

## CORONAVIRUS SUPPORT SCHEMES - UPDATE

In our article last month, we set out some of the emergency measures which the Government had introduced to financially support businesses and individuals who have been adversely affected by the outbreak of COVID-19.

As the situation changes almost daily in some respects, it can be hard to keep up with the pace of those announcements and to know which support measures are currently available to you. In the last few weeks, the Government says it has spent more than £15 billion on COVID-19 business support schemes, the most recent of which arrived in the form of 'Bounce Back Loans' (see below). Here's our round-up of the main support measures announced at the time of writing:

### Coronavirus Job Retention Scheme

As mentioned in our article last month, the Coronavirus Job Retention Scheme, which allows employers to claim 80% of their furloughed employees' usual wages up to £2,500 per month, was announced at the end of March, and so far more than 500,000 claims have been made through it.

Updates were made to the scheme throughout April including the announcement that the scheme has been extended until the end of June and the cut-off date for eligibility was moved so that it applies to workers who were employed and included on a PAYE submission on or before 19 March 2020 - instead of 28 February as previously announced.

The portal through which employers can claim for their furloughed staff's wages under the scheme opened on 20 April and can be accessed at [www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme](http://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme)

### Self-Employment Income Support Scheme

Self-employed people who have been adversely affected by COVID-19 will receive a taxable grant based on 80% of their average profits over the three tax years ending 5 April 2019. The grant will be made in one payment and amount to three months' worth of average profits, up to £2,500 a month.

HMRC started to contact those who are eligible for the scheme on 4 May and the first claims should be able to be made from 13 May, depending on the date and time slot which HMRC provide you with when you check your eligibility. Further details can be found at the following link and you will need your 10-digit Unique Taxpayer Reference (UTR) and National Insurance number in order to check if you are eligible - [www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme](http://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme)

### Government loan schemes

The Coronavirus Business Interruption Loan Scheme went live on 23 March and was extended on 3 April so that more businesses would be eligible. The changes included preventing lenders from requesting personal guarantees on loans under £250,000, as well as operational changes to speed up approvals. A separate Coronavirus Large Business Interruption Loan Scheme also opened on 3 April,

which offered a Government guarantee of 80% on loans of up to £25 million, for firms with an annual turnover between £45m and £500m.

In addition, a 'future fund' was revealed to provide Government loans ranging from £125,000 to £5m, for certain companies that can find equal funding from private investors and that meet other qualifying conditions. This scheme is due to open this month and further details can be found at [www.gov.uk/guidance/future-fund](http://www.gov.uk/guidance/future-fund)

### Bounce Back Loans

On 27 April the Chancellor announced the Bounce Back Loan Scheme ([www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan](http://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan)) in response to concerns that other loan schemes were taking too long to access. This scheme opened for applications on 4 May and offers small businesses loans ranging from £2,000 up to 25% of their turnover, capped at a maximum of £50,000. Successful applicants should see the funds arrive in their bank within days.

The Government guarantees 100% of the loan and there will not be any fees, interest or repayments to pay for the first 12 months. After 12 months the interest rate will be 2.5% a year and the term of the loans is six years, although early repayment (without penalty) is permitted.

### Small business grants

Emergency grants for small businesses in England were announced in March. These include £10,000 for businesses eligible for small business rate relief and grants of £25,000 for certain qualifying retail, hospitality and leisure businesses (dependent on rateable values). You should refer to your Council's website for further details and to check if you need to apply for the grants or if the Council will contact you directly.

The Government's guidance covering all of the above topics and further schemes is being updated frequently so you should check the website for any updates on a regular basis if you are applying for any of the above support measures. Further details of all the COVID-19 support available can be found at [www.gov.uk/coronavirus/business-support](http://www.gov.uk/coronavirus/business-support)

*The above is for general guidance only and no action should be taken without obtaining specific advice. We wish all readers well and hope you stay safe at this difficult time.*

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