

# **CORONAVIRUS:** **What support is available for my business?**







# **The UK government has unveiled a range of measures to support businesses through the Coronavirus pandemic. Here is a summary of the support that's available and how you can apply for it.**

**We'll be updating this list regularly, so make sure you check back for all the latest information. Please note there are slight differences in the support available for companies in England, Scotland, Wales and Northern Ireland, which we've detailed below.**

GrantTree currently cannot help you apply for the schemes listed below. However, if you are interested in applying for R&D Tax Credits, Patent Box Tax Relief, Video Game Tax Relief, or Innovation grants, **please get in touch**.

Wondering how these schemes impact your eligibility for R&D Tax Credits? **Check our comprehensive and up-to-date blog**.





# GOVERNMENT SUPPORT DURING CORONAVIRUS

Here is our most up-to-date list of all measures that have been unveiled thus far. Click on the name of the scheme to scroll directly to its page.

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# UK

Available to businesses in all British nations

# 1. Bounce Back Loans

The Bounce Back Loan scheme provides small and medium-sized businesses up to £50,000 in government-backed loans. The scheme went live on May 4th, providing over £2 billion in loans to more than 69,000 businesses in the first 24 hours.

The Bounce Back Loans have a flat interest rate of 2.5%, but businesses will not have to pay any fees or interest for the first 12 months. The scheme allows for loans from £2k up to 25% of a company's turnover, with a maximum value of £50k.

The Bounce Back Loan scheme has been introduced to help the many SMEs struggling to get financial support through other facilities, like the Coronavirus Business Interruption Loan Scheme. Bounce Back Loans will also be delivered by a network of private lenders, but by guaranteeing the entire loan, and simplifying the application process, the government has gone a step further in helping SMEs access critical working capital.

Companies which have received a CBIL can't apply for a Bounce Back Loan. However they can transfer their CBIL to the Bounce Back Loan scheme to benefit from its terms.

## Who is eligible?

You are eligible for a Bounce Back Loan if you:

- Are based in the UK
- Have been negatively affected by the Coronavirus
- Were established before 1 March 2020

## How do I apply?

You can [apply here](#) on the British Business Bank's website.

There are three steps to the process - finding a lender; approaching the lender, usually via their website; and then the lender makes a decision. You can apply to multiple lenders, so it's not the end of the road if one turns you down.

If you were classified as 'a business in difficulty' on 31 December 2019 then additional de minimis State aid restrictions apply.

You cannot apply for a Bounce Back Loan if you are one of the following:

- A bank, insurer or reinsurer (but not insurance brokers)
- A public-sector body
- A grant-funded further-education establishment
- A state-funded primary or secondary school
- Trade unions

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## 2. Coronavirus Business Interruption Loan Scheme

The Coronavirus Business Interruption Loan Scheme - or CBILS - is designed to help Britain's SMEs by providing access to up to £5 million worth of working capital for up to six years.

The capital is provided in the form of loans, invoice finance, asset finance and revolving credit (overdrafts).

Through the CBILS, the government will pay the company's lender fees and the first 12 months of their interest payments.

The scheme is being delivered through commercial lenders, including several major institutions, and is backed by the British Business Bank. The government will be providing lenders with a guarantee for up to 80% of the loan's value.

### Update: 3 April 2020

On 3 April Chancellor Rishi Sunak announced widespread changes to the CBILS.

Originally, CBILs were only available to companies which had been turned down for a commercial loan. As a result, companies which took out a CBIL were being charged interest rates as high as 30%. The government is changing this; making CBILs available to businesses that haven't been refused a loan.

Also, businesses borrowing up to £250,000 will now no longer need to offer personal guarantees.

He also announced the launch of the Coronavirus Large Business Interruption Loan Scheme. More on that below.

### Who is eligible?

- Businesses based in the UK
- With an annual turnover of up to £45 million
- Or businesses that meet the British Business Bank's other eligibility criteria

#### The following kinds of businesses are NOT eligible:

- Banks and building societies
- Insurers
- Public-sector organisations
- Employer, professional, religious or political organisations
- Trade unions

### How do I apply?

The first step is to find an accredited lender. You can find a [complete list of accredited lenders here](#), on the British Business Bank's website.

You should then approach the lender directly, ideally through their website. The lender will then make a decision whether to grant you the loan. If they say no, you can apply to as many other lenders as you like.

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### 3. Coronavirus Large Business Interruption Loan Scheme

Separate from the CBILS is the Coronavirus Large Business Interruption Loan Scheme, or the 'CLBILS'.

Under the CLBILS companies with annual turnovers between £45 million and £500 million will be eligible for up to £25 million of government-backed loans.

The scheme is due to launch before the end of April. The government is expecting private lenders to deliver this scheme, with the government providing a guarantee for up to 80% of loan values.

#### Who is eligible?

- Businesses based in the UK
- With an annual turnover of between £45 million and £500 million
- Which have been unable to secure regular commercial funding

#### The following kinds of businesses are NOT eligible:

- Public-sector bodies
- Banks, insurers and reinsurers (but not insurance brokers)
- Grant-funded further-education establishments
- State-funded schools

#### How do I apply?

As with the CBILS, the first step is to find an accredited lender. You can find a [complete list of CLBILS lenders here](#).

You should then approach the lender directly, ideally through their website. The lender will then make a decision whether to grant you the loan. If they say no, you can apply to as many other lenders as you like.

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## 4. Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme offers financial support for UK businesses so they can retain employees that would otherwise have been laid off because of the virus.

The scheme covers 80% of salaries - up to a monthly cap of £2500, plus ENI and minimum automatic pension contributions - for PAYE employees that have been designated as 'furloughed'. Employers can top this up to 100%, but are not required to by law. The money is transferred directly to employers' bank accounts within 6 working days of application.

When an employee is 'furloughed' they are effectively put on a leave of absence, meaning they can't do any work for their employer.

On 12 May the Coronavirus Job Retention scheme **was extended by four months**, meaning it will now end in October. The Chancellor has said that, from August, the government will ask employers to 'share' the cost of this scheme. It's not yet clear what that will involve. Presumably, businesses will be asked to pay a larger share of the support paid to furloughed staff. In three months the scheme will also be retooled to help businesses bring back furloughed workers on a part-time basis.

As of 12 May, 7.5 million people are being covered by the Coronavirus Job Retention Scheme.

Employees hired after 19 March cannot be put on furlough. Neither can employees placed on unpaid leave before then.

### Who is eligible?

- All UK employers
- With employees paid through PAYE, regardless of the contract they're on
- Who set up their PAYE system on or before 19 March 2020

### How do I apply?

You can claim for the Coronavirus Job Retention Scheme through the **Government Gateway**. You will need your Government Gateway user ID and password.

Companies wishing to furlough more than 100 staff must upload information on each worker, including their name, national insurance number and payroll number.

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## 5. Covid Commercial Financing Facility (CCFF)

The CCFF is designed to help larger firms overcome cash flow issues by providing working capital in exchange for short-term debt. This debt is in the form of commercial paper.

The CCFF is delivered jointly by the Bank of England and the Treasury, and will support eligible companies for up to 12 months.

### Who is eligible?

- Non-finance companies
- Companies that make 'a material contribution to the UK economy'
- Companies that can demonstrate they were in sound financial health before the impact of the Coronavirus. This means they had a short or long-term investment-grade rating as of 1 March 2020, or equivalent

### How do I apply?

You should contact your bank and ask about this scheme. If your bank does not issue commercial paper, [UK Finance has published a list of banks that do.](#)

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## 6. Deferring Income Tax

The government is allowing some businesses to defer their Income Tax Self-Assessment payments.

If your second self-assessment payment is due on 31 July 2020, you can defer it to 31 January 2021.

### Who is eligible?

- UK Businesses
- Whose second self-assessment payment is due on 31 July 2020

### How do I apply?

There's no application. You just don't pay HMRC. And you won't be charged a penalty or any interest.

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## 7. Deferring VAT

The government is allowing all UK businesses to defer their quarterly VAT payments by three months. This 'deferral window' applies to VAT due between 20 March and 30 June 2020. The support applies to regular VAT, not VAT MOSS.

We don't know when the deferred VAT will be due. Originally, the government said companies would have until the end of the 2020-21 tax year. It has since retracted that statement, but are promising 'more information' soon.

Meanwhile, the government is paying out VAT refunds and reclaims as usual.

### Who is eligible?

- All UK businesses

### How do I apply?

You will still need to submit your VAT returns by the deadline, you just don't have to pay it. And you don't have to tell HMRC that you're deferring.

If you want to defer, make sure you cancel your Direct Debit if you have one set up.

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## 8. Future Fund

The Future Fund will provide government-backed loans worth between £250,000 and £5 million to innovative businesses, so long as the money is at least matched by private investors.

Private investors can put in as much money as they like, but the government's contribution is capped at £5 million per company. The scheme will launch sometime in May.

[Read our extensive analysis of the Future Fund here.](#)

Future Fund support comes in the form of convertible loan notes which convert into equity during the company's next fundraising or exit. The Future Fund loan notes are relatively generous. But that can quickly erode against market rates and the terms that private lenders set.

### Who is eligible?

The scheme is open to businesses which:

- Are based in the UK and have a 'substantive economic investment' here.
- Can attract funding from private investors which at least matches the value of the loan from the government
- Have raised at least £250,000 in equity investment over the last five years, excluding money raised through the Future Fund

### How do I apply?

The scheme is not live yet. However, if you are planning to apply for the Future Fund, there's no time to waste. All indications are that Future Fund support will be distributed on a first-come, first-serve basis. Companies with private backers lined up, and who submit a clean and accurate application, will receive their money sooner.

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## 9. Protection from Eviction for Commercial Tenants

The government has announced that commercial tenants who can't pay their rent because of the Coronavirus will be protected from eviction. Under the measure, businesses will not automatically forfeit their lease if they miss a rental payment between now and June 30th.

Tenants will still be liable for the rent owed during this time, but they will be protected from automatic eviction.

### Who is eligible?

- Businesses in England, Wales and Northern Ireland
- Who cannot pay rent due to the Coronavirus

### How do I apply?

There is no application. This measure will come into force when the government's Coronavirus Bill receives Royal Assent in the next couple of days.

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## 10. Statutory Sick Pay arrangements

The government is planning to bring forth legislation that would allow SMEs to reclaim Statutory Sick Pay (SSP) for sickness and absence due to the Coronavirus. The refund will cover up to two weeks SSP per eligible employee who has been absent from work because of the virus.

Employers are being asked to keep records of absences and payments of SSP.

The government won't require employees to provide a doctor's note. For employers who require a doctor's note internally, employees can get a note of isolation from NHS 111. Employees living with people with symptoms can get a note online from the NHS website.

### Who is eligible?

- UK based businesses
- Businesses with fewer than 250 employees as of 28 February 2020

### How do I apply?

The claiming system is still being developed. We'll update this guide with more information when it's launched.

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# 11. Time to Pay Arrangements

The government has expanded its Time to Pay service by adding more staff and launching a new helpline – **0800 0159 559** – for companies concerned about paying their taxes due to the outbreak.

Decisions about deferring taxes will be made on a case-by-case basis, after a consultation with an HMRC representative.

## Who is eligible?

There are only two criteria for eligibility. But whether you receive support depends on your situation. The criteria are:

- You pay tax to the UK government
- You have outstanding tax liabilities

## How do I apply?

Call HMRC's dedicated helpline on **0800 0159 559**. HMRC say it's better to call before your tax payment is due than after.

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# 12. Updates to Commercial Insurance

## Government ordered closure

On 21 March the government asked a range of businesses - including pubs, cinemas and casinos - to close.

Insurers have confirmed they will interpret this request as the government ordering businesses to shut. Companies with policies covering forced government closure, or denial of access, could be eligible for a claim.

However, the government says most insurance policies won't cover the impact of COVID-19, and that companies should check their arrangements.

## Notifiable diseases

The government has added COVID-19 to its list of notifiable diseases. This will allow some companies to claim insurance money if their policy includes cover for 'notifiable diseases'.

Not all policies include this. In fact most policies only cover a fixed subset of notifiable diseases, such as Anthrax. Companies holding those policies probably won't be able to make a claim.

However, some businesses will have insurance that covers 'unspecified notifiable diseases'. This covers all diseases included on the governments notifiable diseases list, including those that weren't known about when the policy was issued.

Companies with this kind of cover should be able to make a claim, though it's very much dependent on the specific policy.

## Event coverage

Businesses whose policies cover event cancellation due to unspecified notifiable diseases should be able to make a claim for "necessary and unavoidable cancellation, abandonment, curtailment, postponement and disruption" or their event.

Again, eligibility will depend on the policy. All businesses are encouraged to check their terms and conditions.

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# ENGLAND

Available only to companies based in England



# 1. Business rates relief (England)

Businesses in the leisure, retail and hospitality sectors will receive a business rates holiday - a 100% discount, in other words - for the 2020-21 tax year.

Eligible properties must be occupied and primarily used:

- As shops, cafes, bars and pubs, cinemas and live music venues
- For assembly and leisure
- As hotels, guest & boarding premises and self-catering accommodation

## Who is eligible?

- Businesses based in England
- Working in the hospitality, retail or leisure sectors
- That operate an eligible property

## How do I apply?

This relief is applied automatically, so you don't need to do anything. Some local authorities may need to issue a new bill reflecting the change. But this will happen "as soon as possible", according to HMRC.

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## 2. Grants for the retail, hospitality and leisure sectors (England)

The English government has launched the Retail and Hospitality Grant Scheme, which will provide businesses in the leisure, retail and hospitality industries a cash grant worth up to £25,000 per property.

Businesses with a rateable value under £15,000 will receive a £10,000 grant. Those with a rateable value between £15,000 and £51,000 will receive the full £25,000.

Properties eligible for the relief include shops, bars, cafes, restaurants, hotels, cinemas and music venues.

### Who is eligible?

- Companies based in England
- In the retail, hospitality or leisure sectors
- Operating eligible properties

### How do I apply?

You don't need to apply. Local authorities will write to eligible businesses. If you have any questions about the scheme, including about your eligibility, you should contact your local authority.

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### 3. Support for businesses that pay little or no business rates (England)

The government is providing additional support through the Small Business Grant Scheme for businesses which pay little or no business rates.

Companies which benefit from the Small Business Rates Relief (SBBR), rural rate relief (RRR), or tapered relief will receive a £10,000 grant to help cover costs.

#### Who is eligible?

- Companies based in England
- Which occupy eligible properties
- And have received SBBR or RRR

#### How do I apply?

You don't need to apply. Local authorities will be writing to businesses that are eligible. Questions about your eligibility should be sent to your local authority, not HMRC.

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# SCOTLAND

Available only to companies based in Scotland

# 1. Relief on non-domestic business rates (Scotland)

The Scottish government has announced £2.2 billion in business support. All Scottish companies will receive a 1.6% business rates relief for all properties, which effectively freezes the poundage rate for 2020-21.

Companies operating in the tourism, retail, hospitality and leisure sectors will also receive a 100% relief on non-domestic business rates. Only occupied properties are eligible.

A £10,000 cash grant will be given to businesses benefitting from either the Small Business Bonus Scheme (SBBC) or Rural Relief (RR). Businesses with a rateable value between £18,000 and £51,000 will receive a grant of £25,000.

## How do I apply?

You don't need to apply for these reliefs. They will be applied automatically by your local council.

The Scottish government is asking businesses to reach out to their council to discuss eligibility for these and other business rate reliefs.

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# WALES | CYMRU

Available only to companies based in Wales

# 1. Capital Repayment Holiday (Wales)

The Wales Development Bank is giving all customers - some 1,000 businesses - a three-month capital repayment holiday. Companies will still be liable for interest payments.

## Who is eligible?

- Companies in Wales
- Who are customers of the Welsh Development Bank

## How do I apply?

The Wales Development Bank will be contacting customers which are eligible for the holiday. This is an opt-in benefit, meaning companies will have to confirm whether they want to receive it.

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## 2. Grants for retail, hospitality and leisure sectors (Wales)

Welsh companies in the retail, hospitality and leisure sectors will receive a year-long holiday from business rates. The Welsh government is also providing cash grants worth £25,000 to businesses with a rateable value between £12,001 and £51,000.

Businesses with a rateable value of £12,000 or less, and qualify Small Business Rates Relief (SBRR), will receive a £10,000 grant.

### Who is eligible?

- Welsh businesses in the retail, hospitality and leisure sectors
- With a rateable value of up to £51,000

### How do I apply?

You don't need to apply for either the grants or the rates holiday; they will all be delivered through the business rates system. Your local authority will be in touch if you are eligible.

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# NORTHERN IRELAND

Available only to companies based in Northern Ireland



# 1. Business rates relief (Northern Ireland)

Northern Ireland has announced a three-month holiday on all business rates, excluding those paid by the public sector and utilities companies.

No rates will be charged for April, May and June. As this money doesn't need to be paid back, this relief effectively gives Northern Irish businesses a 25% discount on their business rate charges.

Business rates bills for 2020-21, which were due to be sent out in April, will also be delayed until June 2020. Businesses can then choose to pay their bill all at once, or in monthly installments between June and March 2021.

## How do I apply?

Both the business rates holiday and bill delay will happen automatically.

Businesses must then choose whether to stagger their payments. If they do, their payment plans will be updated accordingly.

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## 2. Grants for retail, hospitality and leisure sectors (Northern Ireland)

Northern Irish businesses in the retail, tourism and hospitality industries, and with a rateable value between £15,000 and £51,000, will receive a cash grant of £25,000.

### Who is eligible?

- Retail, tourism and hospitality companies in Northern Ireland
- With a rateable value between £15,000 and £51,000

### How do I apply?

This scheme isn't running yet. We expect it to be administered automatically by local councils, as it will be in other British nations.

We'll be updating this page with all new information, so be sure to check GrantTree's website for the latest.

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### 3. Grants for small businesses (Northern Ireland)

Companies in Northern Ireland that are eligible for the Small Business Rate Relief (SBRR) scheme - which is any business with a Net Asset Value under £15,000 - will receive a £10,000 cash grant. The government expects around 27,000 businesses to benefit.

#### Who is eligible?

- Companies in Northern Ireland
- That are eligible for the SBRR scheme

#### How do I apply?

The scheme isn't running yet, but be sure to check back with the latest information on applying.

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