

## Covid-19: Frequently Asked Questions\*

\*All information is based on ukactive's interpretation of the Government's guidance. Companies should always consult with legal teams before taking any action.

### General

#### Where can I find the latest information?

Given the rapidly changing nature of the Covid-19 outbreak, it is important to be fully up to date with the latest advice.

ukactive will be keeping members across all the latest developments on its [Covid-19 hub](#).

For the latest from the Government, the following links are available:

- [UK Government](#)
- [Scottish Government](#)
- [Welsh Government](#)
- [Northern Irish Government](#)

#### What is the Small Business Grant Fund and who can apply?

In response to the Covid-19 outbreak and its impact on business, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors. This support will take the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLG).

Under the SBGF, all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000.

Under the RHLG, businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for support. This will be £10,000 for those businesses with a rateable value of £15,000 or less, and £25,000 for those with a rateable value of between £15,001 and £51,000.

This grant should be given directly by local authorities to eligible businesses, providing they believe the information they have on file is accurate. Full details can be found [here](#).

Scotland has announced the same measures as part of a £2.2 billion [package](#).

Wales has announced a grant scheme, with grants of £10,000 for businesses employing up to nine people, and grants of up to £100,000 for firms employing between ten and 249 people. Further support is available for larger businesses. Full details can be found [here](#).

## How do I apply for the Coronavirus Business Interruption Loan Scheme?

The Coronavirus Business Interruption Loan Scheme (CBILS) provides financial support to smaller businesses (SMEs) across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the Covid-19 outbreak.

The CBILS is available for SMEs through more than [40 accredited lenders](#) across the UK.

To be eligible for the CBILS, a business must:

- Be UK-based in its business activity
- Have an annual turnover of no more than £45 million
- Have a borrowing proposal which the lender:
  - Would consider viable, were it not for the COVID-19 pandemic
  - Believes will enable a business to trade out of any short-term to medium-term difficulty.

Businesses from any sector can apply, **except** the following:

- Banks and building societies
- Insurers and reinsurers (but not insurance brokers)
- Public-sector organisations, including state-funded primary and secondary schools
- Employer, professional, religious or political membership organisations
- Trade unions.

Full information on the scheme can be found [here](#).

## What information is there on the requirements for the local grants (up to 25,000) or the CBILS lending scheme?

Full information on the requirements for the grants can be found on the Government website [here](#).

The CBILS lending scheme is administered by the British Business Bank, and full information can be found [here](#).

## Facilities

**In line with Government guidance, businesses across the physical activity sector have closed their doors to the public. What is the sector's collective stance on rent and how should the sector be responding to landlords?**

Government [guidance](#) states that commercial tenants should continue to pay rent and abide by all other terms of their tenancy agreement to the best of their ability. Commercial tenants who are unable to do so should speak to their landlord at the earliest opportunity to reach voluntary arrangements about rental payments due shortly. Government guidance urges landlords to offer

support and understanding to commercial tenants who are unable to pay their rent. This can include reaching a temporary agreement to instead accept a lower level of rent, or agree a plan to pay off arrears at a later date.

Whatever agreement you come to with your landlord, the Coronavirus Bill protects all businesses from eviction over the next three months.

Finally, if you are a small business, you may be eligible for financial support through the Coronavirus Small Business Interruption Loan Scheme to support any cashflow issues.

### **Has the Government offered any protection from eviction?**

Yes. The Coronavirus Bill protects commercial tenants from forfeiture and eviction over the next three months. The Government has also strongly advised landlords not to commence new notices seeking possession during this challenging time.

### **In the case of public leisure, when being asked to be redeployed and deliver a service for another organisation during this time, are trust employees obliged to take this work or can they reject the request and still be paid?**

If employees are placed on furlough, any other work would need to be conducted on an entirely voluntary basis.

### **What guidance is there for operators on collecting Direct Debits for membership when the facilities are closed? Should we continue?**

It is the prerogative of each organisation to choose whether to freeze memberships at this time, and to determine whether any other services (e.g. virtual courses and training sessions) are chargeable.

### **How do we manage the Legionella Risk Assessments for 'mothballed' facilities?**

This requires further clarification from Government. HSG274-2 *Legionnaires Disease Technical Guidance* states that "where a building, part of a building or water system is taken out of use, it should be managed so that microbial growth, including legionella in the water, is appropriately controlled". The Pool Water Treatment Advisory Group has also published a useful resource on temporary pool closures. You can access the guidance [here](#).

## **Workforce**

### **What does 'furlough' mean?**

Furloughed workers are workers who remain on payroll but are unable to operate or complete their job responsibilities due to the coronavirus outbreak. Under the [Coronavirus Job Retention Scheme](#), the Government will pay 80% wages of all furloughed staff, up to a monthly cap of £2,500.



In order to place your employees on furlough, you will need to ask all staff to indicate whether they are agreeable to this change in employee status, unless you have the contractual right to lay off workers.

Please note that furloughed employees **cannot** undertake *any* work for you while on furlough unless they volunteer to do so.

Please note that when employers are making decisions in relation to this process, including deciding who to offer furlough to, equality and discrimination laws will apply in the usual way.

Please also note that employees hired after 28 February 2020 cannot be furloughed or claimed for under the Coronavirus Job Retention Scheme.

#### **Is there a letter template to furlough staff?**

There is no letter template from the Government to send when furloughing staff. Any letter sent should be clear about the reasons for furloughing, what this means for employees with regard to their work obligations, what payment they can expect over this period, and the length of time they are expected to be furloughed.

The letter should encourage any staff with an issue with being furloughed to contact HR immediately.

#### **If I choose to furlough staff, do I have to furlough all of them?**

No. [Government guidance](#) clearly states that you do not have to place all your employees on furlough.

#### **What are the correct procedures to furlough staff to avoid future tribunals?**

Before commencing the procedure to furlough staff, consider who you want to furlough and which staff you will need to keep the business running. Businesses should be careful not to discriminate against staff as equality and discrimination laws will apply in the usual way. To protect yourself, we recommend that you keep a clear record of the reason you are choosing to furlough some staff and not others.

Have a discussion with your staff about furlough, and then consult with staff on an individual basis. You may want to ask for volunteers to be furloughed.

#### **To conserve cashflow, should I send PAYE or NI to HMRC?**

If your business plans to access the Coronavirus Job Retention Scheme by furloughing workers, HMRC has confirmed that it will be issuing more guidance on how you should calculate your claims for Employer National Insurance Contributions and minimum automatic enrolment employer pension contributions before the scheme goes live.

We require clarification from Government around non-furloughed staff and whether PAYE and NI contributions from employers should remain at their pre-coronavirus outbreak levels.

### **What is the eligibility criteria for the Coronavirus Job Retention Scheme?**

Under the Coronavirus Job Retention Scheme, all UK employers with a PAYE scheme will be able to access support to continue paying part of their employees' salary for those that would otherwise have been laid off during this crisis.

This applies to employees who have been asked to stop working, but who are still being kept on payroll. HMRC will reimburse 80% of their wages, up to £2,500 per month. The scheme will cover the costs of wages backdated to 1 March and is initially open for three months, but will be extended if necessary.

To access the scheme, you will need to:

- Designate affected employees as furloughed workers and notify your employees of this change. This change in status remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
- Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal which HMRC will set up shortly.

If your business needs short-term cash flow support, you may be eligible for a [Coronavirus Business Interruption Loan](#).

### **Is there a time limit on how long someone has to be self-employed for to receive the salary contributions?**

Salary contributions for the self-employed will be calculated on average earnings for the past three years if tax returns for these years exist. If a self-employed person has fewer than three years, salary contribution will be calculated on the average earnings of the years available.

If a self-employed person does not have at least one year of tax returns, they will not be eligible for the salary contributions for self-employed people.

Full information on the support for self-employed people can be found [here](#).

### **What advice is there on asset lease payments through the closure period?**

ukactive would recommend not to cancel any direct debits at this time. Speak to your broker or lease provider in the first instance to discuss holiday payments and/or adjustments.

### **Can we ask staff to deliver online content for members when furloughed?**

Furloughed workers should not undertake any work for the company during the period of furlough, unless the work is entirely voluntary.

Workers not furloughed may be asked to deliver online content for members during this period.

### **What advice is there for sole directors with no trading premises and who are not claiming SSP?**

Self-employed workers are eligible for the Self-employment Income Support Scheme. This is open for all self-employed people who meet the following criteria:

- 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 applying, or would be except for Covid-19
- intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to Covid-19

Self-employed trading profits must also be less than £50,000 and more than half of an individual's income come from self-employment. This is determined by at least one of the following conditions being true:

- having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of total taxable income
- having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of average taxable income in the same period.

If an individual started trading between 2016-19, HMRC will only use those years for which a Self-Assessment tax return was filed.

Self-employed people will get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

To work out the average, HMRC will add together the total trading profit for the three tax years (where applicable) then divide by three (where applicable), and use this to calculate a monthly amount. It will be up to a maximum of £2,500 per month for three months.

The scheme is expected to be operational at the beginning of June. More information can be found [here](#).

## How do we support our freelancers in accessing the 80% of their average monthly salary?

Freelancers with tax returns for at least the last year will be able to access the Self-employment Income Support Scheme.

This is open for all self-employed people who meet the following criteria:

- 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 applying, or would be except for Covid-19
- intend to continue to trade in the tax year 2020-21
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