

Summary of measures announced as of 17 March 2020

The government has announced financial measures amounting to £330bn to support business through the Covid-19 emergency from 16th March 2020. This is in addition to the package of measures announced in the 11th March 2020 Budget.

Chancellor Rishi Sunak announced the huge package of measures on 17th March 2020 and said that the UK had “never, in peacetime, faced an economic fight like this one” adding that we faced an “economic emergency” in the face of the coronavirus pandemic.

They have already announced support by way of loans, cash grants, business rates holiday and other measures, targeted at the retail, leisure and hospitality sectors.

- Delivered by the British Bank, a Coronavirus Business Interruption Loan Scheme, (CBILS) is being introduced. This will enable those businesses with a turnover of up to £41m to apply for up to a £5 million loan, with no fees and 80% of any losses covered by the government. The first 6 months of this finance will be interest free, with the government covering these initial interest payments. This has been brought forward, and we now expect the new scheme to become available in week commencing 23 March 2020. **NB – the borrower always remains 100% liable for the debt.**
 - <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>
- The Government will also cover the first 6 months of interest payments, so businesses will benefit from lower initial repayments. The business remains liable for repayments of the capital. The maximum value of a facility provided under the scheme will be £5 million pounds (the original announcement suggested a maximum value of £1.2 million.)
- Unlimited loans and guarantees to support businesses in managing their cashflows will be provided. Initially, £330 billion of guarantees will be made available.
- Support for liquidity amongst large businesses, with a new scheme being launched by the Bank of England to help them bridge COVID-19 disruption to their cash flows through loans.
- If Coronavirus (COVID-19) has affected your company and you need more time to file your accounts, this may be allowed on a case-by-case basis. It is important that Companies House is contacted before the filing date. If an extension is not applied for in advance and your accounts were filed late, an automatic penalty will still be imposed.

- Time to Pay arrangements (spreading tax payments over a longer period of time) for businesses and self-employed individuals in financial distress and with outstanding tax liabilities may be available on a case-by-case basis.
- Business rates relief will be increased further than previously announced in the budget. This means that all retail, hospitality and leisure businesses in England will receive a 100% business rates holiday for the next 12 months.
- A £10,000 cash grant (increased from the announced £3,000 in the Budget) to 700,000 of the smallest businesses will become available, delivered by Local Authorities. This is for businesses currently eligible for Small Business Rates Relief (SBRR) or Rural Rate Relief.
- Further £25,000 grants will be available to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.
- The cost of providing 14 days of statutory sick pay per employee will be refunded by the government in full for businesses with less than 250 employees.
- HMRC has opened a dedicated COVID-19 telephone helpline. This is 0800 0159 559
- Furthermore, new legal powers will be introduced to allow the government to offer whatever further financial support it believes necessary to businesses.
- The government has also confirmed that their advice to avoid pubs, clubs and theatres etc. is adequate for businesses to claim on their insurance where they have the appropriate business interruption cover for pandemics.
- The government will also relax planning regulations to allow pubs and restaurants to start providing takeaways without a planning application.
- In addition to the support announced to businesses, mortgage lenders have confirmed that anyone experiencing issues with their finances as a result of COVID-19, will be provided with support, which will include payment holidays of up to 3 months.

LEGAL NOTICE

This is a basic guide. It should not be used as a definitive guide, since individual circumstances may vary. Specific advice should be obtained, where necessary.