

# Members. We are here to support you.



*The Government has announced a suite of financial support measures to preserve the funding positions and help improve cashflow of businesses and also protect jobs during the ongoing COVID-19 crisis. Details are continuing to develop, but at the time of drafting the key elements applicable to Northern Ireland hotels are summarised below.*

*Contact us for further advice if required on 028 9077 6635 or see our website and social media for updates.*

## **Coronavirus Job Retention Scheme**

The Government will pay a grant to cover 80% of furloughed workers' wage costs, up to a cap of £2,500 per employee per month. The retention grant is to help employers meet the wage costs of employees who are not working without having to make redundancies. The employer is not required to top this grant up.

The scheme will be back dated to 1 March 2020 and open for at least 3 months but will be extended if required, with the overall fund for making the payments being unlimited. The scheme will be available for all employees currently paid via PAYE and we understand it will include a mechanism to address the position of zero hours workers and other employees who may not be entitled to receive standard rates of pay.

Access will be by application to HMRC, who will also administer payment. Employers are required to designate affected employees as 'furloughed workers' and notify the employees of this change. Businesses will then submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal.

Detailed guidance is due shortly. HMRC are working to get scheme up and running as soon as possible but recognise their existing systems are not set up to facilitate payments to employers. The aim is that the first grants will be paid within weeks and before the end of April, however, businesses should recognise there may be a funding gap between the payment of wages and the eventual receipt of the grant which they could be required to finance, particularly during the initial roll out of the scheme.

## **Deferment of VAT payments**

VAT payments for all UK businesses will be deferred for 3 months for payments that would otherwise arise during the period from 20 March to 30 June 2020. Additionally, taxpayers will be given until the end of the tax year 2020/21 to pay any VAT liabilities that have accumulated during this deferral period. Effectively, this relieves the requirement to pay VAT for VAT periods ending February, March and April 2020 until 2021. Importantly, the Government will continue to pay VAT refunds and VAT reclaims as normal for eligible claims.

This is for all VAT registered businesses and self-employed. This is an automatic relief, no application required.

## **Business Rates Relief**

Northern Ireland Executive to waive business rates for next 3 months for all NI businesses.

In addition to business rates holiday the Department of Finance are deferring issue of rates bills for 2020/21 from April until June 2020.

## Coronavirus Business Interruption Loan Scheme (CBILS) for SMEs

Delivered through the British Business Bank and 22 participating lenders in Northern Ireland. The Government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims). The scheme will support loans (including Term Facilities, Overdrafts, Invoice Finance and Asset Finance) of up to £5m. Businesses can access the first 12 months of the finance interest free.

This is for UK based SMEs with turnover of no more than £41 million per annum. Talk directly to your bank or finance provider (not the British Business Bank) as soon as possible. The scheme will launch on Monday 23 March.

## Grants Support

Northern Ireland Executive to provide two grants for businesses. A grant of £10,000 available to small businesses and a grant of £25,000 for medium sized businesses.

£10,000 grant - small businesses eligible for the Small Business Rate Relief Scheme; £25,000 grant – medium businesses in hospitality, tourism and retail sectors with a rateable value from £15,000 up to £51,000.

Further information awaited week commencing 23 March.

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## Closure of bars, restaurants and gyms

The Government has advised all bars, restaurants, gyms and swimming pools to close with immediate effect. Hotels are still allowed to remain open but should make alternative arrangements to feed residents only. This should be meals served to the room if possible.

Where room service is impractical, please ensure social distancing between diners. No buffets or similar. There is nothing in the guidance to prevent alcohol being served to guest rooms but do not open the bar.

## Support for businesses who are paying sick pay to employees

The Government will bring forward legislation to allow employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence which will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19. Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note as alternative means of certification will be considered acceptable in these circumstances. SSP is available in respect of employees earning an average of £118 per week and is payable at a rate of £94.25 a week.

For small or medium-sized UK based business employing fewer than 250 employees as of 28 February 2020.

A rebate scheme is being developed. The eligibility period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force. Further details will be provided in due course once the legislation is passed.

The Government will work with employers over the coming months to set up the repayment mechanism for their businesses as soon as possible.

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## Re-opening

The Federation will be working to prepare re-opening advice for Members and will liaise with Tourism Northern Ireland and others about stimulus packages for the industry once we have the go-ahead to re-open.