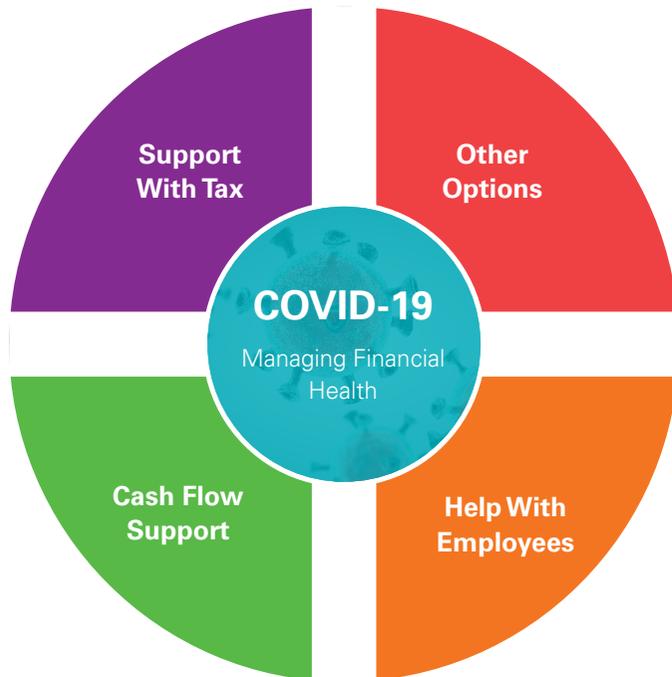


It is likely that all businesses in all sectors (other than perhaps those deemed “essential”) will face cash flow issues as a consequence of the restrictions that are now in place in the UK restricting the movement of people and forcing the closure of non-essential shops. This Quick Guide sets out what financial help and other options are available to help support businesses.



Coronavirus Business Interruption Loan Scheme

- Available to UK-based businesses with turnover of up to £45 million
- Must have a borrowing proposal, which, were it not for the current pandemic, would be considered viable by the lender, and for which the lender believes the provision of finance will enable the business to trade out of any short-to-medium term difficulty (further criteria apply)
- Loans between £1,000 and £5 million
- Borrowing terms from three months to six years
- Available from 23 March 2020
- No interest for the first 12 months

COVID-19 Commercial Financing Facility

- Available to larger business that, as at 1 March 2020, had a credit rating of A-3 / P-3 / F-3 / R3
- Scheme operates for 12 months
- A Bank of England fund provides working capital to the business by purchasing the business's commercial paper
- Available from 23 March 2020
- Covers purchases of at least £1 million

Cash Flow Support

Retail, Hospitality and Leisure Grants

- Grants of £10,000 grant per property for businesses in this sector, with a rateable value of under £15,000
- Grants of £25,000 per property for businesses in this sector, with a rateable value of between £15,000 and £51,000

Small Company Grants

- Grants of up to £10,000
- For small businesses that already qualify for small business rate relief, rural rate relief or tapered relief
- Local authorities will write directly to those that are eligible

Time To Pay (TTP)

- HMRC can agree TTP current tax debts in instalments over a 3-12 month period
- HMRC dedicated line (0800 0159 559)

Support With Tax

VAT Payments

- Deferred for three months from 20 March 2020 to 30 June 2020
- VAT for the next quarter will not be due until the end of the 2020/21 tax year

Coronavirus Job Retention Scheme

- Available to any UK business
- Covers designated employees (“furloughed employees”) who would otherwise have been laid off as a result of the crisis
- Details of those employees are provided to HMRC
- HMRC will reimburse 80% of each furloughed employee’s wage costs, capped at £2,500 per month
- Available shortly

Statutory Sick Pay (SSP)

- Available to employers with fewer than 250 employees as at 28 February 2020
- Government will refund up to two weeks’ SSP to anyone who has been absent from work due to COVID-19
- Payments to be made before end of April 2020

Help With Employees

Business Rates Relief

- Business rate holiday for retail, hospitality and leisure businesses for the 2020/2021 tax year
- Applied in the April 2020 council tax bill
- Consult the “Further Detail” link for expanded definitions of “retail, hospitality and leisure”

Insurance

- Will be dependent on the specific policy wording
- Government and insurance industry confirmed that the advice provided to the public on 17 March to avoid pubs, theatres, etc., would be sufficient to enable insureds who have coverage against pandemics and government-ordered closures to make a claim, subject to their policy wording

Bank Facilities

- Will lenders agree to extend current facilities?
- If the facilities have sufficient headroom, it may be appropriate to draw down on the available sums, to fund working capital
- Can additional finance be raised against available asset (e.g. invoice discounting)?

Other Options

Rent

- Can the business agree rent deferrals/reductions with its landlord?
- Is your landlord willing to “pain share” in order to secure ongoing occupation of the premises?
- Is the business protected from eviction if a rent payment is missed under the new measures?

Suppliers

- Will key suppliers amend their supply terms, e.g. by deferring some or all of the invoice values in order to “pain share” with valued customers?
- Larger customer may agree to accelerate payments to smaller suppliers to improve their liquidity and try and ensure continuity of supply

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For the latest updates on managing business risk during Covid-19, subscribe to [Restructuring GlobalView](#)

Our COVID-19 Summary of Government Financial Support [guide](#) sets out which companies are eligible for financial support, what the criteria is for applying and how the financial packages can be accessed. It is regularly updated when further information is available – check back for updates or subscribe to our blog.

For further information and to receive updates relating to the legal impact of COVID-19 please sign up to our [COVID-19 Resource Hub](#).

For further detail from the Government about the financial measures click on the links in this Quick Guide.