



Whittles Guide to the Coronavirus Loans & Grants

Updated 30 September 2020

INTRODUCTION

UK businesses have claimed more than £22 billion in Government loans and guarantees to support their cashflow during the coronavirus crisis.

That includes more than £14.18bn in 464,393 bounce-back loans for small businesses, just two weeks after the scheme was launched.

Bounce-back loans worth 25% of a business's turnover, up to a maximum of £50,000, have been available since 4 May 2020 with the Government paying the interest for the first 12 months.

Around £7.25bn has been paid out to 40,564 UK-based firms with turnover of no more than £45 million through business interruption loans since the scheme opened on 23 March 2020.

On a smaller scale, large firms with turnover of more than £45m have secured in excess of £590m through coronavirus large business interruption loans.

From 27 April 2020, businesses with turnover exceeding £45m are eligible for loans of up to £25m, while firms with turnover of more than £250m qualify for £50m.

FUNDS & LOANS AVAILABLE

Small Business Grants Fund (SBGF)

- All businesses in England in receipt of small business rates relief (SBRR) or rural rates relief (RRR) will be eligible for a payment of £10,000

- Available to those who were eligible for relief on 11 March 2020

Retail, Hospitality and Leisure Grant Fund (RHLGF)

- Businesses in England that would have been in receipt of the expanded retail discount on 11 March with a rateable value of less than £51,000 will be eligible for cash grants per property

- Charities which would otherwise meet the criteria but whose liability for 11 March had been reduced to £nil by a local discretionary award should still be considered eligible for the RHLG

Properties occupied for personal use, may mean exclusion from the schemes.

Business interruption loan scheme

This been extended so that all viable small businesses affected by Covid-19 (and not just those unable to secure regular commercial financing), will be eligible

Personal guarantees for loans under £250,000 will not be required

For loans over £250,000, personal guarantees will be limited to 20% of any amount outstanding on the lending after other recoveries

The amendments will apply to finance already offered under the scheme.

£50k 'bounce back' loans for small companies

The scheme launched for applications on Monday 4 May 2020. Loans can be accessed through a network of accredited lenders. Loans will enable businesses to borrow between £2,000 and £50,000, with cash available in days. Loans will be interest free for the first 12 months and businesses can apply online by a simple standardised form. No forward looking business viability tests of eligibility criteria - and the government will provide lenders with a 100% guarantee for the loan and pay any fees and interest for the first 12 months.

Businesses should apply through the bank with which they have a business account.

New grants for shared-property businesses

The Government has made available grant funding for businesses that share working spaces and which therefore miss out on existing coronavirus support schemes. The local authority discretionary grant fund was announced on Saturday 2 May and is worth £617 million in total - a 5% increase on the £12.33 billion already pledged. The existing grants are delivered via English councils and provide payments of either £10,000 or £25,000 to companies paying business rates depending on the rateable value of their business property.

The winter economy plan

The Chancellor launched his "winter economy plan" on the 24 September confirming that new applications for the following four existing business loans schemes have been extended until 30 November 2020 – CBILS; Coronavirus large business interruption loan; Bounce-back loans (BBL); The future fund.

If you would like to discuss how these loans and grants may be of relevance to you and your business, please contact [Rachel Skells](#), [Michael Greene](#) or your usual Whittles contact.