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CHAVEREYS

18 March 2020

Dear All

On Budget day the Chancellor announced a package of funding totalling £12 billion, covering both an injection of funds directly into front line NHS services and assistance to businesses to help them through the current crisis.

Yesterday, as a measure of how the landscape has changed in less than 7 days, the scale of Government intervention has increased to more than £330 billion. The Government has announced the following for small and medium sized businesses:

- An extension of the **Coronavirus Business Interruption Loan Scheme**, making available £330 billion of loan guarantees and so encouraging partner banks to lend to businesses. Yesterday the maximum loan amount was increased to £5million. The first six months of borrowing will be interest free. The scheme is expected to become available in the week commencing 23 March and should be accessed by applying directly to one of the Partner Banks with a lending proposal. Terms will be from 3 months to 10 years depending on the type of lending required.

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>

<https://www.british-business-bank.co.uk/ourpartners/supporting-business-loans-enterprise-finance-guarantee/>

Even without yesterday's extension, precise details are still awaited from last week's announcement covering eligibility but it appears that loans will only be available to businesses without sufficient assets to offer as security for ordinary lending. The Government is providing a guarantee, rather than direct funding. Furthermore lending to agricultural businesses is restricted.

Further information will be provided when it is available.

- A cancellation of **Business Rates** for the 2020/2021 year for all businesses operating in the retail or hospitality sector, regardless of the rateable value of their premises. Rates bills which have already been issued will be canceled and re-issued.
- For those businesses that are not required to pay business rates due to Small Business Rates Relief or Rural Rate Relief, an increase in the size of **grant available to £10,000** and up to £25,000 for businesses operating in the retail and hospitality sector with property with a rateable value between £15,000 and £51,000. The grants will be made available via the relevant Local Authority. Detailed information on the operation of the scheme is awaited and funding will not be passed to local authorities until early April.

PARTNERS

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- The mechanism by which the Government will refund Statutory Sick Pay for 14 days of absence for small and medium sized businesses is still being drawn up and is promised “over the coming months”.

It may be that businesses are forced into delaying the payment of taxes such as VAT and payroll taxes to H M Revenue & Customs, or paying by instalments. Arrangements can be made by contacting the dedicated HMRC helpline:

HMRC Coronavirus Helpline

Telephone: 0800 015 9559

The Chancellor has promised further announcements in the coming days to support employment and we will provide an update on these measures when further detail is announced.

The ability to forecast cash flows over the coming months will be crucial. We can help with forecasts and with lending proposals.

A handwritten signature in black ink that reads "Chavereys". The script is cursive and fluid, with the 'y' ending in a long tail.

The Chavereys Team

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