



HOUSE OF COMMONS

LONDON SW1A 0AA

23rd March 2020

Business Support

Dear all,

I know how tough it is for all businesses right now, large or small. I am working very closely with the Government, and am committed to supporting you through this crisis.

The Government is standing behind employers – and we particularly focused on protecting the retail, leisure and hospitality sectors during this incredibly difficult time.

- **The Government is stepping in and helping pay people's wages** – a scheme which is one of the most generous of any in the world – paying grants to support as many jobs as necessary. Any employer in the country – large, small, charitable or for profit – who promises to retain their staff, can apply for a grant to cover most of the cost of paying people's wages. Government grants will cover 80 per cent of the salary of retained workers up to a total of £2,500 a month – above the median income. We will place no limit on these grants. The cost of wages will be backdated to 1st March and will be open initially for at least three months – and we will extend the scheme for longer if necessary. This scheme will be up and running in April.
- **Deferring the next three months of VAT tax**, a direct injection of over £30 billion of cash to employers. That means no business will pay any VAT from now until the end of June, and they will have until the end of the financial year to repay those bills.
- **The Coronavirus Business Interruption Loan Scheme will now be interest free for twelve months**, an extension from the initial announcement of six months. We have already introduced and announced an extension to the Business Interruption Loan Scheme, which is for small and medium-sized businesses. On Tuesday, the Chancellor expanded the amount that can be borrowed from £1.2 million to £5 million. This scheme will be up and running during the coming days.
- **No business in the retail, hospitality or leisure sector will pay any Business Rates for 12 months**. All businesses in this sector are exempt from business rates for 12 months – that's every single shop, pub, theatre, music venue, restaurant, and any other business in the retail, hospitality or leisure sectors. In addition, we will provide small businesses in these sectors with an additional grant scheme of up to £25,000. Any business with a rateable value of less than £51,000 can now get access to a government grant.

Member of Parliament for Hitchin and Harpenden

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- **Supporting small and medium-sized businesses to cope with the extra costs of paying Statutory Sick Pay (SSP) by refunding eligible SSP costs.** The criteria for eligible businesses are:
 - The refund will be limited to two weeks per employee who has claimed SSP as a result of Covid-19.
 - Employers with fewer than 250 employees will be eligible.
 - Employers should keep records but should not require employees to provide a doctor's note.
 - The eligible period will commence from the day on which regulations extending SSP come into force.
 - We will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.
- **Businesses and self-employed people may be eligible to receive support with their tax affairs through HMRC's Time to Pay service.** Arrangements are agreed case-by-case. Businesses can contact HMRC's new dedicated COVID-19 helpline for advice (0800 0159 559).
- **Relaxing planning rules so pubs and restaurants can operate as hot food takeaways during the coronavirus outbreak.** Currently, planning permission is required for businesses to carry out a change of use to a hot food takeaway. The government has confirmed regulations will be temporarily relaxed to enable businesses to deliver this service without a planning application. This will support businesses and help people who need to self-isolate, as well as vulnerable groups and older people who have been strongly advised to avoid social contact outside their homes to prevent the spread of coronavirus.

Self - employed

We are actively looking at ways to provide more help for the self-employed. See below for the measures we have announced so far.

- **Providing grants to the smallest of businesses of £10,000.** We are providing £10,000 grants to the 700,000 of our smallest businesses. Around 700,000 businesses in England currently eligible for Small Business Rate Relief (SBBR) or Rural Rate Relief can apply for the emergency funding.
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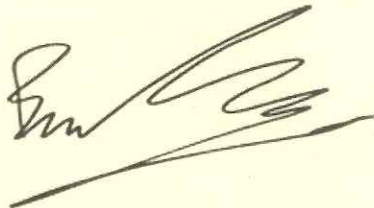
Providing self-employed people with a safety net:

- **Supporting people who are not eligible for Statutory Sick Pay, like the self-employed, through the welfare system so that nobody is penalised for doing the right thing.** We will make it quicker and easier to access benefits. Those on contributory ESA will be able to claim from day 1, instead of day 8. And we are relaxing the requirement for anyone to physically attend a jobcentre – everything can be done by phone or online.

- **Suspending the minimum income floor for twelve months – meaning self-employed people can now access, in full, Universal Credit at a rate that is equivalent to Statutory Sick Pay for employees.** For the self-employed, we are also deferring income tax self-assessment payments for July until the end of January 2021. We will announce further measures to support self-employed people over the coming days.
- **Strengthening the safety net for those who need it – increasing Universal Credit and Working Tax Credit by £1,000 a year – a cash injection of nearly £7 billion in the welfare system.** We are increasing the Universal Credit standard allowance, for the next 12 months, by £1,000 a year. We will also increase Working Tax Credit by the same amount for the next 12 months.

If you have any questions at any time, please do contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bim Afolami', with a long horizontal flourish extending to the right.

Bim Afolami MP

Member of Parliament for Hitchin & Harpenden