

## GOVERNMENT HELP FOR BUSINESSES AFFECTED BY COVID-19 A NOTE FOR HAMBRO PERKS PORTFOLIO COMPANIES

### 1. INTRODUCTION

On 17 March 2020, Rishi Sunak, the Chancellor of the Exchequer, announced a package of financial measures worth £350 billion to support businesses affected by the novel coronavirus COVID-19. These measures, which are unprecedented in scale, include a business interruption loan scheme for small- and medium-sized businesses, business rates holidays and other reliefs. The Chancellor has also committed to “do whatever it takes” to support UK businesses, including expanding these measures further should that be necessary.

In order to help our UK-based portfolio companies who may be affected by COVID-19, we have collated in this note the information that is currently available about these schemes and how businesses can access relief under them. The Government expects to publish further details in the days and weeks ahead, so please check the latest guidance for employers on <https://www.gov.uk>, as well as the websites referenced in this note for the latest information.

If you have any questions or would like to discuss further, please do not hesitate to get in touch with your usual Hambro Perks contacts.

### 2. CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

#### 2.1 Description

The Coronavirus Business Interruption Loan Scheme (the **CBILS**) will temporarily replace the British Business Bank’s (the **BBB**) Enterprise Finance Guarantee to facilitate the provision of business finance to smaller businesses affected by COVID-19. It will do this by providing a participating lender with a government-backed 80% guarantee against facility balances **of between £1k and £5m**, potentially enabling a “no” credit decision from a lender to become a “yes”.

Applicants **must apply for loans from participating lenders** – loans will not come directly from the BBB. Businesses can access the first 6 months of that finance interest free, as the government will cover the first 6 months of interest payments.

The BBB has advised that it is still in the process of defining and agreeing the scheme’s details, specifications and eligibility so please check the BBB’s website (click [here](#)) for the latest information.

#### 2.2 Eligibility

To qualify for support, a small business must:

- (a) be UK based, with turnover of no more than £41 million per annum;
- (b) operate within an eligible industrial sector (a small number of industrial sectors are not eligible for support, see further [here](#));

- (c) have a sound borrowing proposal, but insufficient security to meet a lender’s normal requirements; and
- (d) be able to confirm that they have not received de minimis State Aid (e.g. Innovate UK grants) beyond €200,000 equivalent over the current and previous two fiscal years.

**Important Note:** Tax advisers we spoke with said they were not expecting CBILS loans to count as “relevant investments” that would reduce the £5 million annual limit (or £10 million for knowledge intensive businesses) for investment which can be raised under EIS and VCT schemes – however, portfolio companies which intend to raise EIS or VCT investment in the next 12 months should check with their usual tax advisers before taking out a CBILS loan.

### 2.3 Timing

The BBB’s website currently states that it expects to make the CBILS scheme available “in the coming weeks”. Portfolio companies who wish to apply for CBILS are advised to contact participating lenders as soon as possible, rather than waiting for further details to be published.

### 2.4 How to apply

The BBB will not provide CBILS loans directly to small businesses that are affected by COVID-19. The BBB will facilitate the provision of CBILS loans by accredited lenders. Businesses affected by COVID-19 who wish to apply for a CBILS loan will therefore need to make an application to a participating lender.

The lenders who participate in the BBB’s Enterprise Finance Guarantee scheme and are therefore expected to offer CBILS loans are set out in the table below. Please check the BBB’s website for the latest list of lenders, as they may change. Note that many of these lenders have not yet updated their websites to refer to CBILS programme and therefore still refer to the Enterprise Finance Guarantee programme, which CBILS will be replacing.

Lender	Region	Sector	Type	Website
<b>ABN-AMRO Commercial Finance</b>	Nationwide	Generalist	Term Loan and Invoice Finance	Click <a href="#">here</a>
<b>Aldermore</b>	Nationwide	Generalist	Asset Finance	Click <a href="#">here</a>
<b>Art Business Loans</b>	West Midlands	Generalist	Term Loan	Click <a href="#">here</a>
<b>Ask Inclusive Finance (askif)</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Bank of Ireland UK</b>	Northern Ireland	Generalist	Term Loan and Revolving Credit	Click <a href="#">here</a>
<b>Bank of Scotland</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Barclays</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>

<b>BCRS Business Loans</b>	West Midlands	Generalist	Term Loan	Click <a href="#">here</a>
<b>Business Enterprise Fund</b>	West & North Yorkshire and the North East	Generalist	Term Loan	Click <a href="#">here</a>
<b>Calverton Finance</b>	Nationwide	Generalist	Term Loan and Invoice Finance	Click <a href="#">here</a>
<b>Chamber Acorn Fund (Humber)</b>	Humber	Generalist	Term Loan	Click <a href="#">here</a>
<b>Clydesdale Bank</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Compass Business Finance</b>	Nationwide	Print, packaging and engineering	Term Loan and Asset Finance	Click <a href="#">here</a>
<b>County Asset Finance</b>	Nationwide	Equipment and machinery; Practice finance	Term Loan and Asset Finance	Click <a href="#">here</a>
<b>CWRT</b>	Coventry & Warwickshire	Generalist	Term Loan	Click <a href="#">here</a>
<b>Danske Bank (Northern Ireland)</b>	Northern Ireland	Generalist	Term Loan	Click <a href="#">here</a>
<b>DSL Business Finance</b>	Scotland	Generalist	Term Loan	Click <a href="#">here</a>
<b>Enterprise Answers</b>	Cumbria, Lancashire, Northumbria, County Durham and surrounding areas	Generalist	Term Loan	Click <a href="#">here</a>
<b>Finance for Enterprise (Donbac)</b>	South Yorkshire, the North Midlands and Mid/North Lincolnshire	Generalist	Term Loan	Click <a href="#">here</a>
<b>First Enterprise</b>	East Midlands and South East Midlands	Generalist	Term Loan	Click <a href="#">here</a>
<b>GC Business Finance</b>	Nationwide, but specific focus on	Generalist	Term Loan	Click <a href="#">here</a>

	North West England			
<b>Genesis Asset Finance</b>	Nationwide	Generalist	Asset Finance	Click <a href="#">here</a>
<b>Haydock Finance</b>	Nationwide	Generalist	Asset Finance	Click <a href="#">here</a>
<b>Hitachi Capital Business Finance</b>	Nationwide	Generalist	Term Loan and Asset Finance	Click <a href="#">here</a>
<b>HSBC</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Let's Do Business Group</b>	South East England	Generalist	Term Loan	Click <a href="#">here</a>
<b>Lloyds Bank</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Merseyside Special Investment Fund (MSIF)</b>	Northwest England, but specific focus on Liverpool	Generalist	Term Loan	Click <a href="#">here</a>
<b>Metro Bank</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Natwest</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Newable (formerly GLE)</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Robert Owen Community Banking</b>	Wales	Generalist	Term Loan	Click <a href="#">here</a>
<b>Santander</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>Skipton Business Finance</b>	Nationwide	Generalist	Invoice Finance and Term Loan	Click <a href="#">here</a>
<b>South West Investment Group (SWIG) Finance</b>	South West England	Generalist	Term Loan	Click <a href="#">here</a>
<b>TSB</b>	Nationwide	Generalist	Term Loan	Click <a href="#">here</a>
<b>UKSE (part of Tata Steel)</b>	Nationwide	Steel industry	Term Loan	Click <a href="#">here</a>
<b>Ulster Bank</b>	Northern Ireland	Generalist	Term Loan	Click <a href="#">here</a>

### **3. BUSINESS RATES HOLIDAYS AND GRANTS**

#### **3.1 Description**

Business rates are charged on most non-domestic properties in England and Wales, including shops, offices, warehouses and factories. Business rates are calculated based on a property's "rateable value".

The Government has announced that it will introduce a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year. In addition:

- (a) eligible businesses that operate from smaller premises with a rateable value of between £15,000 and £51,000, will qualify for a grant of £25,000; and
- (b) small businesses that already pay little or no business rates because of small business rate relief or rural rate relief, will qualify for a grant of £10,000.

#### **3.2 Eligibility**

Businesses in the retail, hospitality and leisure sectors are currently expected to be eligible for business rates holidays and small business grants.

#### **3.3 Timing**

The Government has said that it will publish guidance for local authorities on business rates holidays and grants on 20 March 2020.

#### **3.4 How to apply**

Businesses making enquiries about eligibility for, or provision of, business rates holiday reliefs and grants should direct them to their local authority.

### **4. STATUTORY SICK PAY SUPPORT**

#### **4.1 Description**

Employees who follow advice to stay at home and who cannot work as a result will be eligible for statutory sick pay (SSP), even if they are not themselves sick. The Government has announced that it intends to bring forward legislation to allow small- and medium-sized businesses to reclaim SSP paid for sickness absence due to COVID-19.

The refund is expected to cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19. The refund is not expected to cover contractual sick pay entitlements which exceed SSP amounts.

#### **4.2 Eligibility**

Employers with fewer than 250 employees, determined by the number of people they employed as of 28 February 2020, will be eligible to apply for a refund of COVID-19 related SSP. Employers are advised to maintain records of staff absences and payments of SSP. Importantly, to reduce the strain on the National Health Service, the Government has stated that employers will not need their employees to provide GP certificates for those businesses to reclaim SSP they have paid.

#### 4.3 **Timing**

The 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. The Government has said that it will work with employers “over the coming months” to set up a mechanism as soon as possible for employers to reclaim COVID-19 related SSP.

#### 4.4 **How to apply**

To be confirmed.

### 5. **TAX SUPPORT**

#### 5.1 **Description**

HMRC has said that businesses in financial distress due to COVID-19 may be eligible to receive support with their tax affairs through HMRC’s “Time To Pay” service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities but may include:

- (a) agreeing an instalment arrangement;
- (b) suspending debt collection proceedings; and/or
- (c) cancelling penalties and interest.

#### 5.2 **Eligibility**

Any business that is in financial distress and has outstanding tax liabilities may be eligible to access HMRC’s “Time To Pay” service.

#### 5.3 **Timing**

On 11 March 2020, HMRC launched a new dedicated helpline for businesses concerned about paying their tax due to COVID-19.

#### 5.4 **How to apply**

Contact HMRC, either via their normal channels, or by telephoning HMRC’s dedicated COVID-19 helpline, on 0800 0159 559.