

Updates on some of the Government measures to assist businesses in these challenging times.



To all our clients and friends,

We have a few updates on some of the Government measures to assist businesses in these challenging times.

Wages and salaries

Any business which has sent staff home because there is no work for them can tap into an HMRC grant of up to 80% of £2,500. This is expected to be available by the end of April. There are a few things to note:

- We understand that there is a minimum three-week furlough period for each employee furloughed, to qualify for the assistance from the Government.
- The employees had to be on payroll at 28th February 2020.
- The Government will be re-imbursing Employers NI and Employers auto enrolment pension contributions.

VAT deferral

The Government has announced that next quarter's VAT for all businesses will be deferred; they have now confirmed that the date for payment of the VAT will be 31st March 2021, not 31st December 2020 as first planned. They have also confirmed that it will be interest free.

Important: If you pay your VAT by Direct Debit, please go into your online banking account and delete the direct debit - as the direct debit will otherwise be collected as normal. The next VAT payment is due to be collected for many businesses in the next few days, so it is essential you do this now.

Business Support Loans

The largest measure of help to some businesses was always going to be the Support Loans - 80% backed by the Government. The experience many businesses have had so far is very variable - some banks are charging reasonable interest rates with no personal guarantees from Directors and other banks are seeking to charge 30% with personal guarantees on top.

It was interesting to see that Barclays came under particularly heavy criticism for this, whilst Natwest/RBS were highlighted as being very reasonable.

Given that the loans are 80% guaranteed and the Government pays the interest for the first year to the bank, it is hard to see how any bank charging 30% could possibly have any risk at all - they are guaranteed a 10% return it seems to me!

We will continue to lobby for a cap on the interest rate for all loans, but in the meantime the Government has confirmed personal guarantees are not required by the banks on loans up to £250,000.

Finally

I hope the above update is useful. We are also looking to help clients where we can, and many of our clients are likewise happy to help others where they can.

- One of our clients, **The Kensington Magazine**, has been unable to print and distribute their monthly edition for April, so readers will need to access this edition online - we are happy to provide a link here for anyone who is interested. [Download here.](#)
- Another of our clients, **Amy McKeown**, specialises in assisting corporates to support the mental wellbeing of staff at all levels across their organisation. Amy's Linked In profile is [here](#) if any clients do have concerns about staff wellbeing whilst working remotely during troubling times.