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COVID 19 – Financial Issues

With Kate Brown

About Kate Brown

- Chartered accountant with over 20 years experience with individuals and businesses of all sizes.
- Based in Northamptonshire since 2001.

Covid19 measures

Grant

- The £10,000 grant is a vital lifeline offered by the government for small businesses (including osteopathic/chiropractic practice) to deal with the impact of coronavirus.
- Small businesses must be on small business rate relief or rural rate relief to qualify for the grant.

Reclaim SSP costs

- Small businesses may be entitled to reclaim the SSP

Measures Announced 20 March (after the lunchtime broadcast)

Job Retention Scheme:

- Applies to all employers who have to furlough their employees due to coronavirus;
- 80% of their normal wages will be covered by a rebate dating back to 1st March 2020;
- It is up to you if you make up the difference – you do not have to;
- There is a ceiling of £2,500 per month for someone on a current salary of £37,500 or over.
- The system is still being set up and further guidance will be available as to how they are going to pay this.

Coronavirus Business Interruption Loan:

- You now get 12 months interest free

Self-employed:

- The July tax payment on account can be deferred to January 2021
- They have (allegedly) made it easier to access benefits for self-employed people who are no longer able to work

costs for COVID-19 related sickness – employers with fewer than 250 employees will be eligible.

- While the government commits to pay the extra costs incurred by employers paying the SSP costs, its current systems are not designed to facilitate immediate refunds. Repayments are intended to be done over the coming months.
- Those eligible for SSP should be classed as employees and earn an average of at least £120 per week. The SSP is not for self-employed individuals.

Source: <https://www.gov.uk/statutory-sick-pay>

Expanded retail discount

- This applies to occupied retail, leisure, and hospitality properties that are closed as a result of COVID-19 restriction measures.
- The government-funded relief for each property for 2020/21 is 100% of the bill after mandatory reliefs and other discretionary reliefs. There will be no rateable value limit on the relief.
- The type of uses that are NOT considered eligible for the discount include medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors); financial services; professional services; and post office sorting offices.
- There is no need to apply for the discount - the local council will automatically apply it. Accounts are identified to award the relief.
- If a business is eligible for small business rate relief or rural rate relief in England, it is entitled to a one-off cash grant of £10,000.

NOTE: If you have a property with a rateable value of £15,000 or less then you will be entitled to a grant of £10,000 - this applies to small business receiving business rate relief or rural rate relief. If you have a property with a rateable value of between £15,000 and £51,000 then you will be entitled to a cash grant of £25,000.

Guide source: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

Time to pay offer

Time to Pay services are offered to individuals who are in temporary financial difficulty as a result of COVID-19 and have outstanding tax liabilities.

Business rates are charged on most non-domestic properties such as shops, offices, pubs, warehouses, factories, and holiday rental homes or guest houses.

Business owners may have to pay business rates if they use a building or part of a building for non-domestic purposes. They need to apply to get business rates relief from their local council.

If a business is run from home, the owner should declare it in his application for business use of the premises which will then be subject to non-domestic rates.

<https://www.gov.uk/introduction-to-business-rates>

Business interruption loans, Insurance claims, etc.

- The government has offered to act as a guarantor for business interruption loans (with 6 months interest-free clause).
- Businesses may also claim for loss of earnings from their insurance company if there is a clause in their insurance policy for claims specific to pandemics or government-ordered closures.
- Business insurance and liability insurance are usually wrapped in one policy.

Update on Business Interruption Insurance

- Balens announced that BII would NOT cover closure due to COVID-19 – this is the case with all BII policies. These policies would cover an outbreak that began in the clinic but coronavirus is a pandemic hence not covered.
- Critical illness cover, however might cover you. Check with your broker.

On clinics that continue to operate

- The General Chiropractic Council and the General Osteopathic Council allow chiropractors and osteopaths to keep their clinics open. But the GOsC has made it clear that there must be consent to treat specific to the risk of contracting the virus.
- Both councils advise the practitioners to administer sensible measures to avoid the virus spread.

- Some clinics institute a 15-minute gap between all their patients to minimise contact in the waiting room. They also sanitise the area during the gaps (i.e. disinfect surfaces, etc.).

On Coronavirus

- The clinic coat is a potential source of infection as the material is absorbent.
- The virus survives 4 hours on a copper surface; 48-72 hours on plastic, steel, and cardboard.
- After about an hour airborne, the virus is not of sufficient level to infect people.
- People need to use 60% alcohol or greater to kill the virus. The easiest way to kill it is by washing with soap and water. It is vulnerable to soap because it has a lipid membrane.
- Vitamin C helps boost the immune system (it is not a treatment for Coronavirus). The recommended daily dose is two grams (2000 milligrams). For people who start suffering symptoms, it is five grams a day.