

# The Nip

The Newsletter of The Fife Licensed Trade Association



FIFE LICENSED TRADE ASSOCIATION

## March 20 2020



### Things are starting to become clear

After three daily press briefings that seemed to raise more questions than answers a clearer picture is emerging regarding the specifics of the aid packages to UK businesses, and for us, specifically, the hospitality sector in Scotland.

Today we will have a closer look at what is on offer and where and how to apply. Things are grim so a bit of light relief is welcome now and again. This caught my eye, which seemed appropriate.

### This month

What Ever It Takes Scotland	2
Contacts	4



ANNO MCXCI  
LINDORES ABBEY  
DISTILLERY

# The Scottish “What Ever It Takes” package

In the last couple of issues we have tried to provide an overview of the assistance that is being made available and to give an idea of how such assistance can be accessed.

Now that more information is becoming available and the procedural details are being sorted the aim today is to have a closer look and to give as much detail as possible on how and where to apply.

## I. Coronavirus Business Interruption Loans Scheme

The Coronavirus Business Interruption Loan Scheme (CBILS) is a scheme that will be delivered by the **British Business Bank** starting the week beginning 23 March. The British Business Bank is a UK Government-owned business development bank dedicated to improving the finance markets for smaller businesses. For some time it has operated the Enterprise Finance Guarantee Scheme (EFGS) through a panel of 41 accredited lenders, a list of which is shown below.

For the sake of providing a rapid response the EFGS structure has been adapted for the circumstances and provides the platform for the operation of CBILS. going forward. In simple terms a business applies specifically for a CBILS credit facility from one of the 41 panel lenders. To be clear, this is not an automatic process, there will be a credit approval procedure to be gone through.

The range of credit facilities on offer includes

- Term loans
- Overdrafts
- Invoice finance facilities
- Asset finance facilities

To be eligible a business must be

- UK based with an annual turnover of no more than £41m
- Operating in a sector deemed eligible (all hospitality businesses qualify)
- Be able to confirm that they have not received State aid beyond €200,000 or its equivalent over the current and previous two fiscal years
- Have a sound borrowing proposal but insufficient security to meet the lender's requirements

Finance terms are available from 3 months to ten years for term loans and asset finance and up to three years for revolving facilities and invoice finance.

(Don't worry, I will provide an explanation of each type later on!)

The complete list of participating lenders comprises the following. Those that operating in Scotland are shown in *italics*:

- ABN Amro Commercial Finance
- Aldermore (asset finance) **T. 0161 238 5000**
- Arkle Finance (HP & lease facilities) **T.01933 304899**
- ART Business Loans
- Askif Inclusive Finance **T. 020 3176 7633**
- Bank of Ireland
- Bank of Scotland **T. 0345 300 0268**
- Barclays Bank **T. 0800 197 1086**
- BCRS Business Loans
- Business Enterprise Fund
- Calverton Finance (invoice financing) **T.01908 268888**
- Chamber Acorn Fund
- Clydesdale Bank **T. 0800 032 3971**
- Compass Business Finance **T.01732 833477**
- County Finance Group **T. 01455 200150**
- CWRT
- Danske Bank
- DSL Business Finance **T. 0141 425 2930**
- Enterprise Answers
- Finance For Enterprise
- First Enterprise
- CG Business Finance
- Genesis Asset Finance
- Haydock Finance **T. 01254 685858**
- Hitachi Capital (UK) **T. 01784 411821**
- HSBC UK **T. 0800 0113317**
- Let's Do Business Group
- Lloyds Bank **T. 0345 072 5555**
- MSIF
- Metro Bank **T. 0345 0808508**
- Nat West **T. 0345 711 4477**
- Newable **T. 0207 260 3100**
- Royal Bank of Scotland **T. 0345 600 2230**
- Robert Owen Community Banking
- Santander **T. 0800 731 6666**
- Secure Trust Bank **T. 0161 819 3040**
- Skipton Business Finance **T. 0800 085 4150**
- SWIG Finance
- TSB **T. 0345 835 3858**
- UKSE **T. 01698 845045**
- Ulster Bank
- Yorkshire Bank **T. 0800 032 3971**

Not all lenders will each type of finance, some specialise in - for example - asset finance.

# The Scottish “What Ever It Takes” package

Time to honour my promise!

Broadly there are two types of finance: Committed and Uncommitted. A Committed credit facility is one where the lender is obliged to make available and maintain an agreed credit facility *provided that* the borrower complies with all the terms of the credit agreement. Such facilities are better for medium to long term security and predictability of finance although, depending on circumstances, they can be fairly inflexible.

An Uncommitted credit facility is one where the lender makes a credit facility but can cancel it at any time and demand repayment. Uncommitted facilities can be cheaper and more flexible but offer no certainty that they will be available in the medium term.

Committed facilities.

- Term loans. Typically a specific amount is borrowed and paid back over a specific period by way of an agreed repayment schedule. Security of some sort is usually required. In some cases the initial period of the loan can be used as needed on what is called a “revolving” basis - in legal terms it can be repaid and re-borrowed until it crystallises when the repayment schedule kicks in.

- Asset finance. Broadly there are two types of asset finance: leasing, where a monthly or quarterly payment is made for the asset over a set period. Legal title to the underlying asset remains with the lender; and hire purchase, which differs from leasing in that title to the asset passes to the borrower on making a final payment.

- Invoice discounting. In the UK this form of finance for a long time was considered to indicate that a business was in trouble but in the late 1980's it came to be recognised as a legitimate and flexible form of working capital finance. Again there are two broad types, factoring, where a specific account receivable is sold to the finance company; and invoice discounting, where the whole of the accounts receivable book provides the basis of an on-going credit facility. The borrower is allowed to draw up to an agreed percentage of the accounts receivable that are deemed eligible i.e not more than x days past due and no more than y% in any one name. Such facilities are quite neat in that they are their own reason for borrowing and are their own source of repayment. These facilities are quite specialised and not all lenders can offer them.

Uncommitted facilities.

- Overdrafts. Obviously these are the most common types of uncommitted credit facility but they offer limited predictability and reliability in the medium term. That being said they are flexible and tend to be cheaper than Committed facilities. Funds are drawn, repaid and re-drawn as day to day cashflow needs dictate.

- Uncommitted loans. Some lenders will offer uncommitted loans for short to medium periods, usually a set amount for a set period. Alternatively they can take the form of a Revolving Line of Credit,

whereby a credit limit is agreed and the borrower draws a sum for a set period - typically 3 or 6 months - and pays it back at maturity and is immediately able to re-borrow that or a different sum for a another period of 3 or 6 months. Not quite as flexible as an overdraft but revolving facilities can usually offer a higher credit limit whilst offering the lender the comfort of seeing repayments being made at regular intervals.

Returning to the CBILS scheme (*yeah I know! Scheme scheme!*) what the Westminster Government has put together is a guarantee scheme to support such credit facilities in order to encourage the lenders to make credit more freely available at this time of need - as the British Business Bank puts it “potentially enabling a “no” credit decision from a lender to become a “yes”. Furthermore, the Government will cover the interest costs for the first 6 months whilst the lender have agreed to forego up front fees. The business remains liable for the repayment of the capital. The maximum amount of a facility available under the scheme has been increased from £1.2m to £5m.

## 2. Scottish Government support

The support for SMEs from the Scottish Government has been clarified after the Chancellor of the Exchequer's statement on Tuesday.

- Small businesses receiving the Small Business Bonus Scheme or Rural Relief will be eligible for a £10,000 grant.
- All properties in the hospitality, leisure and retail sectors will qualify for 12 months business rates relief.
- There will be a £25,000 grant for all businesses in the hospitality, leisure and retail sectors with a rateable value of between £18,000 and £51,000.
- Furthermore the Scottish Government has announced that the deposit return scheme has been put on hold until July 2022 (it was due to come into effect in April 2021).
- It has also halted the legislation for the Tourist tax.
- Finally, planning restrictions on pubs and restaurants will be relaxed to allow them to operate temporarily as takeaways.

## 3. Further information

There is an excellent website set up by the Scottish Government - [www.findbusinesssupport.gov.scot](http://www.findbusinesssupport.gov.scot) providing further information which will be worth checking for time to time as updates are added.

The Nip Editor : Jeff Ellis  
[jeffellis1957@btinternet.com](mailto:jeffellis1957@btinternet.com)  
07543 101603

FLTA Acting Secretary: Jeff Ellis

Membership: Colin Boyle  
[colinaboyle@hotmail.co.uk](mailto:colinaboyle@hotmail.co.uk)  
07900 244223

Thomas Donaldson

[tomdonaldson@fifelta.org](mailto:tomdonaldson@fifelta.org)  
07832 159501

FLTA President: Brian Gordon  
[tavernhouse.gordon@aol.co.uk](mailto:tavernhouse.gordon@aol.co.uk)  
01334 653305

The Legal Bit:-

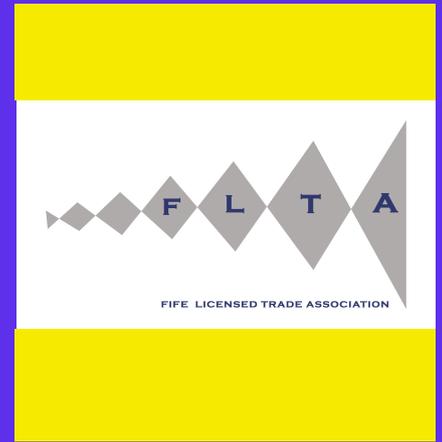
The information contained in this newsletter is provided for general purposes only and does NOT constitute legal or professional advice.

We accept no responsibility for loss which may arise from reliance on information contained in this newsletter.

We do not accept any liability, loss or damage resulting from access to websites that are linked to on this newsletter and we do not endorse them in any way.

None of the material within this newsletter may be used for commercial exploitation. You may copy the material for personal use and circulation within your business only.

The contents, logo and layout of this newsletter are copyright and database right protected.



## Contacts

### Premier Purchasing Group

Ian & Lyn Ladd  
[info@ppg-uk.co.uk](mailto:info@ppg-uk.co.uk)  
01592 750106

### Fife Business Gateway

Graeme Ferguson  
[Graeme.Ferguson@fife.gov.uk](mailto:Graeme.Ferguson@fife.gov.uk)  
07850 212195

### Twist Training

Jo Worrall  
[jo@twist-training.com](mailto:jo@twist-training.com)  
07811 214038

### The Pub Is The Hub

Gordon Izatt  
[kinrossconsult@aol.com](mailto:kinrossconsult@aol.com)  
07989 559583

### Condies

Cliff Fleming  
[cliff.fleming@condie.co.uk](mailto:cliff.fleming@condie.co.uk)  
01383 721421

### Thorntons

Gillian Buchanan  
[gbuchanan@thorntons-law.co.uk](mailto:gbuchanan@thorntons-law.co.uk)  
01382 229111

### UKi Direct

Mike Howard  
[mhoward@ukidirect.co.uk](mailto:mhoward@ukidirect.co.uk)  
01347 822922

### UK Hospitality

Willie McLeod  
[wmcleod@ukhospitality.org.uk](mailto:wmcleod@ukhospitality.org.uk)  
07836 769110

### Tay Cities Deal

Mo Saunders  
[morag.saunders@taycities.co.uk](mailto:morag.saunders@taycities.co.uk)  
01382 434007

**Thorntons LLP** are our legal advisors of choice and are available to consult on a range of matters besides licensing, including employment, immigration, wills and powers of attorney. They offer special scale rates for FLTA members. A separate leaflet has been produced by Thorntons covering the full range of benefits they are offering to members.

**Condies** provide a helpline for tax and accounting matters. Condies are based in Dunfermline and Edinburgh and provide a wide range of proactive business advice in addition to traditional accountancy services. They are long standing friends of Fife LTA.

**Lindores Abbey Distillery** is the latest addition to Scotland's distilling estate and is built on the site of the historic Lindores Abbey, which also happens to be the location for the first written record of whisky production.