

COVID-19

HMG support mechanisms for businesses

In response to the Covid-19 crisis, the UK Government has announced a number of support mechanisms for businesses. Don't know where to start or what help is best for you? See our guide below.



I am a business that will have to lay off my employees because of Covid-19

Under the **Coronavirus Job Retention Scheme** (open to all UK employers with a PAYE scheme), the Government will safeguard workers from redundancy because of the crisis. Employees who have been asked to stop working but remain on the payroll will be designated as **'furloughed workers'** and **HMRC will reimburse 80% of their wages** (up to £2,500 per month). This scheme will cover the cost of wages backdated to 1 March.

HOW TO DO I GET ACCESS TO THIS?

Government is currently working with HMRC to set up a **portal** by which details of **furloughed workers can be submitted**, and their wages reimbursed to companies affected.



I am a business who is losing cash flow and revenue because of the crisis.

Government has announced the **Coronavirus Business Interruption Loan Scheme (CBILS)** to help UK based SMEs. If you are a business with total turnover of no more than £45m, you can access a Government guarantee on loans of up to £5 million. The Government will cover the first 12 months of interest payments and any lender-levied charges.

For loans of up to £250,000, lenders may not ask for personal guarantees. For loans above this figure, personal guarantees are capped at 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied and Principal Private Residence (PPR) cannot be taken as security to support a personal guarantee.

Government has also announced the **Coronavirus Large Business Interruption Loan Scheme (CLBILS)**. It will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million.

HOW TO DO I GET ACCESS TO THIS?

Go straight to an accredited lender and state you are seeking a loan under the CBILS/CLBILS, and the lender will discuss offering your business financing.



I am a business with employees off ill due to Coronavirus

If you are a UK based SME (**employing up to 250 employees**), you will be able to reclaim **two weeks' worth of Statutory Sick Pay (SSP)** paid for sickness absence due to Covid-19.

HOW DO I GET ACCESS TO THIS?

Government will set up the repayment mechanism for employers as soon as possible. For now, employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note.



I am a large business with cash flow challenges

If you are a larger business, which makes a "material contribution to the UK economy", under the **Covid Corporate Financing Facility (CCFF)** the Bank of England will purchase commercial paper of up to one-year maturity to **help businesses across pay wages and suppliers**, even while experiencing severe disruption to cashflows. CCFF will offer financing on terms comparable to those in the markets prior to the Covid-19 economic shock.

HOW DO I GET ACCESS TO THIS?

If you are a UK incorporated company, (including those with foreign-incorporated parents) employing a significant number of people in the UK; generates significant revenues in the UK; serves a large number of customers in the UK or has a number of operating sites in the UK and currently does or is able to issue commercial paper you may be eligible for the CCFF. Please contact the Bank of England on **CCFF-applications@bankofengland.co.uk** to discuss access to this scheme.



I am a business that pays business rates

If you are in the **retail, hospitality and leisure sector or are a nursery** (in England), the Government has announced a business rates holiday for the 2020 to 2021 tax year. You don't have to do anything; it will apply to your next business rates bill.

Additionally, under the Retail and Hospitality Grant Scheme businesses in the retail, hospitality and leisure sectors will be eligible for **cash grants**. Businesses in these sectors with a property that has a rateable value of **up to £15,000 will receive a grant of £10,000, and businesses with a property that has a rateable value of between £15,000 and less than £51,000 will receive a grant of £25,000**. You do not need to do anything - your local authority will contact you directly if you are eligible.

If you are a business eligible for the Small Business Grant Scheme (SBRR), rural rate relief (RRR) or tapered relief, you will be provided with a **one-off grant of £10,000 to help you meet your ongoing business costs**. You do not need to do anything - your local authority should contact you directly if you are eligible.

Businesses must apply to the relevant body to access these schemes

You do not need to apply for these schemes, these will be rolled out automatically

What else is the government doing to help businesses?

The Government has automatically deferred Valued Added Tax (VAT) payments for 3 months (20 March 2020 until 30 June 2020). All UK businesses are eligible.

If you are a business or self-employed person in financial distress with outstanding tax liabilities, HMRC can provide you with support under the 'Time to Pay' scheme. Please call the helpline on **0800 0159 559**. Any business which has commercial insurance that covers government ordered closures should be able to make a claim following recent Government announcements. Commercial tenants who cannot pay their rent because of Covid-19 will be protected from eviction (note: this is not a rental holiday, but no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June).

