

## Coronavirus: Grants and rates relief

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On 17 March the Chancellor announced an extension of business rates reliefs and grant funding for small businesses to help them manage their cashflow and navigate the Coronavirus pandemic.

There are three key initiatives:

1. All retail, hospitality and leisure businesses in England and Wales will receive a 100% business rates holiday for the next 12 months
2. All eligible small businesses will receive a grant of £10,000
3. Slightly larger businesses in retail, hospitality or leisure may qualify for a £25,000 grant

### To qualify:

- For the £10,000 grant you must have a business premises registered to pay business rates and be in receipt of Small Business Rate Relief or Rural Rates Relief.
- To qualify for the £25,000 grant you must have a business premises with a rateable value over £15,000 and below £51,000 and be in the retail, hospitality or leisure sectors.
- 100% rates relief for 12 months is available for all businesses in the retail, hospitality or leisure sectors.

### How will it work?

- Local authorities will contact eligible businesses with revised rates bills and details of how to apply for the grants.
- The grants will be distributed through local authorities who should already have received the funds from Government.
- This week some local authorities have started to publish the application process on their websites.

### How do I check if I am eligible?

For the £10K grant you just need to check your rateable value and whether your rates bill includes small business rates relief (SBRR) or rural rates relief (RRR), typically for rateable values under £15K. If you receive the relief it will be shown on your rates bill.

For the annual business rates holiday and the £25K grants you need to check two things: your rateable value and your business sector.

The best way to check your rateable value is to pull out your most recent rates bill and look for the "rateable value" - it will typically be part of the rates bill calculation e.g. "22,000\*0.49 = £10,780" where 22,000 is the rateable value and £10,780 is the rates bill.

The next thing to check is your sector. You may think this is obvious but at some point you will need to prove you are in the right sector to qualify for sector-specific reliefs. I see just three ways of proving this:

1. Membership of a Trade Association
2. Your SIC code (your business code at Companies House)

3. SOSE – some other substantial explanation (like a photo of your aeroplanes to prove you are in aviation), which can be subjective.

Personally, I would want to make sure.

"Retail" is easy, it is clearly defined (by SIC code and existing retail discounts on business rates) but "leisure and hospitality" have yet to be clearly defined by Government.

Every business in the UK has at least one registered SIC code with Companies House. You can actually register in up to four SIC codes. Usually, these SIC codes are used for statistical purposes and to identify businesses in specific sectors for industry levies (like the construction industry levy) and regulation (like the FCA).

It could be VERY worthwhile checking your SIC codes here: <https://www.gov.uk/get-information-about-a-company> and checking that you are registered in the right retail, leisure and hospitality type codes.

Check the code list here: <http://resources.companieshouse.gov.uk/sic/>

If there are any codes that you could fall into that better reflect the nature of your business sector, you should consider registering in those codes ASAP. To do this you will need to file your Annual Return early. There is a caveat here; regulators and levy bodies use these codes to net new businesses, so look before you leap. And the switch or addition has to be genuine; perhaps your business has changed since you started it? We do not know if more grants are coming for other sectors so being in the right SIC code(s) in the coming weeks could make the difference between a cash grant or not.

If you are in businesses in the retail, hospitality or leisure sectors with a rateable value (not rates bill) between £15,000 and £51,000 then you should qualify for a £25K grant.

We expect the 12-months rates relief to follow the same principles regarding checking or proving your business sector.

### So, who is left out?

- If you work from home or your business does not operate from a business premises, you will not be registered for business rates and you will not receive a grant.
- We have spoken to quite a few businesses that have a business premises but have not yet registered for rates, or the rates bill is in the name of the former tenant. **In these circumstances you should register for business rates as soon as possible.**
- Shared workspaces, like WeWork, Spaces or Rise house lots of small businesses. These buildings are unlikely to have a low rateable value so will not qualify for grants. However, some clients may have signed Small Business Rates Relief forms with the landlord when they moved in. If you think you did, ask your landlord for a copy and you may be able to make a claim.

**Other measures for businesses (announced previously):**

- Coronavirus Business Interruption Loans Scheme (CBILS) loans are available to most businesses.
- VAT payments between 20 March and 30 June are automatically deferred. You will need to pay the VAT by 31 March 2021.
- “Time-to-pay” was already in existence for VAT, Corporation Tax and PAYE bills. Call HMRC and agree a payment plan; it is not interest-free, and you must make the payments on time.

There are briefing sheets on these subjects including CBILS, SEISS and cashflow available on our website.

**Important: Disclaimer**

This information is prepared for general use to support and inform many people quickly. It was based on information available at the time of writing. The situation is changing fast and new updates may have already superseded this information. Guidance is being published in stages, so we are working with other accountants to try and make sensible interpretations of announcements about what is available. Your personal circumstances are individual to you. If you intend to rely on this information, please check the current Government advice, check with your professional adviser or call me on 07838 181637 to ensure that this remains relevant and is applicable to you.