

UK GOVERNMENT FINANCIAL MEASURES IN RESPONSE TO COVID-19 BRIEFING DOCUMENT FOR CHURCH OF ENGLAND INSTITUTIONS

COVER NOTE

This version (1 June) of the Briefing Document updates a version previously circulated on or about 29 May 2020 updating a version circulated on or about 1 May 2020.

The latest revision includes very important updates regarding furloughing. In particular, anyone being furloughed must be placed on furlough by 10 June 2020.

Although a significant amount of the information remains unchanged the document has been substantially revised in several places from the version circulated on or about 1 May 2020. The areas which have been substantially revised are as follows:

Coronavirus Job Retention Scheme

Updates re the extension of the scheme, closure of the scheme to new entrants from 30 June (which means the final date that an employee can be furloughed for the first time will be 10 June), flexibility for employees who have been furloughed to resume work at less than contracted hours from 1 July whilst receiving pro-rata CJRS funding, tapering arrangements, and documentation retention

The Retail and Hospitality Grant Fund

Mentions that Church Halls without a rateable value won't be eligible for a grant

Support for the Self-Employed

The scheme is now live and further information has been released

Support for Charities, including from the Arts Council and Lottery Fund

Applications re some of these grants have now closed

Other matters including trading while insolvent and extending filing deadlines

The Bill with the necessary amendments to existing legislation has been published and this section has been updated to include details concerning that and other matters.

UK GOVERNMENT FINANCIAL MEASURES IN RESPONSE TO COVID-19 BRIEFING DOCUMENT FOR CHURCH OF ENGLAND INSTITUTIONS

Overview

The UK Government has set out a package of support for businesses (including charities) through the period of disruption caused by Covid-19, including:

- A. [Coronavirus Job Retention Scheme](#)
- B. [Deferring VAT payments](#)
- C. [Statutory Sick Pay relief for Small and Medium sized businesses](#)
- D. [Business rates holiday for all retail, hospitality, leisure and nursery businesses in England](#)
- E. [The Retail and Hospitality Grant Fund](#)
- F. [The Small Businesses Grant Fund](#)
- G. [Coronavirus Business Interruption Loan Scheme](#)
- H. [Bounce Back Loan Scheme](#)
- I. [HMRC Time To Pay Scheme](#)

In addition, other support schemes have been announced by other bodies, including:

- J. [Big Society Capital - emergency loan fund](#)

Details of each scheme can be found in the following pages. In addition, the Government and other bodies have issued guidance on a number of other issues including support for the self-employed and for charities. These are addressed in the Appendices:

- Appendix 1 [Support for the Self-Employed](#)
- Appendix 2 [Support for Charities, including from the Arts Council and Lottery Fund](#)
- Appendix 3 [Other matters including trading while insolvent and extending filing deadlines](#)

Finally, please note that we and other charities continue to discuss a number of issues with the Government. The latest information is contained in the relevant sections.

The latest Government guidance re support for businesses in relation to COVID-19, including responsibilities as an employer and how to run a business safely can be found here: <https://www.gov.uk/coronavirus/business-support>

This version of the Briefing Document is prepared from the available information as at 29 May 2020. Please take further advice from your professional advisors, HMRC, your local authority or other relevant body to check how these measures might impact your institution.

A CORONAVIRUS JOB RETENTION SCHEME (“CJRS”)

Overview

Under the CJRS, all UK employers are able to access support to continue paying part of their employees’ salary for those employees that would otherwise have been laid off during this crisis. HMRC will reimburse 80% of furloughed workers’ wage costs, up to a cap of £2,500 per month. The Scheme will run until 31 October 2020. However, from August the level of support from the Government will be gradually reduced.

From 1 July, there will be the flexibility to bring previously furloughed employees back to work part-time. The Government will continue to pay a CJRS grant in respect of those workers on a pro-rata basis for any of the normal hours that they do not work. It had previously been announced that this flexibility would be introduced from 1 August.

It was announced on 29 May that the scheme will close to new entrants from 30 June. From this point onwards, employees can only be furloughed if they have already been furloughed for a full three-week period prior to 30 June. This means that the final date that an employee can be furloughed for the first time will be 10 June for a three-week furlough period to be completed by 30 June.

There is an HMRC online system for applications for reimbursement.

Eligibility

All UK employers (including Charities) who had a PAYE payroll in operation on 19 March 2020 are eligible (this is a change from 28 February 2020 as originally announced). Furloughed employees must have been on the PAYE payroll on 19 March 2020, and can be on any type of contract, including:

- full-time employees;
- part-time employees;
- employees on agency contracts; and
- employees on flexible or zero-hour contracts

The scheme also covers employees who were made redundant since 19 March 2020, if they are rehired by their employer. Please note that being on the PAYE payroll means staff who were notified to HMRC on a Real Time Information (“RTI”) submission on or before 19 March 2020.

Applicability for Church of England

Wide applicability. Likely to be relevant to the NCIs, Dioceses, Cathedrals, Bishops’ Offices, Churches with staff (they need to be on payroll and not casual staff eg cleaners), Church Charities.

Restrictions

To be eligible for the subsidy, when on furlough, an employee cannot at present undertake work for or on behalf of the organisation. An employee may undertake voluntary work or, if permitted under their employment contract, paid work for another organisation. However, people are NOT permitted to undertake voluntary work for their employer.

If an employee is working, but on reduced hours, or for reduced pay, they will not be eligible for this scheme and you will have to continue paying the employee. With effect from 1 July, employees who have been furloughed will be able to return to work on a part time basis with the scheme applying on a pro-rata basis. Note that this will only apply to those returning to work. It will not apply to those who continued to work albeit on a reduced hours or reduced pay basis.

The scheme will close to new entrants from 30 June. From this point onwards, employees can only be furloughed if they have already been furloughed for a full three-week period prior to 30 June. This means that the final date that an employee can be furloughed for the first time will be 10 June for a three-week furlough period to be completed by 30 June.

Implementation of the Scheme

An employer needs to do the following:

- to designate affected employees as 'furloughed workers' and agree the change with the relevant employees (the precise mechanism will depend on the wording of the relevant employment contracts and the agreement must be in writing. This may either consist of an exchange between the employer and the employee or something in writing from the employer confirming the agreed terms (it is specifically provided that e-mails are sufficient)); and
- submit information to HMRC about the employees that have been furloughed and their earnings. To do this the employer must be registered with HMRC Online. The scheme became active on 20 April and payments are usually made within six days of an application.

Details re how to register for HMRC Online can be found here:

<https://www.gov.uk/payee-online/enrol> .

Details re how to calculate your claim can be found here (there is a link to a calculator function on the page):

<https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme> .

You will be required to submit the following information to HMRC:

- your employer PAYE reference number;

- the number of employees being furloughed;
- National Insurance Numbers for the employees you want to furlough;
- Names of the furloughed employees;
- Payroll/employee number for the furloughed employees (optional);
- your Self Assessment Unique Taxpayer Reference, Corporation Tax Unique Taxpayer Reference, Company Registration Number or Employer Name (as appropriate);
- the claim period (start and end date);
- amount claimed (per the minimum length of furloughing of 3 consecutive weeks);
- your bank account number and sort code;
- your contact name; and
- your phone number.

If you have fewer than 100 furloughed staff you will be asked to enter details of each employee you are claiming for directly into the system – this will include their name, National Insurance number, claim period and claim amount, and payroll/employee number (optional). If you have 100 or more furloughed staff you will be asked to upload a file with the information rather than input it directly into the system. HMRC will accept the following file types: .xls .xlsx .csv .ods .

Tapering Arrangements

As mentioned above from August the level of grant provided by the scheme be slowly tapered.

- In June the scheme will continue to operate as previously.
- In July the scheme will continue to operate as previously. However, under the new flexibility arrangements if an employee returns to work part time, the government grant will only be paid on a pro-rata for those employees
- in August, the government will continue to pay 80% of wages up to a cap of £2,500 but employers will pay ER NICs and pension contributions. Pro-rata rates will apply for those returning to work on a part time basis.
- in September, the government will pay 70% of wages up to a cap of £2,187.50 and employers will pay ER NICs, pension contributions and 10% of wages to make up 80% of the total up to a cap of £2,500. Pro-rata rates will apply for those returning to work on a part time basis.
- in October, the government will pay 60% of wages up to a cap of £1,875 and employers will pay ER NICs, pension contributions and 20% of wages to make up 80% of the total up to a cap of £2,500. Pro-rata rates will apply for those returning to work on a part time basis.

Points for noting

The latest official guidance re how and what employers can claim can be found here: <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>.

The following points are worth noting.

- Employers are able to choose whether to pay the remaining 20% of a furloughed employee's salary themselves, or only to pay the employee on furlough the 80% salary which will be reimbursed by the government, supplemented by the employer contribution from August. For higher paid employees, it is up to the employer whether to pay the excess salary over the £2,500 per month that will be reimbursed by the government.
- There is no mention of any restriction re assets etc. of an employer in order to be eligible for the CJRS. If any employer now has employees who would otherwise be made redundant as there is no work for them, those employees can be furloughed and the CJRS grant claimed in respect of those employees.
- The lower of 80% of salary or £2,500 that will be met by HMRC excludes Employer NICs and employer auto enrolment pension contributions, which will also be met by the government under the scheme.
- Employers continue to pay their payroll as normal (at reduced rate of 80% for those furloughed unless they have chosen to top it up) and then submit a claim for reimbursement for the furloughed employees' salaries. Once a claim has been made, HMRC will check it is eligible and then pay the CJRS grant due to the relevant employer directly into the employer's UK bank account via BACS.
- While on furlough, the employee's wage will be subject to usual income tax and other deductions
- Employees on furlough continue to be employees and accrue all employment rights, such as holiday, parental leave, Statutory Sick Pay, and redundancy entitlements.
- The minimum period of furlough for which HMRC will pay a grant is 3 weeks.
- The process for identifying and agreeing which employees will be furloughed must follow employment law requirements and must comply with the Equality Act and other anti-discrimination law. Employees must be informed in writing (e-mail is sufficient) and the new contract terms agreed. Records must be retained until 30 June 2025.
- Employers are entitled to furlough employees who are being shielded or off on long-term sick leave. Employees who are unable to work because they have caring responsibilities resulting from coronavirus (eg employees that need to look after children) can be furloughed.

- Apprentices can be furloughed in the same way as other employees. They can continue with training, but employers must ensure that they are paid the National Minimum Wage when undertaking training.
- Office holders can be furloughed. However, stipendiary priests will not usually be eligible to be furloughed except in exceptional circumstance owing to the nature of their office and the duties associated with it. Please seek legal advice if you are considering furloughing a priest. The NCIs legal office have provided guidance on this point but please also speak to the Diocesan Registrar. NOTE: The deemed employer for stipendiary priests is the Church Commissioners. The Church Commissioners must be included in any discussions re furloughing priests as the Commissioners are the entity that has to make the claim under the CJRS and as such the paperwork will need to be prepared accordingly. Please contact the Clergy Payroll team.

B SUPPORT FOR BUSINESSES THROUGH DEFERRING VAT PAYMENTS

Overview

All UK businesses can defer Valued Added Tax (“VAT”) payments for 3 months. The deferral will apply from 20 March 2020 until 30 June 2020.

Eligibility

All UK VAT registered businesses (incl Charities) are eligible.

Applicability for Church of England:

Wide applicability. Likely to be relevant to the NCIs, Dioceses, Cathedrals, Large Churches, and Church Charities.

Implementation of the Scheme

This Scheme is of general application and nothing specific needs to be done by any organisation. The deferral scheme will operate as follows:

- The deferment covers UK VAT registered businesses in relation to payments which fall due on or before 30 June;
- It applies to payments on account as well as payments due with VAT returns;
- Any VAT payment deferred needs to be made by 31 March 2021; and
- It does not apply to VAT paid to HMRC under the mini-one stop shop.

Points for noting

- This does not affect the charging of VAT on goods and services. VAT should be added as normal to all invoices etc.
- Likewise, this does not affect the payment of VAT on goods and services and all invoices etc. should be paid as usual including the VAT.
- This is only a deferral of amounts due, ie it is only a cash flow relief. Any VAT payable to HMRC before 30 June 2020 remains due and payable and must be paid to HMRC by 31 March 2021.
- This does not affect the submission of VAT Returns. These should be prepared and submitted as usual.

C SUPPORT FOR SMALLER BUSINESSES WHO ARE PAYING SICK PAY TO EMPLOYEES

Overview

Small and medium-sized businesses and employers will be able to reclaim Statutory Sick Pay (“SSP”) paid for sickness absence due to COVID-19.

Eligibility

UK based businesses which employed fewer than 250 employees as at 28 Feb 2020.

Applicability for Church of England

Wide applicability. Some institutions, eg the NCIs and large Dioceses may not be eligible, but it is likely to be relevant to Dioceses, Cathedrals, Bishops’ Offices, Churches with staff (they need to be on payroll and not casual staff eg cleaners), and Church Charities.

Implementation of the Scheme

The Scheme has now been implemented and claims can be made online. Full details can be found here:

<https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-your-employees-due-to-coronavirus-covid-19>.

The information required is similar to that required re the CJRS.. However, the Government has announced the following eligibility criteria for the scheme:

- the refund will cover up to 2 weeks’ SSP per eligible employee who has been off work because of COVID-19, starting on Day 1 of their illness;
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020;
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19; and
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note.

Points for noting

- Employers are still required to pay SSP to their employees. However, if eligible, they may claim for a refund. Claims can only be made after SSP has been paid.
- If employers require sick notes these will not be provided by GPs but those with symptoms of COVID-19 can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website.
- Claims can be made re those who are shielding and have a letter from the NHS or a GP telling them to stay at home for at least 12 weeks.

D BUSINESS RATES HOLIDAY

1. FOR RETAIL, HOSPITALITY AND LEISURE BUSINESSES

Overview

There will be a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

Eligibility

Businesses based in England in the retail, hospitality and/or leisure sector. The Government have stated that these are premises that are wholly or mainly being used:

- a. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- b. for assembly and leisure; or
- c. as hotels, guest & boarding premises and self-catering accommodation.

The full guidance re eligibility can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf .

Applicability for Church of England

This may apply to shops/cafes in Cathedrals and other Churches (if liable for business rates). This may also apply to Church Halls and similar venue as guidance says that it includes premises that are being used for the assembly of visiting members of the public including public halls.

Implementation of the Scheme

This will automatically apply in respect of all eligible premises with effect from 1 April 2020. Local authorities may have to reissue bills to take this into account. If you believe that you are eligible for the scheme, please contact your local authority before paying any business rate demands.

Points for noting

The Government has also stated that hospitality businesses should be able to claim on their business continuity insurance as a result of government guidance to the public. Affected institutions (eg Cathedrals) should check their insurance cover and contact their insurers to discuss this further.

D BUSINESS RATES HOLIDAY

2. FOR NURSERY BUSINESSES

Overview

There will be a business rates holiday for nurseries in England for the 2020 to 2021 tax year.

Eligibility

This relief will apply to premises occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21. Full guidance re eligibility can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874284/Nursery_discount_guidance.pdf.

Applicability for Church of England

This could apply to a nursery run in Church or Cathedral owned premises eg a Church Hall.

Implementation of the Scheme

This will automatically apply in respect of all eligible premises with effect from 1 April 2020. Local authorities may have to reissue bills to take this into account. If you believe that you are eligible for the scheme, please contact your local authority before paying any business rate demands.

E THE RETAIL AND HOSPITALITY GRANT FUND

Overview

This Fund provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property. Businesses in these sectors with a rateable value of up to £15,000 will receive a grant of £10,000. Businesses in these sectors with a rateable value from £15,001 up to £51,000 will receive a grant of £25,000.

Eligibility

Businesses are eligible for the grant if they are based in England, are in the retail, hospitality or leisure sector, and have a rateable value of under £51,000. Properties that will benefit from the relief will be occupied properties that are wholly or mainly being used:

- a. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- b. for assembly and leisure; or
- c. as hotels, guest & boarding premises and self-catering accommodation.

Applicability for Church of England

The businesses eligible for these grants are the same categories as those mentioned in respect of the Business Rates Relief at D.1. above. However, it should be noted that it is necessary for a business premises to have a rateable value rather than to be exempt from paying business rates. Depending on the ownership structure it is possible that Church Halls etc. owned by PCCs may not have a rateable value and, therefore, will not be eligible for this grant.

Implementation of the Scheme

Local authorities will write to businesses that are eligible for this grant. If you believe that you should be eligible but do not hear anything, please contact the relevant local authority.

F THE SMALL BUSINESS GRANT FUND

Overview

This Fund will provide all eligible small businesses in England with a grant payment of £10,000.

Eligibility

Businesses are eligible for the grant if they are based in England and occupied a property on the 11 March 2020 which was were eligible for relief under the business rate Small Business Rate Relief Scheme (including those with a Rateable Value between £12,000 and £15,000 which receive tapered relief) or which were eligible for relief under the rural rate relief scheme.

Applicability for Church of England

It is likely that some small cafes and restaurants in Churches and Cathedrals will qualify. In addition, some Church Halls and other similar operations may qualify. The same qualifications re whether a venue has a rateable value will also apply.

Implementation of the Scheme

Local authorities will write to businesses that are eligible for this grant. If you believe that you should be eligible but do not hear anything, please contact the relevant local authority.

G CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (“CBILS”)

Overview

This scheme, which is co-ordinated by the British Business Bank, primarily enables small and medium-sized businesses (those with a turnover below £45m pa) to access bank lending and overdrafts. The government provides lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme supports loans of up to £5 million in value. The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied charges.

A similar scheme (known as the Coronavirus Large Business Interruption Loan Scheme (“CLBILS”)) exists for larger organisations and offers government-backed loans of up to £25m to firms with revenues of between £45m and £500m. A further scheme (known as the COVID-19 Corporate Financing Facility) is available to provide liquidity for larger businesses that are not eligible for these loans.

Eligibility

UK based businesses with turnover of up to £45m pa which meet the British Business Bank eligibility criteria are eligible for these schemes. In addition, a business needs to show that it would be viable were it not for the pandemic and that it has been adversely impacted by the coronavirus. If a business wants to borrow £30,000 or more, it will also need to confirm that it wasn't classed as a business in difficulty on 31 December 2019.

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- state-funded primary and secondary schools”

There is a requirement for 50% of turnover to be derived from trading income but this requirement does not apply to charities.

Applicability for Church of England

This scheme should be available to many Church of England organisations. However, all organisations must be aware that this is a loan scheme and the loan must be repaid.

Implementation of the Scheme

The full rules of the Schemes and the list of accredited lenders are available on the [British Business Bank website](#). All the major banks offer the Schemes and there are 40 accredited

providers in all. If you think that you might be eligible and wish to apply for a loan under the scheme, you should talk to your bank as soon as possible and discuss your business plan with them. The scheme for smaller businesses went live in March 2020 and that for larger businesses went live on 20 April 2020.

Points for noting

It should be noted that this scheme provides security for banks re the loans. The loans are granted on ordinary commercial terms and must be supported by business plans showing that they can be paid back. If you don't want to take on additional debt these loans would not be suitable.

H BOUNCE BACK LOAN SCHEME

Overview

This scheme supports small and medium-sized businesses and enables them to borrow between £2,000 and £50,000. The government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years. No repayments will be due during the first 12 months. The government has said that it will work with lenders to agree a low rate of interest for the remaining period of the loan.

Eligibility

A business can apply if it:

- is based in the UK;
- has been negatively affected by coronavirus; and
- was not an 'undertaking in difficulty' on 31 December 2019.

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers);
- public-sector bodies; and
- state-funded primary and secondary schools

Applicability for Church of England

This scheme should be available to many Church of England organisations. However, all organisations must be aware that this is a loan scheme and the loan must be repaid. However, the low interest rates etc. may make it more attractive than ordinary bank borrowing or an overdraft.

Implementation of the Scheme

There are 11 lenders participating in the scheme including many of the main retail banks. To apply for a Bounce Back Loan a business should approach a suitable lender via the lender's website.

Up to date information re the scheme can be found here:

<https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

Points for noting

It should be noted that this scheme provides security for banks re the loans. If you don't want to take on additional debt these loans would not be suitable.

I SUPPORT FOR BUSINESSES PAYING TAX: TIME TO PAY SERVICE

Overview

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

Eligibility

Any business that pays tax to the UK government and has outstanding tax liabilities

Applicability for Church of England

Any Church institution that is having cash flow issues and has outstanding tax liabilities will potentially be eligible.

Implementation of the Scheme

This is only available if you contact HMRC directly. Any business which has missed a tax payment or might miss a next payment due to COVID-19 should call HMRC's dedicated helpline: 0800 0159 559. It is important to obtain agreement from HMRC in advance of missing payments. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

See here for more detail:

<https://www.gov.uk/government/news/tax-helpline-to-support-businesses-affected-by-coronavirus-covid-19>

J. BIG SOCIETY CAPITAL – RESILIENCE AND RECOVERY LOAN FUND

Overview

Big Society Capital has worked with social investors and the Department for Digital, Culture, Media and Sport (“DCMS”) to create a £100 million emergency response. The measures include a new £25 million Resilience and Recovery Loan Fund, alongside changes to the Community Investment Enterprise Fund (“CIEF”) to allow loans under the Coronavirus Business Interruption Loan Scheme and the repurposing of up to £50 million of existing capital.

The Resilience and Recovery Loan Fund will be managed by Social Investment Business (“SIB”). Big Society Capital will provide the funds, with loans backed by the Government’s existing Coronavirus Business Interruption Loan Scheme and issued through SIB working with Charity Bank, Social and Sustainable Capital and Big Issue Invest.

These loans will be interest-free for 12 months and no arrangement fees will be paid. In addition, no personal guarantees will be required

Eligibility

Social enterprises and charities facing cash-flow problems and disruption to their trading will be able to apply for loans. Big Society Capital has a remit to invest money in organisations that “exist wholly or mainly to provide benefit for society or the environment”; so any organisations need to be able to meet what is set out in Big Society Capital’s governance principles. For the avoidance of doubt, this includes:

- registered charities
- community interest companies
- community benefit societies

In addition, an organisation must meet the size requirements etc. for CBILS (see Section G).

Loans will be for between £100,000 and £500,000. There are, therefore size requirements etc. for applicants to be eligible

Applicability for Church of England

As most Church institutions are charities they should be eligible to apply. However, given the size of loans on offer smaller organisations are unlikely to meet the financial requirements.

Implementation of the Scheme

Full details of the scheme, including how to apply, can be found here:

<https://www.sibgroup.org.uk/resilience-and-recovery-loan-fund>

APPENDIX 1

SUPPORT FOR SELF-EMPLOYED WORKERS (CONTRACTORS, FREELANCE WORKERS ETC.)

1. THE CORONAVIRUS (COVID-19) SELF-EMPLOYMENT INCOME SUPPORT SCHEME

Overview

This scheme is analogous to the Coronavirus Job Retention Scheme. It allows someone who is self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month until the end of June. It is unclear at present whether this will be extended on the same basis as the CJRS. However, unlike furloughed staff, people receiving this grant can continue to work. They can also start a new trade, or take on other employment including voluntary work.

Those eligible for this grant will be able to claim a second and final grant in August. The grant will be worth 70% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £6,570 in total.

Eligibility

Those who are eligible are those who are self-employed individual or a member of a partnership and:

- have submitted an Income Tax Self-Assessment tax return for the tax year 2018-19;
- traded in the tax year 2019-20;
- are trading when they apply, or would be except for COVID-19;
- intend to continue to trade in the tax year 2020-21; and
- have lost trading/partnership trading profits due to COVID-19.

In addition, their self-employed trading profits must be less than £50,000 and more than half their income must come from self-employment.

Implementation of the Scheme

Claims can be made online. HMRC has contacted those whom it believes to be eligible inviting them to claim using the GOV.UK online service. Payments should be made within six days of making a claim.

This scheme is only be accessible via gov.uk and must be made by the claimant. If someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, do not click on the link or give the details as it will be a scam.

The scheme allows a claimant to claim a taxable grant of 80% of their average monthly trading profits, paid out in a single instalment covering the three months to the end of June, and capped at £7,500 altogether. It also allows a claimant to claim a second taxable grant of 70% of their average monthly trading profits, paid out in a single instalment covering the three months to the end of September, and capped at £6,570 altogether.

The grant does not need to be repaid but will be subject to Income Tax and self-employed National Insurance.

Points for noting

- You can make a claim for Universal Credit while you wait for the grant. You should record the grant as part of your self-employment income, and it may affect the amount of Universal Credit you get. This will not affect Universal Credit claims for earlier periods.

2. OTHER SUPPORT

Deferral of Income Tax Payments on Account

The Government has announced that any self-assessment payments on account due by 31 July 2020 may be deferred until January 2021. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until 31 January 2021.

APPENDIX 2

CHARITY SPECIFIC MEASURES

1. ARTS COUNCIL ENGLAND GRANTS

Overview

The Arts Council announced a £160 million emergency response package to support individuals and organisations across the cultural sector in response to the Covid-19 crisis. This package can be broken down as follows:

- £90 million will be available for National Portfolio Organisations (NPOs);
- £50 million will be available for organisations outside the National Portfolio; and
- £20 million will be available to creative practitioners and cultural workers.

Organisations outside the National Portfolio were eligible for grants up to the value of £35k to help with urgent operational costs following loss of income but applications for these grants have now closed.

2. NATIONAL LOTTERY HERITAGE FUND EMERGENCY GRANTS

Overview

The National Lottery Heritage Fund has announced that it will give grants of up to £50k for organisations that they have previously funded and which are not eligible for other forms of support. The fund will be available for grants of between £3,000 and £50,000.

It has also announced that it will give emergency grants of £50,000 to £250,000 to help organisations that manage a heritage asset that is at risk over the next 4 months.

Eligibility

Grants will be available to organisations across the full breadth of heritage, including historic sites, industrial and maritime heritage, museums, libraries and archives, parks and gardens, landscapes and nature. For the lower level of funding an organisation must be:

- a not-for-profit organisation;
- a current or previous recipient of a grant directly from us; and
- an owner, manager or representative of heritage, or be able to show you have delivered participatory heritage activity

Priority will be given to organisations that:

- have limited or no alternative access to other sources of support;
- have already tried other options to stop being at risk;
- are in greater financial risk from COVID-19 due to a reliance on trading or community fundraising income streams; and
- are in greater financial risk due to limited reserves

For the higher level of funding an organisation must be:

- a not-for-profit organisation;
- a current or previous recipient of a grant directly from National Lottery Heritage Fund for a project relating to a heritage asset at risk; and
- an owner or manager of a heritage asset that is at risk due to the financial needs of the organisation over the next 4 months.

Applicability for Church of England

These schemes could potentially apply to any churches. Given that priority will be given to organisations that are not in receipt of or eligible for any other kind of support it may be most applicable to smaller parish churches. You must still be within the grant terms of your award from the National Lottery Heritage Fund/Heritage Lottery Fund – this is usually 10 years. Churches who received funding under the Grants for Places of Worship fund will be eligible if they meet other criteria. You must demonstrate that you have exhausted all other funding

options, so a confirmation of this may be required from your diocese (an Archdeacon or senior lay officer would be ideal).

As a result of dealing with the crisis, the Heritage Fund has closed to new applications for its general grants. This has impacted a number of churches who were planning applications and staff at the NCIs have raised this issue with the Chair of the Fund.

Implementation of the Scheme

Further details including how to apply can be found here:

<https://www.heritagefund.org.uk/funding/heritage-emergency-fund> .

3. NATIONAL LOTTERY COMMUNITY FUND (“NLCF”)

A. CORONAVIRUS COMMUNITY SUPPORT FUND

Overview

The NLCF has been chosen to administer a large part of the money the government has made available to frontline charities. They have launched a £200m Coronavirus Community Support Fund aimed primarily at small to medium organisations in England. The fund has two key objectives: to increase community support to vulnerable people affected by the COVID-19 crisis and to reduce temporary closures of essential charities and social enterprises.

Eligibility

NLCF will fund activities supporting people and communities affected by COVID-19. They will also help organisations overcome any acute financial difficulties they face as a result of the pandemic.

There are three kinds of grants available:

- [Grants from £300 to £10,000;](#)
- [Grants from £10,000 to £100,000;](#) and
- [Grants for organisations working in partnership, from £10,000 to £100,000.](#)

The eligibility criteria for each category differ so please follow the hyperlinks for more information

Applicability for Church of England

Churches and cathedrals are eligible for funding from this Fund for projects that address the priorities above. As for other National Lottery funding, funding is not available for projects aimed at furthering religion, or protecting heritage. For the latter category, the National Lottery Heritage Fund is the dedicated funder. An overtly religious elements of a project may well jeopardise an application.

Implementation of the scheme

The Fund is now open. Should you wish to take advantage of this scheme please visit the NLCF website here:

[Applications](#)

3. NATIONAL LOTTERY COMMUNITY FUND (“NLCF”)

B. GENERAL FUND

Overview

Churches are eligible for the Community Fund’s general funds. Although there is no dedicated emergency fund, all the funding decisions made for the next six months (up to £300m of National Lottery funding) will be devoted to addressing the current crisis. To reach those groups best placed to support their communities at this vital time they will prioritise faster payments for existing grant holders and applicants using the following criteria:

- activities specifically geared to supporting communities through this crisis; and
- helping organisations overcome any liquidity issues caused by COVID-19.

Eligibility

Projects must address one or more of the three strategic priorities:

- bringing people together and build strong relationships in and across communities;
- improving the places and spaces that matter to communities; and
- helping more people to reach their potential, by supporting them at the earliest possible stage.

Applicability for Church of England

Churches and cathedrals are eligible for Community Fund funding for projects that address the priorities above, but not for projects aimed at furthering religion, or protecting heritage. For the latter category, the National Lottery Heritage Fund is the dedicated funder. An overtly religious elements of a project may well jeopardise an application.

Implementation of the scheme

For more details on applying, and current deadlines, visit the website:

<https://www.tnlcommunityfund.org.uk/funding/programmes>

4. HISTORIC ENGLAND EMERGENCY FUND

Overview

Historic England offered emergency financial support for heritage organisations to run alongside other measures introduced by the Government and their partners in the heritage and cultural sectors. Applicants could apply for grants of up to £25,000 to address financial difficulties arising from Coronavirus. Grants of up to £50,000 were also available for projects and activities that reduce risks to heritage by providing information, resources and skills. Applications for grants have now closed.

APPENDIX 3

OTHER ADVICE

Insurance

If you have insurance cover for both pandemics and government-ordered closure, this should be triggered as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc. is sufficient to make a claim as long as all other terms and conditions are met.

Insurance policies differ significantly, so please check the terms and conditions of your policy and contact your insurance provider. Most standard business interruption insurance policies are unlikely to provide cover as they are typically dependent on damage to property and will exclude pandemics.

Mortgage Payment holiday

The Chancellor announced that mortgage lenders would offer an initial three-month mortgage payment holiday for those in financial need as a result of the Covid-19 crisis.

IR35

The government has delayed the introduction of the off-payroll labour/IR35 reforms for private sector businesses until 6 April 2021.

Property Rentals

For entities that rent-out property, please be aware that if the tenant can't pay rent, they can't be evicted during the present situation. See here for more details:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876500/Consolidated Landlord and Tenant Guidance COVID and the PRS v4.2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876500/Consolidated_Landlord_and_Tenant_Guidance_COVID_and_the_PRS_v4.2.pdf)

The Government has also announced a measure to prevent aggressive rent collection and foreclosure. There will be a temporarily ban the use of statutory demands and winding up petitions up to 30 June where tenants are unable to pay bills because of the current situation. See here for more details:

<https://www.gov.uk/government/news/new-measures-to-protect-uk-high-street-from-aggressive-rent-collection-and-closure>

The legislation concerning this will be included in the Corporate Insolvency and Governance Bill – see below concerning Trading when Insolvent for more details re the Bill.

Trading while Insolvent

The Business Secretary announced new insolvency measures to help businesses hit by the coronavirus crisis. Legislation to enact this is currently before Parliament. Significantly, there is to be a three-month suspension of the wrongful trading rules in order to remove the threat of directors incurring personal liability whilst trading during the pandemic. The change in law is to be applied retrospectively from 1 March 2020 for an initial period of three months. However, all other “checks and balances” that help to ensure directors fulfil their legal duties properly will remain in force.

As this requires amendments to the Insolvency Act this will need to be passed by Parliament. The Corporate Insolvency and Governance Bill received its First Reading in the House of Commons on 20 May 2020. Second Reading is scheduled for 3 June 2020.

The Bill, as currently drafted, can be found here:

https://publications.parliament.uk/pa/bills/cbill/58-01/0128/cbill_2019-20210128_en_1.htm

Extensions of Filing Deadlines

Companies House has announced that they will automatically accept applications for three month extensions to the filing deadline for filing annual accounts.

The Charity Commission have not announced an automatic extension but have indicated that applications for the extension of deadlines will be granted.

Where entities are governed by legislation, eg statutory bodies, extensions may not be possible.

Cancelled Challenge Events

HMRC have stated that where such events are cancelled due to Covid-19, provided the same approach is taken as previously advised, e.g. where a ticket holder, instead of receiving a refund, donates the money instead, they will relax our usual approach. Under this temporary relaxation, where individuals choose to donate their refunded ticket/entry money, HMRC will accept that the donation is potentially eligible for Gift Aid without the money having to be physically returned.

Further details are available if required.

Gift Aid Small Donations Scheme (“GASDS”)

HMRC officials responded to an enquiry from the Charity Tax Group on GASDS as follows:

“In respect of GASDS, guidance on the eligibility for donations for inclusion in this scheme is clear in stating that claims can only be made on cash donations of £30 or less; and contactless

card donations of £30 or less collected on or after 6 April 2019. The decision over what constitutes an eligible donation is one for the church/charity to make for themselves, rather than for HMRC, but the conditions for something to be considered a ‘small donation’ are clearly set out in legislation. Where it is the case, for example, of separate donations being given in a single envelope, then if the church/charity official is happy these are clearly separate ‘small donations’ (and clearly stated as such) then they will be eligible for GASDS, as is the case where separate envelopes are used”.

This is a welcome and pragmatic clarification from HMRC officials, recognising the practical difficulties caused by COVID-19. If, for example, a church member puts £200 cash in an envelope and marks it as 10 weeks of £20 weekly donations for the occasions where they have not been able to make a regular cash offering, it appears HMRC would be happy for the church to regard them as eligible donations under GASDS. Alternatively 10 separate envelopes with <£30 could be included where these are clearly separate donations.

When the lockdown restrictions are eased PCCs etc. might wish to consider making it easier to distinguish such gifts by providing separate collecting plates/donation receptacles reserved for saved-up donations. The annual cap on eligible donations will remain at £8,000.