

Coronavirus

An Overview of Coronavirus Business Support Schemes (April 2020)



[Find out more](#) 

Coronavirus

Due to the devastating and fast impact of Coronavirus (COVID-19) on companies across the UK, the government has introduced several schemes to support businesses through periods of mandatory closure or economic hardship, caused by, or related to, the social distancing measures implemented by the government's new legislation.

These schemes are listed in more detail in this document.



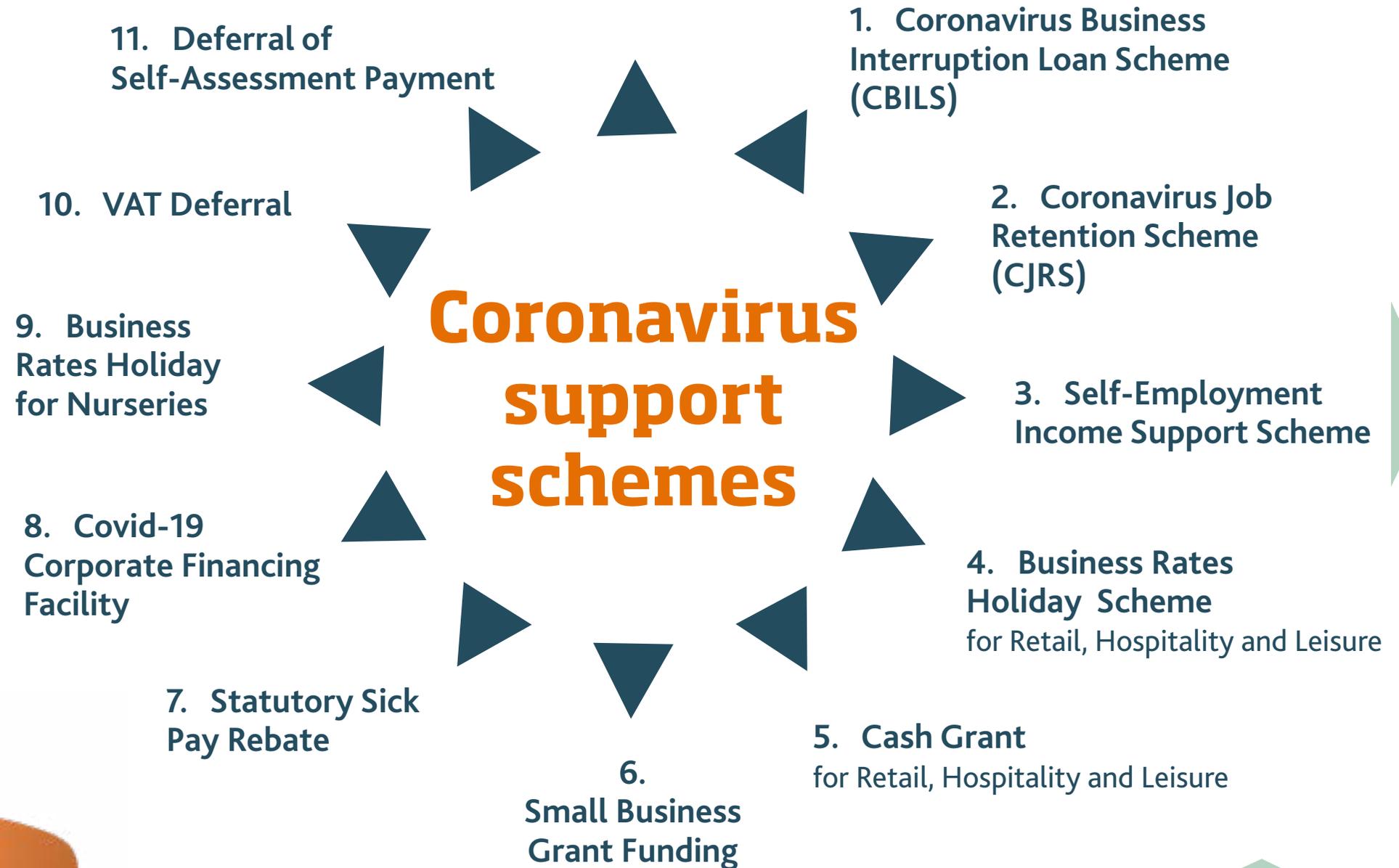
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Coronavirus – What Support Is Available to My Business, and How Do I Access It?

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Coronavirus – What Support Is Available to My Business, and How Do I Access It?

1. Coronavirus Business Interruption Loan Scheme (CBILS)

Eligibility

To be eligible for this scheme, you need to be a UK-based business with an annual turnover below £500m. Applications are not limited to businesses that have been refused a loan on commercial terms and the Treasury has not put in place restrictions on the interest rates that banks can charge. Businesses with a turnover of £45m to £500m can borrow up to £25m with a government-backed loan. SMEs must also meet the other British Business Bank eligibility criteria; in summary, these are that your application must be for business purposes, your business must generate more than 50% of its turnover from trading activity, you wish to borrow up to a maximum of £5 million. Further information about eligibility criteria is available [here](#).

How does the scheme operate?

Through the scheme, small and medium-sized businesses (SMEs) will be able to access loans, overdrafts, invoice finance and asset finance up to £5 million for up to six years. The lender will have a government-backed, partial guarantee against the outstanding balance. Additionally, the Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied charges to ensure that smaller businesses benefit from no upfront costs and lower initial repayments.

Eligibility note:

There has been some controversy recently with lenders requiring personal guarantees for the as security for lending, which may remain a concern for many SME owners. However, all banks are now banned from requesting personal guarantees for loans up to £250,000 under this scheme - Tenancy agreements and renewals.

[See more here](#)

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2. Coronavirus Job Retention Scheme

Once the new online portal is live, you will need to submit the following information to HMRC about your business and the employees who have been furloughed:

- **Your ePAYE reference number**
- **The number of employees being furloughed**
- **The claim period (start and end date)**
- **Amount claimed (per the minimum length of furloughing of 3 weeks)**
- **Your bank account number and sort code**
- **Your contact name**
- **Your phone number**

HMRC is aiming to have the online portal live by the end of April. Businesses who need short term cash flow are encouraged to apply for the Coronavirus Business Interruption Loan, subject to their eligibility.

Eligibility

All employers with a PAYE scheme that was created and started on or before 28 February 2020 will be able to access support to continue paying part of their employees' salaries for those that would have otherwise been laid off during the crisis. To be eligible to access the scheme, the employees must be kept on the pay roll, but they must stop working. The employer must have a UK bank account.

How does the scheme operate?

HMRC will pay employers a grant worth 80% of an employee's usual wage costs, up to £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage.

To access the scheme, you need to designate affected employees as 'furloughed workers' and notify your employees of this change.

The scheme has been implemented to safeguard workers from being made redundant. HMRC will monitor the implementation of the scheme. The Government has retained the right to retrospectively audit all aspects of the scheme with scope to claw back fraudulent or erroneous claims.

Submitting a claim:

You can only submit one claim at least every 3 weeks, which is the minimum length an employee can be furloughed. Employees that have been furloughed have the same rights as they did previously, including to Statutory Sick Pay, maternity rights, other parental rights, rights against unfair dismissal and to redundancy payments.

Wages of furloughed employees will be subject to Income Tax and National Insurance as usual, and employees will pay automatic enrolment contributions on qualifying earnings unless they have opted out of the workplace pension scheme.

Employers will be liable to pay Employer National Insurance contributions on wages paid, as well as automatic enrolment contributions on qualifying earnings unless the employee has opted out of the workplace pension scheme.

The scheme will be open for an initial three months, but it may be extended if necessary. [Further information about the scheme is available here.](#)

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3. Self-Employment Income Support Scheme

- **The scheme will be open for an initial three months, with people able to make their first claim by the beginning of June.**

Eligibility

To be eligible for the scheme, you need to:

- have lost trading/partnership trading profits due to COVID-19;
- file a tax return for 2018-19 as self-employed or a member of a trading partnership. Those who have not filed for 2018-19 have an additional 4 weeks from the announcement of the scheme to do so (until 23 April 2020);
- have traded in 2019-20, be currently trading at the point of application (or would be but for COVID-19), and intend to continue to trade in the tax year 2020-21;
- have trading profits of less than £50,000 and more than half of your total income come from self-employment. This can be with reference to at least one of the following conditions:
 - your trading profits and total income in 2018-19;
 - your average trading profits and total income across up to three years between 2016-17, 2017-18, and 2018-19.

How does the scheme operate?

You do not need to contact HMRC now. Instead, HMRC will use existing information to check potential eligibility and invite applications when the scheme is operational. HMRC will pay the grant directly into eligible claimants' bank accounts.

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[Further information about the scheme is available here.](#)



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4. Business Rates Holiday for Retail, Hospitality and Leisure

Eligibility

You will be eligible if:

1. Your business is based in England, and
2. Your business is in the retail, hospitality and/ or leisure sector. Properties that benefit from the relief will be those that are wholly or mainly being used:
 - a. As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
 - b. For assembly and leisure; and/or
 - c. For hospitality, such as hotels, guest and boarding premises and self-catering accommodation.

Eligibility note:

As it sounds, businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for 2020-21 tax year.

How does the scheme operate?

You will not need to take any action to access the scheme. Local Authorities will apply the holiday to your bills. If your bill for the 2020-21 tax year needs to be reissued, the relevant local authority should do this as soon as possible.

[Further information about the scheme is available here.](#)



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5. Cash Grant for Retail, Hospitality and Leisure

Eligibility

The eligibility for this grant is the same as for the Business Rates Holiday for Retail, Hospitality and Leisure.

If your business meets the criteria and has a rateable value of £15,000 and under, it may be eligible for a grant of £10,000. If it has a rateable value of over £15,000 and under £51,000, it may be eligible for a grant of £25,000. Businesses with a rateable value of £51,000 or over are not eligible for the scheme.

How does the scheme operate?

You do not need to do anything to access the scheme. The relevant Local Authority will write to you if you are eligible for the grant. Within the correspondence will be information on how to claim the grant and when it will be available.

Eligibility note:

You will not be eligible if:

- The property is occupied for personal uses, such as private stables and loose boxes, beach huts and moorings.
- The property is occupied for car parks and parking spaces.
- Your business, as of 11 March 2020, was in

[Further information about the scheme is available here and scroll down.](#)

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6. Small Business Grant Funding

Eligibility

You will be eligible if:

- Your business is based in England, and
- In receipt of small business rate relief or rural rate relief as of 11 March 2020, and
- You are a business that occupies property.

You will not be eligible if:

- The property is occupied for personal uses, such as private stables and loose boxes, beach huts and moorings.
- The property is occupied for car parks and parking spaces.
- Your business, as of 11 March 2020, was in liquidation or dissolved.

How does the scheme operate?

The Government is providing additional funding for Local Authorities to support small businesses which already pay little or no business rates because of small business rate relief, rural rate relief and/or tapered relief. This funding will provide a one-off grant of £10,000 to eligible businesses.

Eligibility note:

You do not need to do anything to access the grant. The relevant Local Authority will write to you if you are eligible.



[Further information about the scheme is available here and scroll down.](#)



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7. Statutory Sick Pay Rebate

Eligibility

You will be eligible if your business is UK-based and it is small- or medium-sized and employs fewer than 250 employees as of 28 February 2020.

Please note:

The scheme is still in development, so watch for further developments and information.

How does the scheme operate?

The Government is bringing forward legislation to allow SMEs to reclaim Statutory Sick Pay (SSP) paid for staff sickness absences due to coronavirus. This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of coronavirus.

[Further information about the scheme is available here.](#)



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8. Covid-19 Corporate Financing Facility

Eligibility

In practice, this scheme will only be available to the following: UK incorporated companies, including those with foreign-incorporated parents and with a genuine business in the UK; companies with significant employment in the UK; firms with their headquarters in the UK; companies that generate significant revenues in the UK, serve a large number of customers in the UK or have a number of operating sites in the UK. In other words, your business must make a material (i.e. substantial) contribution to the UK economy.



How does the scheme operate?

This facility will enable the Bank of England to buy short-term debt from larger companies. It is intended to support companies which are fundamentally strong but have been affected by a short-term funding squeeze.

[Further information about the scheme is available here.](#)



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9. Business Rates Holiday for Nurseries

Eligibility

Simply, nurseries in England do not have to pay business rates for the 2020-21 tax year.

To be eligible, the property will need to be occupied by providers on Ofsted's Early Years Register and be wholly or mainly used for the provision of the Early Years Foundation Stage.

If you are eligible, there is no action for you to take. The relevant Local Authority will apply the business rates holiday to your bills.

How does the scheme operate?

Business rates for nurseries are abolished for the entire tax year 2020-2021.

[Further information about the scheme is available here.](#)

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10. VAT Deferral

Eligibility

All VAT-registered UK businesses are eligible.

It is an automatic offer, so no applications are required. If you usually pay by direct debit, you should cancel this with your bank if you are unable to pay. You should do this within enough time to avoid an automatic collection of VAT on receipt of your tax return.

Please note:

There is currently no guidance on whether the scheme will be extended beyond 30 June 2020.

Taxpayers will be given until the end of 2020-21 tax year to pay any liabilities which accumulated during the deferral period.

VAT refunds and reclaims will be paid by the Government as usual.

How does the scheme operate?

The Government is deferring Valued Added Tax (VAT) payments due between 20 March 2020 and 30 June 2020.

[Further information about the scheme is available here.](#)



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11. Deferral of Self-Assessment Payments

Eligibility

Anyone submitting a self-assessment payment is eligible.

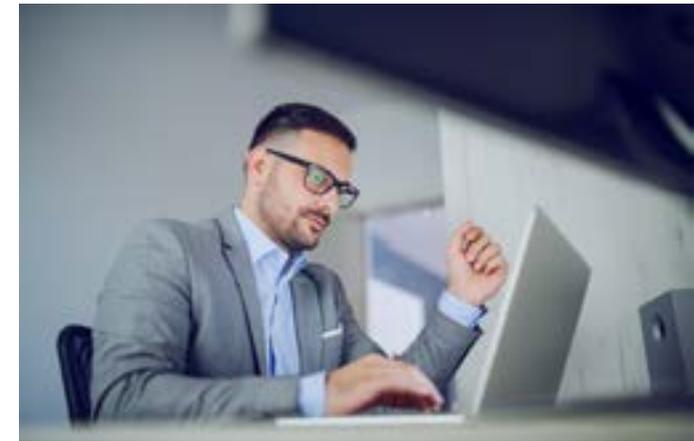
The deferral is optional and any persons still able to pay should still do so.

The offer of deferral is automatic, so no applications are required.

No penalties or interest for late payment will be charged if you defer payment of your July 2020

How does the scheme operate?

If you are due to make a self-assessment payment on account by 31 July 2020, this may now be deferred until January 2021.



[Further information about the scheme is available here.](#)



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Useful Coronavirus links and more information:

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[New! HMRC Coronavirus Tax Helpline](#)

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