

On Tuesday, March 17 Chancellor Rishi Sunak announced a further raft of measures to support businesses affected by the Covid-19 pandemic.

This builds on the initial measures announced in the Budget last week. We have outlined the measures announced below and highlighted how businesses can access these new benefits.

The below information is accurate as of Wednesday, March 18.

Commercial rates & grant funding

- Smaller enterprises will be entitled to up to £5 million in loans delivered through accredited lenders under the Coronavirus Business Interruption Loan Scheme (CBILS). The first six months of these loans will be interest free.
- A total of £2 billion has been committed to support smaller businesses and households.
- Leisure, retail and hospitality firms will be able to access cash grants worth up to £25,000 to help businesses in the sector bridge the period of turbulence.
- The smallest businesses in the country, across all sectors of the economy, will be able to seek grants worth up to £10,000.
- In further positive news for the retail, leisure and hospitality - business rates paid on commercial properties will be scrapped this year for companies in those sectors.

These measures were in addition to the following measures which were announced in the Budget and have not yet been updated:

- Statutory Sick Pay (SSP) to be paid from the first day of absence, not the fourth, where people have the virus or have to self-isolate, or care for other individuals self-isolating.
- Support through Universal Credit and the Employment and Support Allowance for self-employed people and others not entitled to SSP.
- Small and medium-sized employers will receive full funding for the cost of two weeks SSP, if workers have claimed as a result of coronavirus.
- Businesses and self-employed individuals in financial distress will be able to negotiate 'time to pay' arrangements with HMRC without incurring late payment penalties.

It has not yet been indicated when these initiatives will be made live, but more detail is expected from government later this week.

Cashflow and lending

- Liquidity amongst small firms will be supported, meaning they can pay their salaries, rent and small suppliers.
- SMEs will be supported via banks to underwrite loans of up to £5m - this was formerly limited to £1.2 million. The first six months of that finance will be interest free.
- The government has confirmed with lenders to mortgage payment holidays of at least three months. This is only for those facing issues as a result of coronavirus.
- A later statement indicated there would be help for those that rent, but that remains unclear.

The Government promises this will be available from Monday, March 23 – but there are no firm indications around the timescale or mechanisms.

Other measures

- Businesses will be worked with to develop a new Employment Support Scheme, which will, in turn, contribute to employment cost and protect jobs/prevent lay-offs.
- Planning regulations will be relaxed so that pubs and restaurants can provide takeaways or deliveries. The businesses will not have to apply for change of use.
- Government has committed to hold meetings with individual sectors which are in trouble as a result of coronavirus – such as the aviation sector.
- Reform to the IR35 off payroll working rules have been postponed by a year to April 2021.
- A 30-day extension will be implemented for companies to file their accounts with Companies House – but this will require companies to apply online.
- Introducing a three-month repayment holiday for individuals with mortgages affected by Covid-19, and residential landlords
- Introducing a three-month moratorium on evicting tenants who fall behind in rents due to Covid-19

Once again whilst some draft legislation (e.g. emergency sick pay) has been published, the exact timescale for legislation to be changed is not yet known. At the very latest this should be before Easter.

How to claim Business Interruption Loans

It's simple to apply and should take no longer than a standard application.

Any small business interested in CBILS should, in the first instance, approach one of the [40+ accredited lenders](#) with their borrowing proposal.

If the CBILS lender can offer finance on normal commercial terms, without the need to make use of CBILS, they will do so.

Where the small business has a sound borrowing proposal but no, or inadequate, security, the lender will consider the small business for support via CBILS.

Decision-making on whether a small business is eligible for CBILS is fully delegated to the [40+ accredited lenders](#). These lenders range from high-street banks, to challenger banks, to asset-based lenders, through to smaller specialist local lenders.

Who is eligible for a CBILS Loan?

To be eligible for support via CBILS, the small business must be:

- Based in the UK, with turnover of no more than £41 million per annum.
- Operate within an eligible industrial sector, as not all industrial sectors are eligible for support.
- Have a sound borrowing proposal but have inadequate security to meet a lender's normal requirements.
- **Be able to confirm that they have not received other public support of de minimis state aid beyond €200,000 equivalent over the previous three years**

CBILS guarantees facilities to fund the future growth or expansion of a business, from £1,000 to £5 million.

Finance terms are from three months up to 10 years for term loans and asset finance and up to three years for revolving facilities and invoice finance.

Note: A limited number of further eligibility restrictions to apply. [Full details can be found here.](#)

Please note we will endeavour to update this information as the situation changes

With thanks to British business Bank and FSB