost (Gross wages, national insurance and pension contribution) of your furloughed employees up to maximum of £2,500 per month, so you could keep employees on your payroll, as opposed to make them redundant as a result of lockdown. The scheme was active with effect from 1st March 2020 and will last for 8 months, until end of October 2020.

- March to June: 80% wages, NI, pension covered. No cost to business. No part time work allowed
- July: 80% wages, NI, pension covered. No cost to business. Part time work allowed
- August: 80% wages covered. Business to pay NI & pension. Part time work allowed
- September: 70% wages covered. Business to 10% wages, NI & pension. Part time work allowed
- October: 60% wages covered. Business to 20% wages, NI & pension. Part time work allowed

1.5-BCILS: Coronavirus Business Interruption Loan Scheme

SMEs can get hold of finance up to £5 million in the form of term loan, overdrafts, invoice finance and/or asset finance. This scheme gives 80% state backed guarantee to the lender to encourage lending. Government will pay interest for the first 12 months. Lender may ask for cash flow forecast, business plan, up to date management info etc. No personal guarantees are required for loans up to £250,000

1.6-BBLS: Bounce Back Loan Scheme

The scheme helps SMEs to borrow between £2,000 and up to 25% of annual turnover. The maximum loan available is £50,000. The government guarantees 100% of the loan and there won't be any interest or fees to pay for the first 12 months. After 12 months, the interest rate will be 2.5% per year. The business must be established before 1st March 2020 to be eligible for the loan. The maximum term of the loan is 6 years.

2. EMPLOYEES / WORKERS

2.1-JRS: Job Retention Scheme (Furlough Scheme)

If your employer's business is adversely affected due to the pandemic, your employer can furlough you and pay 80% of your wages (maximum £2,500 per month) through government grant. As an employee, you would always receive at least 80% of your wages from March to October. If you are furloughed, you may receive even more than 80% of wage, if your employer tops up the remaining 20% of your wage. From July 2020, your employer may ask you to join the work on part time bases and in this case, your furlough amount will be calculated in proportion to the time not worked.

2.2-SSP: Statutory Sick Pay

SSP of £95.85/week for 4 weeks is available if you earn at least £120 per week and have been ill, self-isolating due to symptoms, self-isolating due to being in contact with a Covid positive patient or shielding. You will not be eligible for SSP if you have already been furloughed, have used your 28 days for SSP or entering/returning to UK. You do not require a sick note/fit note for SSP. Instead, a self-isolation note from <https://111.nhs.uk/isolation-note> would suffice.

2.3-ESA: Employment and Support allowance

If you have a disability or health condition that affects how much you work, ESA will help in living cost.

2.4-UC: Universal credit

If you are not eligible for being furloughed by your employer and have been made redundant, you can apply for universal credits.

3. SELF EMPLOYED

If your sole trader business is adversely affected by coronavirus, you could receive a SEISS (Self employed Income Support Scheme) cash grant of 80% of your average monthly profits up to a maximum of £2,500 per month. If eligible, you can get funds to cover lost income for 3 months. You have until 13th July 2020 to apply. To be eligible, apart from other conditions, your self-employed profits must not be more than £50,000 and they must make up at least half of your total income. Use the following link to check your eligibility and applying for grant

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

Also, 2nd payment on account due by 31st July 2020 can be deferred until 31st January 2021.

4. Company Directors

Unfortunately, the government has refused to consider company directors as self-employed, even if they are trading a single band business. They should consider furloughing themselves if they were paying themselves through wages, however, they might not satisfy strict conditions of furloughing including inability of receiving and making phone calls, receiving and sending emails etc. They can also consider universal credits. Lastly, they can use other business support measures like deferring of VAT, deferring of self-assessment payment on account, bounce back loan etc.

5. Charity sector

On 8 April 2020, the government announced a £750 million package of funding to support the work of charities during the coronavirus outbreak, this includes:

- £370 million for small and medium-sized charities, including through a grant to the National Lottery Community Fund for those in England, will support local organizations.
- £360 million to be directly allocated by government departments to charities providing key services and supporting vulnerable people during the crisis.

To address the financial challenges facing your charity, following resources (recommended by charities commission) may be useful;

- Small charities coalition
<https://www.smallcharities.org.uk/>
- National Council for Voluntary Organizations (NCVO)
<https://www.ncvo.org.uk/practical-support/information/coronavirus>
- Institute of Fundraising
<https://www.institute-of-fundraising.org.uk/guidance/coronavirus/>
- Charity Finance Group
https://www.cfg.org.uk/coronavirus_guide
- Directory of Social change
<https://www.dsc.org.uk/content/coronavirus-funding-updates/>

As the largest fund for charities, TNL (The National Lottery) Community fund would be first port of call for many charities. You can apply for funding for your charity on <https://www.tnlcommunityfund.org.uk/>

There are various other organizations who have launched funds to assist charities in these difficult times;

- National Emergencies Trust
- Heritage Emergency Fund - Grant in between £3k to £50k
- Charity Aid Foundation Fund. Grant up to £10k
- Leathersellers Company charitable Fund – Grant up to £3k
- The Charitable Trust – Grant up to £3k
- John Lewis Partnership Community Fund - Local Waitrose shop will decide on the outcome of your grant application
- Standard Life Foundation – Grant in between £5k to £50k
- Barclays Covid19 Community Aid Package - £100m worth of package launched
- Tesco Covid 19 Community Fund -Single one-off payment of £500 for charities supporting vulnerable groups
- Sir Jules Thorn Charitable Trust – Grant up to £1,500 for eligible charities
- Neighbourly Community fund – Grant of £400
- Magic little grants – Grant of £500

For detailed guidance on managing financial difficulties, refer to Charities Commission on <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-caused-by-coronavirus>

For Covid-19 guidance for the charity sector, refer to Charities Commission on <https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-the-charity-sector>

For increased risk of fraud and cybercrime against charities during Covid-19, refer to Charities Commission on <https://www.gov.uk/government/news/coronavirus-covid-19-increased-risk-of-fraud-and-cybercrime-against-charities>

Please get in touch with Naail & Co on 020 3333 3000 or drop us a line on info@naailandco.com, should you have any question.