

GOVERNMENT ANNOUNCES “BOUNCE BACK” LOANS

The Government has announced a new 100% Government backed loan scheme for small businesses.

Small businesses will benefit from a new fast-track finance scheme providing loans with a 100% government-backed guarantee for lenders.

Businesses can apply for between £2,000 up to 25% of their turnover. The maximum loan available under the Scheme is £50,000. The government will cover the interest repayments for the first 12 months.

Rishi Sunak said the new Bounce Back Loans scheme, which will provide loans of up to £50,000, would help bolster the existing package of support available to the smallest businesses affected by the coronavirus pandemic.

- Businesses will be able to borrow between £2,000 and £50,000 and access the cash within days.
- Loans will be interest free for the first 12 months, and businesses can apply online through a short and simple form.
- Loan terms will be up to 6 years.
- No repayments will be due during the first 12 months.

The scheme will launch for applications from Monday 4 May. Businesses will be able to access these loans through a network of accredited lenders.

The government will work with lenders to ensure loans delivered through this scheme are advanced as quickly as possible and agree a low standardised level of interest for the remaining period of the loan.

ELIGIBILITY

The microbusiness Bounce Back Loans scheme is capped at 25 per cent of turnover. The Scheme is open to most businesses, regardless of turnover, who meet the eligibility criteria and who were established on or before 1 March 2020.

You can apply for a loan if your business:

- is based in the UK
- has been negatively affected by coronavirus
- was not an 'undertaking in difficulty' on 31 December 2019.

WHO CANNOT APPLY

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- further-education establishments if they are grant-funded
- state-funded primary and secondary schools
- if you are already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS).

If you've 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.

More information about the scheme will be published shortly.

Further details see: <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

NEW GUARANTEE ON DEATH IN SERVICE BENEFITS FOR FRONTLINE HEALTH AND CARE STAFF DURING PANDEMIC

New life assurance scheme launched for eligible frontline health and care workers during the coronavirus pandemic

The families of health and care workers on the frontline in England will benefit from a life assurance scheme during the coronavirus (COVID-19) pandemic.

- Families of eligible workers who die from coronavirus in the course of their frontline essential work will receive a £60,000 payment
- Scheme will cover frontline NHS staff and social care workers in England

- Funding will also be provided to devolved administrations to support similar schemes in Scotland, Wales and Northern Ireland

See: https://www.gov.uk/government/news/new-guarantee-on-death-in-service-benefits-for-frontline-health-and-care-staff-during-pandemic?utm_source=79e7d581-5fa0-4c0b-8073-27bc6b7deef4&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

FIND OUT IF YOUR BUSINESS IS ELIGIBLE TO RECEIVE GOVERNMENT SUPPORT

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You may be eligible for loans, tax relief and cash grants. Use the business support finder to see what support is available for you and your business.

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

FRAUD AND CYBER CRIME

See: <https://www.gov.uk/government/publications/coronavirus-covid-19-fraud-and-cyber-crime/coronavirus-covid-19-advice-on-how-to-protect-yourself-and-your-business-from-fraud-and-cyber-crime>

The Government has issued advice and guidance on how to protect yourself and your business from fraud and cybercrime.

The guidance suggests protecting yourself by:

Stop

Taking a moment to stop and think before parting with your money or information could keep you safe

Challenge

Consider if it could be fake - it is ok to reject, refuse or ignore any requests - only criminals will try to rush or panic you.

The police, or your bank, will never ask you to withdraw money or transfer it to a different account - they will also never ask you to reveal your full banking password or PIN

Do not click on links or attachments in unexpected or suspicious texts or emails

Confirm requests are genuine by using a known number or email address to contact organisations directly.

Protect

Contact your bank immediately if you think you have fallen for a scam and report it to Action Fraud.

To keep yourself secure online, ensure you are using the latest software, apps and operating systems on your phones, tablets and laptops - update these regularly or set your devices to automatically update so you do not have to worry.

Visit Take Five for more advice on how to protect yourself from fraud and Cyber Aware for advice on how to keep yourself secure online - <https://takefive-stopfraud.org.uk/>

How to protect your business

The guidance suggests:

Stop

If you receive a request to make an urgent payment, change supplier bank details, or provide financial information, take a moment to stop and think.

Challenge

It could be a fake - verify all payments and supplier details directly with the company on a known phone number or in person first.

Protect

Contact your business's bank immediately if you think you have been scammed and report it to Action Fraud.

National Cyber Security Centre

The National Cyber Security Centre also has advice on how to keep your business secure online: <https://www.ncsc.gov.uk/>

- Self-employed and sole traders: advice to protect your business and the technology you rely on
- Small and medium-sized organisations: advice for businesses, charities, clubs and schools with up to 250 employees - you are likely to fall into this category if you do not have a dedicated team internally to manage your cyber security
- Large organisations: security advice for businesses, charities and critical national infrastructure with more than 250 employees - you are likely to have a dedicated team managing your cyber security.

ENGLAND - GRANT FUNDING LOCAL AUTHORITY PAYMENTS TO SMALL AND MEDIUM BUSINESSES

The Government has released a spreadsheet outlining the total amount of money that each local authority in England has received from central government and distributed to SMEs to date

This covers 2 coronavirus grant schemes:

- Small Business Grants Fund (SBGF) scheme
- Retail, Hospitality and Leisure Business Grants Fund (RHLGF)

See: https://www.gov.uk/government/publications/coronavirus-grant-funding-local-authority-payments-to-small-and-medium-businesses?utm_source=fc3c13f3-2f86-472d-a9a4-904f2c11276f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Updated 4 May 2020

This leaflet has been written for the general interest of our clients. It provides only an overview of the regulations in force at the date of publication. It is therefore essential to take advice on specific issues. No responsibility for loss occasioned by any person acting or refraining from action as a result of the material contained in this leaflet can be accepted by the firm.

Please remember we are here to help as much as possible through these challenging times. Should you have any queries on any of the above government announcements, please contact your Partner contact.