

BIZ BUZZ CRISIS UPDATE 28-03-2020

Action on insolvency, AGMs and credit ratings.

This update will clarify some of the issues that have very much concerned small businesses as they try to cope with the welter of changed rules and legislation. As we have said before : Don't give up and don't panic. The Government and many other organisations are trying to get it right and support those who have become vulnerable through no fault of their own. The new Business Secretary, Alok Sharma has made some important announcements in today's press conference.

BUSINESS INTERRUPTION LOANS The new coronavirus Business Interruption Loan Scheme will start on Monday.

SMALL BUSINESS GRANTS The new grants for the smallest businesses and those for Retail, Hospitality and Leisure should be accessible soon. Alok Sharma says the the first tranche of funding arrived with the English local councils yesterday. He wants it to be given to the businesses" as soon as possible". Breckland DC say you do not have to apply for this. If you are in the relevant business rate groups you will be contacted by them. Check out the deal here: <https://www.breckland.gov.uk/article/14041/Business-Rates-and-Grants>

INSOLVENCY RULES RELAXED The Government is to improve the insolvency system to help companies which need restructuring or financial rescue packages the support to keep trading. The idea is to simply give companies "extra time and space to weather the storm" so that if possible they can pick up when the crisis is over. The intention is to protect workers and also give creditors "the best return possible in the circumstances".

There will be new rules that such companies can continue to get hold of supplies and raw materials and there will be a temporary suspension of wrongful trading provisions for company directors to remove the threat of personal liability during the pandemic. These new laws will be brought in "at the earliest opportunity". However, all other checks and balances to ensure directors perform their function properly will stay in place.

CREDIT REFERENCE AGENCIES and banks have not been acting fairly. The Financial Conduct Authority has announced that it will be meeting with banks, building societies and other interested parties on Monday to prevent information going to credit reference agencies for non payment when it's due to covid-19.

AGMs DELAY There will be new rules allowing Company AGMs to take place flexibly e.g. by phone using proxy voting, on line or simply postponing.

BUSINESS ACCOUNTS DELAY The filing of business accounts can be delayed by 3 months using an online process. This was announced earlier in the week. Already 10,000 businesses have applied successfully to Companies House to do this. Further extensions may be allowed if necessary later.

COMPETITION RULES RELAXED Sharma has already introduced legislation to relax competition rules particularly in the supermarket sector allowing for

example the sharing of delivery vans. It means companies can work together more effectively.

STATUTORY ANNUAL LEAVE They've also introduced measures to allow workers who have not taken their full annual leave entitlement due to covid 19 to carry the entitlement forward over the next 2 years. The hope is that in this way staff won't lose out and businesses will gain flexibility.

USEFUL LINKS: Local accountants M+A have compiled a very practical guide of business support . Be aware that all the information coming out is changing all the time. <https://www.mapartners.co.uk/news/coronavirus-financial-support-for-businesses/>

Breckland's "Regeneration Unit" is handling the Covid - 19 business matters. <https://www.breckland.gov.uk/coronavirus-business-guidance>
regeneration@breckland.gov.uk

Government business support

<https://www.businesssupport.gov.uk/self-employment-income-support-scheme/>

All the updates from Biz Buzz this week are to be found on www.np4nb.online