

COVID19 CURRENT BUSINESS SUPPORT update 30 April 2020

Apply for a coronavirus Bounce Back Loan

The Bounce Back Loan scheme, launched 27 April 2020, will help small and medium-sized businesses to borrow between £2,000 and £50,000. The government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years, with no repayments being due during the first 12 months. The Government will work with lenders to agree a low rate of interest for the remaining period of the loan. The scheme will be delivered through a network of accredited lenders.

You are eligible to apply if your business is based in the UK, has been negatively affected by coronavirus and was not an "undertaking in difficulty" on 31 December 2019. You cannot apply if you are already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS). But, if you have already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020. The Bounce Back Loan Scheme will launch on 4 May 2020. More information will be published shortly.

Scottish Government Funding

On 15th April the Scottish Government announced a £100 million fund to be made available to protect self-employed people and viable micro and SME businesses in distress due to COVID. More details have now been published

This fund is split into three heads and will be channeled through local authorities and enterprise agencies to target newly self-employed people and businesses who are ineligible for other Scottish Government or UK Government schemes. Applications opened on 30th April 2020 for the three separate schemes set up under this fund:-

- Newly Self-Employed Hardship Fund - If you are newly self-employed on or after 6 April 2019, with over 50% of your income coming from self-employment and facing hardship, you may be eligible for a £2000 grant via your local council authority. You will need to provide documents showing you had an active business prior to Covid-19 along with a declaration that you are experiencing hardship. Full details are available at <https://findbusinesssupport.gov.scot/service/coronavirus/newly-self-employed-hardship-fund>
- Creative or Tourism and Hospitality Enterprises hardship Fund – this is available to small companies within these sectors who have had at least 50% loss of current or projected revenue due to Covid-19 and cannot access other government grant support apart from the Furlough Scheme and grants of up to £25,000 are available. Detailed financial information is required, including a 3 month cash flow projection. Full details and online pre-application form are at <https://findbusinesssupport.gov.scot/service/coronavirus/creative-or-tourism-and-hospitality-enterprises-hardship-fund>
- Pivotal Enterprise Resilience Fund – this fund offers a bespoke needs-based grant for SME firms who have a successful trading history prior to Covid-19 and are currently vulnerable, but can present a strong business case for a viable future. Firms also need to prove that they

are vital to the local, regional or national economy. Further details can be found at <https://findbusinesssupport.gov.scot/Coronavirus-funds-guidance-for-applicants>

Field sports businesses welcome reversal on Scottish Government funding decision

On 27 April 2020, the British Association for Shooting and Conservation (BASC) was reassured by Cabinet Secretary for the Rural Economy and Tourism, Fergus Ewing MSP, that financial provisions would be made to such businesses during the coronavirus pandemic.

During a phone conference with the BASC and the Scottish Country Sports Tourism Group (SCSTG), Fergus Ewing MSP highlighted that sporting businesses had been 'inadvertently excluded' from much-needed support to contend with the pandemic. He has since assured the BASC and SCSTG that details of grants for field sports organisations would be shared "in due course".

We will continue to monitor the position, and will issue fresh guidance as more information is available.

Cononavirus Job retention Scheme

Scottish Government have now confirmed that the period for furlough claims has now been extended to cover 1 March 2020 to 30 June 2020. It may be extended if necessary, and employers can use the scheme at any time during this period.

Also, a new guidance booklet has been published by Government re Cononavirus Job retention Scheme:

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

and an on line calculator have now been provided to assist with the calculation of the furlough claim. It should be noted that the calculator is only of use in basic calculations, and for more complex cases, a manual calculation will still be required:

<https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme>

In addition, a government press release 24 April 2020 has announced that furloughed workers are to now be eligible to receive full parental or adoption leave entitlement.

Please do not hesitate to get in touch if you need help with a furlough claim.

Small Business Grants Fund and Retail Hospitality and Leisure Grants

Further clarification from HM Treasury has now been released on the taxation treatment of grants received. Grant income received will be subject to tax, but only businesses making an overall profit once grant income is include will be subject to tax.

Rent collection

UK Government is to introduce temporary new measures to protect the UK High Street from aggressive rent collection and closure. Shops and other companies under strain will be asked to pay what they can during the Coronavirus pandemic. However, while landlords are urged to give their tenants the breathing space needed, the Government calls on tenants to pay rent where they can afford it or what they can in recognition of the strains felt by commercial landlords too.

Scottish landlords must now give at least 14 weeks' written notice to tenants before being able to terminate a commercial lease for non-payment of rent, rather than 14 days. The 14 week period applies irrespective of whether the tenant was already in breach of its payment obligations before the Coronavirus (Scotland) Act 2020 came into force.

Therefore, landlords will effectively be prohibited from evicting tenants for non-payment of rent until July, at the earliest. This will give tenants an extended period of time to come up with any sums due and should offer some peace of mind to businesses struggling with cash flow due to Covid-19.

Coronavirus Support Finder Tool

A new support tool has been released by UK Government, help businesses and the self employed across the UK quickly and easily determine the financial support that is available to them during the coronavirus pandemic. We have highlighted the main sources of funding in our previous newsletters, this link will bring everything together in one place:

<https://www.gov.uk/business-coronavirus-support-finder>

INFORMATION CORRECT AS AT 30 APRIL 2020