

COVID-19 GOVERNMENT BUSINESS SUPPORT MEASURES – 14th May 2020



INTRODUCTION

The information is constantly being updated in relation to the UK Government's funding response to Covid-19. The aim is to summarise the information we are currently aware of and make this available to our clients and contacts.

This publication has been written in general terms and may not include all relevant information. It is recommended that you obtain professional advice before acting or refraining from action on any of the contents of this publication. There are areas where further clarification is expected in relation to the process of defining and agreeing the relevant scheme's details, specifications and eligibility and therefore information is subject to change.

KEY SUPPORT MEASURES

1. **The Coronavirus Job Retention Scheme** – Grant support to cover up to 80% of salary costs of anyone not working due to Coronavirus but whose job has been retained (up to a maximum of £2,500 per month).
2. **Support for self-employed through the Self-employment Income Support Scheme** – The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19). This scheme will allow the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.
3. **Deferring of VAT and Income Tax payments** – Deferral of VAT payments will apply from 20 March 2020 until 30 June 2020, and no application is required. Those due to make a self-assessment payment on account by 31st July are eligible for the deferral of Income Tax - payments due under self-assessment on the 31 July 2020 will be deferred until the 31 January 2021.
4. **Bounce Back Loan Scheme will offer small businesses between £2,000 and £50,000 loans** – Government to pay interest for the first 12 months.
5. **The Coronavirus Business Interruption Loan Scheme (CBILS)** – offers loans of up to £5 million for businesses with turnover of up to £45m. Lending scheme through the British Business Bank from £1,000 up to £5m per company with government meeting interest costs for the first 12 months.
6. **The Coronavirus Large Business Interruption Loan Scheme (CLBILS)** – offers loans of up to £50 million for businesses with turnover of more than £45m. Below £250m may apply for up to £25m, above £250m turnover can apply for up to £50m. Lending scheme through the British Business Bank.
7. **Business rates support and grant funding** – A business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year. The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property. A business rates holiday for nurseries in England for the 2020 to 2021 tax year.

OTHER MEASURES ANNOUNCED

8. Future Fund will provide government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors.
9. COVID-19 Corporate Financing Facility Support for liquidity amongst large firms launched by the Bank of England.
10. Statutory sick pay relief for up to 2 weeks of SSP for employers with less than 250 employees.
11. Ability for self-employed and businesses struggling to pay their tax to defer payment through HMRC's "Time to Pay" scheme.
12. Extra protection for businesses with ban on evictions for commercial tenants who miss rent payments over the next 3 months.

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SUPPORT MEASURE	DETAILS	ELIGIBILITY	ACCESSING SUPPORT	COMMENTS & DETAILS AWAITED	LINKS
<p>CORONAVIRUS JOB RETENTION SCHEME</p>	<p>Grant funding of “furloughed” staff.</p> <p>Employers will receive a grant from HMRC to cover the lower of 80% of an employee’s regular wage or £2,500 per month, plus the associated employer national insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. Compulsory fees and commissions can be included, discretionary fees and bonuses should not be included.</p> <p>If applicable wages can be backdated to 1 March 2020.</p> <p>A period of 5 months until 31st July, with a further period until 30th October during which some flexibility will be introduced to support the cost of workers returning from furlough but employers will have to contribute to the cost*.</p> <p>To be eligible for the subsidy, when on furlough, an employee cannot undertake work for or on behalf of the organisation. This includes providing services or generating revenue. While on furlough, the employee’s wage will be subject to usual income tax and other deductions.</p> <p>The minimum period of furlough for an employee is 3 weeks.</p>	<p>The scheme is open to all UK employers that had created and started a PAYE payroll scheme on 19 March 2020. Any UK organisation with employees can apply, including:</p> <ul style="list-style-type: none"> • Businesses • Charities • Recruitment agencies (agency workers paid through PAYE) • Public authorities <p>Furloughed employees must have been on the PAYE payroll on 19 March 2020, and can be on any type of contract, including:</p> <ul style="list-style-type: none"> • Full-time employees • Part-time employees • Employees on agency contracts • Employees on flexible or zero-hour contracts <p>The scheme also covers employees who were made redundant since 28 February 2020, if they are rehired by their employer.</p>	<p>Employers should discuss with their staff and make any changes to the employment contract by agreement. Employers may need to seek legal advice on the process. If enough numbers of staff are involved, it may be necessary to engage collective consultation processes to procure agreement to changes to terms of employment.</p> <p>To claim, employers will need:</p> <ul style="list-style-type: none"> • Their employer PAYE reference number • The number of employees being furloughed • National Insurance numbers for the furloughed employees • Names of the furloughed employees • Their Self-Assessment Unique Taxpayer Reference or Corporation Tax Unique Taxpayer Reference or Company Registration Number • The claim period (start and end date) • Amount claimed (per the minimum length of furloughing of 3 consecutive weeks) • Their bank account number and sort code • A contact name • A contact phone number 	<p>Information needs to be submitted to HMRC through the CJRS portal, giving details of the employees and their earnings.</p> <p>At a minimum, employers must pay their employee the lower of 80% of their regular wage or £2,500 per month. An employer can also choose to top up an employee’s salary beyond this but is not obliged to under this scheme.</p> <p>*The details of the changes to the scheme that will occur from 1st August have not been set out by Government yet – these are expected by the end of May.</p>	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.government-online.net/coronavirus-job-retention-scheme/</p> <p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p> <p>https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme</p>

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<p>SELF-EMPLOYED INCOME SUPPORT SCHEME</p>	<p>The Self-Employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19).</p> <p>This scheme will allow the self-employed to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for 3 months (to end of June). This may be extended if needed.</p> <p>The self-employed trading profits must also be less than £50,000 and more than half of the individual's income must come from self-employment **.</p>	<p>The scheme is available to self-employed individuals or members of a partnership that:</p> <ul style="list-style-type: none"> • 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 for the scheme, 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 	<p>Please note: the scheme is not open yet.</p> <p>HMRC will contact individuals by mid-May if they are eligible for the scheme and invite them to apply online. Those seeking to claim do not need to contact HMRC now.</p>	<p>**This is determined by at least one of the following conditions being true:</p> <ul style="list-style-type: none"> • Having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of the individual's 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 the individual's average taxable income in the same period. 	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme</p>

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DEFERRING OF VAT PAYMENTS	<p>Deferral of VAT payments will apply from 20 March 2020 until 30 June 2020, and no application is required. Businesses will not need to make a VAT payment during this period.</p> <p>This should mean that no payment is due for the quarters ended:</p> <ul style="list-style-type: none"> • 29 February due 7 April • 31 March due 7 May • 30 April due 7 June 	All UK businesses.	No application is required, but if you pay by DD you will need to cancel it as HMRC will take it automatically , you will need to set up another DD in due course. Businesses will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period.	Payment will be due before 5 April 2021.	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>
DEFERRING OF INCOME TAX PAYMENTS	Those paying via self-assessment are eligible for the deferral of Income Tax - payments due on the 31 July 2020 will be deferred until the 31 January 2021.	All those due to make a self-assessment instalment payment by 31st July 2020 – automatic measure.			

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<p>BOUNCE BACK LOAN SCHEME</p>	<p>Scheme offering firms loans from £2,000 to £50,000. The Government will guarantee 100% of the loan to the lender, and pay the interest and fees for the first 12 months. Loan terms of up to 6 years, with no repayments in the first year.</p> <p>After the first 12 months interest will be fixed at 2.5%.</p>	<p>You can apply for a loan if your business:</p> <ul style="list-style-type: none"> • Is based in the UK • Has been negatively affected by coronavirus • Was not an 'undertaking in difficulty' on 31 December 2019 <p>The following businesses are not eligible to apply:</p> <ul style="list-style-type: none"> • Banks, insurers and reinsurers (but not insurance brokers) • Public-sector bodies • State-funded primary and secondary schools 	<p>The scheme is delivered through a network of accredited lenders. An online application process is in place that requires self-certification.</p>		<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/</p>

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<p>CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)</p>	<p>SME loan support for businesses with turnover of up to £45m: Lending scheme through the British Business Bank up to £5m per company with government meeting interest costs for the first 12 months.</p> <p>Finance terms are from three months up to 6 years for term loans and asset finance and up to three years for revolving facilities and invoice finance.</p> <p>The scheme provides the lender with a government-backed guarantee against 80% of the outstanding facility balance, potentially enabling a ‘no’ credit decision from a lender to become a ‘yes’.</p> <p>The first 12 months of these loans will be interest free, as the government will cover these payments.</p>	<p>Businesses are eligible for the scheme if:</p> <ul style="list-style-type: none"> • UK based • Turnover of no more than £45 million per year • The business meets the other British Business Bank eligibility criteria • Have a sound borrowing proposal • Not a business in difficulty at 31st December 2019 	<p>All major banks are offering this scheme.</p> <p>The full rules of the scheme and the list of accredited lenders are available on the British Business Bank website. If you have an existing loan with monthly repayments, you may want to ask for a repayment holiday to help with cash flow.</p>	<p>The borrower always remains 100% liable for the debt.</p>	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/</p>

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<p>CORONAVIRUS LARGE BUSINESS INTERRUPTION LOAN SCHEME (CLBILS)</p>	<p>The coronavirus large business interruption loan scheme (CLBILS) will offer loans of up to £25 million, for business with a turnover between £45m and £250m. Loans of up to £50m for businesses with turnover above £250m. The loan will be 80% guaranteed by the Government for the lender, the borrower will remain liable for the full 100% of the loan.</p>	<p>Your business must:</p> <ul style="list-style-type: none"> • Be UK-based • Annual turnover over £45m • Have a borrowing proposal which the lender: <ul style="list-style-type: none"> ◦ Would consider viable, were it not for the COVID-19 pandemic ◦ Believes will enable you to trade out of any short-term to medium-term difficulty 	<p>The new scheme will launch on 20th April and will support a wide range of businesses to access finance products including short term loans, overdrafts, invoice finance and assets finances. The new scheme will be available through a range of accredited lenders, which will be listed on the British Business Bank website.</p>	<p>Businesses from any sector can apply, except the following:</p> <ul style="list-style-type: none"> • Credit institutions, insurers and reinsurers (but not insurance brokers) • Building societies • Public-sector bodies • State-funded primary and secondary schools 	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.businesssupport.gov.uk/coronavirus-large-business-interruption-loan-scheme/</p>

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BUSINESS RATES SUPPORT	<p>Business rates holiday for retail, hospitality and leisure businesses.</p> <p>A business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.</p> <p>Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.</p>	<p>Businesses are eligible for the business rates holiday if:</p> <ul style="list-style-type: none"> Based in England In the retail, hospitality and/or leisure sector 	<p>There is no action required. This will apply to the next council tax bill in April 2020. However, local authorities may have to reissue bills automatically to exclude the business rate charge. They will do this as soon as possible.</p> <p>Businesses can estimate the business rate charge they will no longer have to pay this year using the business rates calculator. Further guidance for local authorities is available in the expanded retail discount guidance.</p>	<p>Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:</p> <ul style="list-style-type: none"> As shops, restaurants, cafes, drinking establishments, cinemas and live music venues For assembly and leisure As hotels, guest & boarding premises and self-catering accommodation 	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875613/Expanded_Retail_Discount_Guidance_25.03.20.doc.pdf</p>
BUSINESS RATES SUPPORT	<p>Cash grants for retail, hospitality and leisure businesses.</p> <p>The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.</p> <p>For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000.</p> <p>For businesses in these sectors with a rateable value of between £15,001 and £51,000, they will receive a grant of £25,000.</p>	<p>Businesses are eligible for the grant if:</p> <ul style="list-style-type: none"> Based in England In the retail, hospitality and/or leisure sector 	<p>Local authorities will either:</p> <ul style="list-style-type: none"> Write to businesses if eligible for this grant Require businesses to complete an application for the grant <p>Please check with your local authority. Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.</p>	<p>Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:</p> <ul style="list-style-type: none"> As shops, restaurants, cafes, drinking establishments, cinemas and live music venues For assembly and leisure As hotels, guest and boarding premises and self-catering accommodation 	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>

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BUSINESS RATES SUPPORT	<p>Support for nursery businesses that pay business rates.</p> <p>A business rates holiday for nurseries in England for the 2020 to 2021 tax year.</p>	<p>Businesses are eligible for the business rates holiday if based in England.</p>	<p>There is no action required. This will apply to the next council tax bill in April 2020. However, local authorities may have to reissue bills to exclude the business rate charge. They will do this as soon as possible.</p>	<p>Properties that will benefit from the relief will be hereditaments:</p> <ul style="list-style-type: none"> • Occupied by providers on Ofsted’s Early Years Register • Wholly or mainly used for the provision of the Early Years Foundation Stage 	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>
BUSINESS RATES SUPPORT	<p>Support for businesses that pay little or no business rates.</p> <p>Additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses.</p>	<p>Businesses are eligible if:</p> <ul style="list-style-type: none"> • Based in England • A small business and already receive SBBR and/or RRR • Occupies property 	<p>Businesses do not need to do anything. Local authorities will write to businesses if they are eligible for this grant.</p>	<p>Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.</p>	<p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>

SUPPORT MEASURE	DETAILS	ELIGIBILITY	ACCESSING SUPPORT	COMMENTS & DETAILS AWAITED	LINKS
FUTURE FUND	The scheme will provide government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors. These convertible loans may be a suitable option for businesses that rely on equity investment and are unable to access the Coronavirus Business Interruption Loan Scheme.	<p>Eligibility:</p> <ul style="list-style-type: none"> • Business is based in the UK; • Able to attract the equivalent match funding from third-party private investors and institutions; • Has previously raised at least £250,000 in equity investment from third-party investors in the last 5 years 	<p>This scheme is not available yet. It will launch in May 2020.</p> <p>The scheme will be delivered in partnership with the British Business Bank.</p>	Full eligibility criteria will be published shortly.	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/guidance/future-fund</p>
COVID-19 CORPORATE FINANCING FACILITY	New scheme being launched by the Bank of England to help companies which make a material contribution to the UK economy to bridge Coronavirus disruption to their cash flows through loans. Up to 12 months support under a Covid Commercial Financing Facility.	Prior to being affected by Covid-19, the business must have had a short or long- term rating of investment grade, or financial health equivalent to an investment grade rating.	Details of the scheme are listed on the Bank of England Website (link to the right).	Companies that do not currently issue Commercial Paper (CP) but can do so will in principle be eligible to utilise the CP Facility, provided they meet the eligible securities criteria.	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility</p>

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<p>STATUTORY SICK PAY</p>	<p>Support for businesses who are paying sick pay to employees.</p> <p>Small-and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:</p> <ul style="list-style-type: none"> • This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19 • Employers with fewer than 250 employees will be eligible • 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 	<p>You are eligible for the scheme if:</p> <ul style="list-style-type: none"> • Your business is UK based • Your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020 <p>Eligible absences are if an employee is unable to work because they either:</p> <ul style="list-style-type: none"> • Have coronavirus • Cannot work because they are self-isolating at home • Are shielding in line with public health guidance 	<p>A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed.</p> <p>Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus 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</p> <p>Eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force.</p>	<p>Details of the scheme awaited.</p> <p>The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.</p>	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</p>

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TIME TO PAY	<p>Delay on payment of tax. 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.</p> <p>These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.</p>	<p>Businesses are eligible if they:</p> <ul style="list-style-type: none"> • Pay tax to the UK government • Have outstanding tax liabilities 	<p>If you have missed a tax payment or you might miss your next payment due to COVID-19, call HMRC's dedicated helpline: 0800 0159 559.</p>	<p>Properties that will benefit from the relief will be hereditaments:</p> <ul style="list-style-type: none"> • Occupied by providers on Ofsted's Early Years Register • Wholly or mainly used for the provision of the Early Years Foundation Stage 	<p><i>Please note, the below links will direct you to third party website(s). The FD Centre is not responsible for the content of third party websites.</i></p> <p>https://www.gov.uk/government/publications/time-to-pay</p> <p>https://www.gov.uk/difficulties-paying-hmrc</p>
BAN ON EVICTIONS FOR COMMERCIAL TENANTS	<p>These measures, included in the emergency Coronavirus Bill, will mean no business will be forced out of their premises if they miss a payment in the next 3 months</p>	<p>All Commercial Tenants in England, Wales and Northern Ireland</p>			