

# COVID-19: Financial support for SMEs



## Job Retention Scheme

- Under the Coronavirus Job Retention Scheme, HMRC will reimburse 80% of ‘furloughed workers’ wage costs, up to a cap of £2,500 per month. Employers can choose to top up this amount.
- To access the scheme employers need to (i) designate affected employees as ‘furloughed workers,’ and notify employees of this change; and (ii) submit information to HMRC about the employees that have been furloughed and their earnings.
- Changing the status of employees remains subject to existing employment law and may be subject to negotiation.
- HMRC launched their [online portal](#) for employers to make claims on 20 April 2020.
- The scheme will be open until the end of June but the Chancellor has said he will keep the scheme under review and extend it if necessary.
- For further details please see our [Job Retention Scheme guide](#) and [employer Q&A](#).



## Business Interruption Loans

- Under the Coronavirus Business Interruption Loan Scheme (CBILS) UK businesses with annual turnover of no more than £45m can borrow up to £5m interest-free for 12 months under a British Business Bank (BBB) scheme where the Government provides the lender with a guarantee for 80% of each loan (subject to a per-lender cap on claims) and covers the cost of the first 12 months of interest.
- The Government subsidised interest under CBILS is State aid. Further details on CBILS can be found [here](#).
- In addition, the Government has announced an additional scheme for businesses which do not qualify for CBILS will launch in May. Under this ‘Future Fund’ the government will provide convertible loan funding to unlisted UK companies. Businesses must be able to match this with funding from third parties. Further guidance can be found [here](#).
- Loans are also available for larger businesses under two additional schemes.



## Business rate reliefs

- 12-month business rates holiday for retail, hospitality and leisure businesses in England, Scotland and Wales for the 2020/21 tax year.
- There is no limit on the rateable value of the properties eligible for 100% rates relief in England and Scotland. In Wales properties with a rateable value of up to £500,000 are eligible.
- Government guidance has been issued for the reliefs in [England](#), [Scotland](#) and [Wales](#).
- In Northern Ireland no rates will be charged for April-June 2020 for all business ratepayers excluding public sector & utilities.
- Businesses who were not in receipt of the retail discount in 2019/20 (or only received it on some of their properties) may need to apply to their local authority to ensure the discount is applied correctly for 2020/21.
- Distressed businesses may also be able to request Hardship Relief via their local authority. A number of other exemptions and reliefs may also apply.



## Grants

- Under the Retail, Hospitality & Leisure Grant Fund (RHLGF) scheme businesses can access cash grants of £25,000 for **each property** in England with a rateable value of £15,001-£51,000 and £10,000 for each property in England with a rateable value of £15,000 or lower. Further details can be found [here](#).
- Small businesses which occupy premises in England and already receive small business rate relief or rural rate relief are eligible for a one-off grant of £10,000 (SBGF).
- [BEIS guidance](#) and [FAQs](#) provide further details on eligibility criteria and delivery of the RHLGF & SBGF schemes..
- [Scotland](#), [Wales](#) and [Northern Ireland](#) have implemented similar schemes.
- State aid rules apply and should be considered when accepting grants.
- The Government has also announced extra grant funding will be made available from Innovate UK for SMEs undertaking R&D. Further details are still to be published.



## Tax measures

- VAT payments (including payments on account) due between 20 March and 30 June 2020 can be deferred to the end of the tax year.
  - HMRC have scaled up their ‘Time to Pay’ service for requests to defer other tax payments including corporation tax and PAYE which are due (or overdue) to HMRC by calling a dedicated HMRC Coronavirus helpline on **0800 024 1222**. We are aware of businesses obtaining three month deferrals via this route.
  - HMRC have issued formal notices to some SME’s confirming they will temporarily pause work on open enquiries.
- ### Statutory Sick Pay
- Businesses with less than 250 employees will be able to claim a refund from the Government for Statutory Sick Pay paid for up to 2 weeks’ absence due to COVID-19. This also covers absence due to self-isolating in line with Government advice.
  - See [our article](#) and [HMRC’s guidance](#) for further details.