

THE UK GOVERNMENT HAS SET OUT A PACKAGE OF TEMPORARY MEASURES TO SUPPORT BUSINESSES AND HELP NAVIGATE THROUGH THE PERIOD OF DISRUPTION. THIS IS THE CURRENT POSITION AS AT 19TH MARCH 2020 AND WE FULLY EXPECT THIS TO EVOLVE IN THE COMING DAYS

1 CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

The UK Chancellor has set out a package of temporary, targeted measures to support public services, people and businesses through the disruption caused by COVID-19.

Businesses of all sizes will have access to a £330 billion package of Government-backed loans and guarantees, with further capacity should it be required. The loans will be provided by the British Business Bank through participating providers, who can be viewed on the British Business Bank website (<https://www.british-business-bank.co.uk/>).

The scheme provides the lender with a government backed guarantee against the outstanding facility balance. The government will also cover the first six months of interest payments, with a maximum facility value of £5million. Finance products offered include term facilities, overdrafts, invoice finance facilities and asset finance facilities.

In order to be eligible for support, SMEs must;

- Be UK based with turnover of no more than £41 million per annum
- Operate within an eligible sector (ineligible sectors can be viewed on the British Business Bank website (<https://www.british-business-bank.co.uk/>))
- Be able to confirm they have not received de minimis State aid beyond €200,000 equivalent over the current and last two fiscal years
- Have a sound borrowing proposal, but insufficient security to meet a lender's normal requirements.

Finance terms are from **three months up to ten years** for term loans/asset finance and up to **three years** for revolving facilities and invoice finance. Further guidance is due to follow, however decision making is fully delegated to the accredited lenders. Any queries should be directed towards the relevant lender, and it should be noted that any borrower always remains 100% liable for debt repayments.

To support larger firms not eligible for a CBILS loan, the Bank of England has announced a new lending facility to provide a quick and cost effective method to raise working capital via the purchase of short-term debt. This will support Corporate Finance markets overall and ease the supply of credit to all firms. Further details, including on how to access this funding will follow, with the scheme commencing the week commencing 23 March.

KEY MEASURES

- Coronavirus Business Interruption Loan Scheme to support long-term viable businesses
- 12-month business rate holiday for all retail, hospitality and leisure businesses in England and Scotland
- Small business grant funding of £10,000 for businesses in receipt of SBRR and Rural rates relief
- Initial three month rates holiday for all Businesses in Northern Ireland
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value below £51,000
- SSP relief package for SMEs
- The HMRC Time to Pay Scheme

2 BUSINESS RATE RELIEF

NI - <https://www.finance-ni.gov.uk/> Scotland - <https://www.gov.scot/>

The business rates holiday announced in the Budget for companies in England in the retail, hospitality and leisure sectors is being extended to all businesses in those sectors, irrespective of rateable value. Effectively, this means that businesses in these sectors will pay no business rates whatsoever for 12 months, in addition to a cash grant of £25,000 should they have a rateable value less than £51,000.

SBRR: The government will provide additional funding for local authorities to support small business that already qualify for the small business rate relief scheme (SBRR). This will provide a one-off grant of £10,000 to businesses currently eligible for the relief to help meet ongoing costs. Funding will be provided to local authorities in early April, with guidance to follow in the coming weeks.

NI Rate Bills Holiday: There will be a three month rates holiday for all business ratepayers in all sectors, with the exclusion of the public sector and utilities. The effect of this is that no rates will be charged for April, May and June 2020 and will be shown as a 25 per cent discount on the annual rate bill for business ratepayers. Further guidance will be available from 20th March.

The Scottish Government in turn has also significantly improved their package of reliefs and grants available. Economy Secretary, Fiona Hyslop, announced that the Scottish Government will mirror in full the package of measures announced by the Chancellor, namely:

- 100% relief for all retail, hospitality, leisure subjects (previously it was only applicable to rateable values of £69,000 or less). Those entitled to small business rates relief or rural rates relief will be eligible for a £10,000 grant. A £25,000 grant will also be available for those leisure, retail and hospitality businesses with a rateable value between £18,000 and £51,000
- A freeze on the 2019/20 UBR rate as follows:

Basic rate £51,000 and below = 49p - **Intermediate rate** (RV £51,001-£95,000) = 50.3p - **Higher Rate** (RV >£95,001) = 51.6p

Kate Forbes, Finance Secretary, has also confirmed the reliefs will be automatically applied to rates bills from 1st April 2020. A list will be published online for businesses to check if they are eligible. Any enquiries in relation to rates should be directed towards your relevant local authority, although as these will automatically come into effect there is no requirement for an application to be made.

3 STATUTORY SICK PAY

The government is bringing forward legislation to allow 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:

- 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 - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- 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
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note
- eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism as soon as possible.

4 HMRC TIME TO PAY SCHEME

HMRC'S DEDICATED HELPLINE - 0800 0159 559

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.

HMRC will discuss specific circumstances to explore:

- Agreeing an instalment arrangement (our recent discussions with HMRC have highlighted that they seem to suggest businesses still trading are expected to make some form of ongoing payment, however where a business is not trading they understand payment may not be able to be made)
- Suspending debt collection proceedings
- Cancelling penalties and interest where there are administrative difficulties in contacting and paying HMRC immediately
- If you are concerned about being able to pay your tax due to COVID-19, call **HMRC's dedicated helpline on 0800 0159 559**.

5 OTHER

- **Insurance:** Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc. is sufficient to make a claim. Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers. Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics. **Customers should contact their insurance provider to discuss**
- **Mortgage Holidays:** The treasury has agreed with UK Finance that lenders will support customers who are experiencing issues with their finances, including a mortgage payment holiday for residential and buy-to-let customers of up to three months. Lenders will suspend all possession orders and not commence court action for the 90 day period. There will be a fast track system for approval, however not everyone will be eligible for a payment holiday. It should be noted that the holiday will still assume an eventual full repayment of the arrears once the holiday period ends. **Customers should contact their mortgage provider as soon as possible should they be concerned about making payments**
- **Food Industry:** The government has relaxed planning regulations to allow pubs and restaurants to provide takeaway meals without a planning application, in order to help people in self-isolation
- **Airlines and Airports:** A specific support package is underway, with discussions currently taking place with the Transport secretary



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