

“What else has the Government just announced to help me?”

A further note on cashflow help/advice for small businesses and the self-employed

After strong representation from FSB and others, on Tuesday 17th March the Chancellor announced a >£330bn package of further help:

BUSINESS RATES AND CASH GRANTS

- **Expanding the 100% business rates holiday for the next 12 months to cover all retail, hospitality and leisure businesses in England - not just those up to £51k Rateable Value**
- **Providing a £25,000 cash grant to retail, hospitality and leisure businesses in smaller premises, with a Rateable Value below £51k Rateable Value**
- **Increasing the proposed £3,000 cash grant to 700,000 small businesses (those eligible for Small Business Rate Relief) to a £10,000 cash grant. We think this will also apply for those eligible for rural rates relief.**
- **Consequential £3.5 billion funding to be provided for devolved administrations to support businesses in Scotland, Wales and Northern Ireland.**

We do not know when this help will come on-stream, and we are pressing Government hard for dates and mechanisms. We want this applied consistently and easily across local authorities, and ideally automatically issued. The costs of all the above will be met centrally, not by Local authorities, so there will be no impact on your local services. If you've received a business rates bill you DO still need to pay it – and then get refunded. Timing-wise - we expect more detail later this week.

CASHFLOW AND LENDING

- **Supporting liquidity amongst large firms, so they can pay their small suppliers, salaries and rents**
- **Supporting SMEs via banks to underwrite loans of up to £5m (formerly this was up to £1.2m); and with the first 6 months of that finance interest free (i.e. that the Government will pay for)**
- **Confirming with lenders to provide mortgage payment holidays of at least 3 months for those facing finance issues as a result of coronavirus (there was later confirmation of future help for those that rent; but that remains unclear)**

Timing-wise, the Government promises this will be available from Monday. We will be keeping a close eye on this.

OTHER MEASURES

- **Pledging to work with business to develop new Employment Support scheme which could contribute to employment cost and so protect jobs/prevent lay-offs. FSB is talking to No.10 and others on this for small businesses, but also to include the self-employed. They have not got enough support.**
- **Agreeing that pubs and restaurants will have planning regulations relaxed so they can switch to provide takeaways or deliveries, without applying for change of use – will help the business and help those at home self-isolating**
- **Committing to meetings to be held with individual sectors in trouble – such as aviation**

Timing-wise, the Government has published draft legislation for these measures and some others from the Budget (eg emergency Sick Pay). At the very latest, this legislation will pass before the Easter Recess in less than 2 weeks' time. But it could be sooner.

OVERALL

This is a big package – costing a third of a trillion pounds. But this is not the end, far from it. With interventions to public health now increasing, these economic interventions can now be seen as increasing in parallel. The Budget was the Government's initial response, and this is a 2nd and much bigger package. The Government is clear there will be more as the situation intensifies. Within draft emergency legislation now being published, the UK Government is taking new legal powers to enable it to offer whatever further financial support is necessary to back business.

FSB is pressing for further help for the self-employed and for those outside of the leisure, hospitality and retail sectors. As the virus accelerates we want to look at larger, more radical measures such as 3-6 month holidays on NICs, VAT, PAYE; changes to insolvency; and the suspension of paying rent, tax and utilities for the same time.

Written at speed for FSB members by Craig Beaumont, FSB Director of External Affairs and Advocacy, on Tuesday 12th March 2020