

The following is a summary of the financial support measures to counter the disruption due to the COVID-19 pandemic

The range of measures for UK businesses is significant and currently includes the following:

- [Coronavirus Job Retention Scheme](#)
- [The Self-Employed Income Support Scheme \(SEISS\)](#)
- [Business Rates – Expanded Retail, Discount](#)
- [VAT Changes extended for Tourism & Hospitality Businesses](#)
- [Restart Grant](#)
- [Recovery Loan](#)
- [The HMRC Time To Pay Scheme](#)
- [A Statutory Sick Pay Relief Package for SMEs](#)

Each of these items is now explained in more detail below.

Coronavirus Job Retention Scheme - Extended to Sept 2021

Under the Coronavirus Job Retention Scheme all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

Eligibility: All UK businesses are eligible.

Furlough Payments

- **Up to the end of June**, the UK Government will continue to pay 80% of furloughed employees' usual wages for the hours not worked, up to a cap of £2,500 per month.
- **In July**, CJRS grants will cover 70% of employees' usual wages for the hours not worked, up to a cap of £2,187.50.
- **In August and September**, this will then reduce to 60% of employees' usual wages up to a cap of £1,875.

PLEASE NOTE: Employers will need to pay the 10% difference in July (20% in August and September), so that they can continue to pay their furloughed employees at least 80% of their usual wages for the hours they do not work during this time, up to a cap of £2,500 per month.

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For the hours not worked employers can continue to choose to top up their employees' wages above the 80% level or cap for each month, at their own expense.

How to access the scheme - You will need to:

- Designate affected employees as 'furloughed workers,' This can be fully furloughed or 'flexible furloughed' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
- Submit information to HMRC about the employees that have been furloughed and their earnings through the online portal.

The Self Employed Income Support Scheme (SEISS) - Extended

The Self-Employed Income Support Scheme (SEISS) was offered to self-employed individuals who lost income, due to COVID-19 outbreak and the subsequent restrictions imposed.

These grants are designed to 'supplement' the income of self-employed individuals whose income has been reduced specifically due to the disruption caused by Covid-19.

Self-Employed After 5th April 2019

Individuals that were considered self-employed after the 5th April 2019 were originally left out of receiving support under this scheme from the first three quarterly pay-outs to 31 January 2021.

However, due to persistent lobbying the Self-Employed Income Support Scheme is being opened to business owners who began trading after April 5th 2019.

To be eligible:

- Your tax return for the 2019-2020 period needs to have been filed before midnight on the 2nd March 2021.
- Your business must have been negatively impacted by the pandemic, with your self-employed profits contributing to at least 50% of your income and not exceeding £50,000.

Self-Employed Before 5th April 2019

If you had qualified for any of the previous three grants, then you should also qualify for the further grants that are being issued in 2021.

However, there are certain circumstances that will mean you are no longer eligible for the grants – for example, if your business is no longer being adversely disrupted by the Coronavirus pandemic.

If this will be the first time you are making a SEISS claim, you may need to do so using your online tax account.

Claiming the Fourth Grant – 1 February 2021 to 30 April 2021

The fourth grant in the scheme is claimable from late April and covers the period of February to April 2021. This grant is intended to cover three months of 'average' profits, with a limit of £7,500.

Claiming the Fifth Grant – 1 May 2021 to 30 September 2021

The fifth grant will be available to claim from late July, and covers the period from May – September 2021.

The level of support the grant will offer will depend on the impact on your profits from the Covid-19 disruption:

Turnover reduced by 30% or more – can claim a grant equal to 80% of your average profits for a 3 month period, support capped at £7,500.

Turnover reduced by less than 30% - Entitled to a reduced grant of 30% of your average profits for a 3 month period, support capped at £2,850.

Although the grant covers a five month period between May – September, the actual pay-out due is based on only a three month period.

This raises potential queries – even among us – about what to do with the remaining two months the grant covers.

Support for Businesses that Pay Business Rates

The government has extended a business rates holiday for retail, hospitality and leisure businesses in England for the 2020-21 tax year.

On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22:

- At 100% for three months, from 1 April 2021 to 30 June 2021.
- At 66% for the remaining period, from 1 July 2021 to 31 March 2022.
- The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021.
- From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

Eligibility: You are eligible for the business rates retail discount if: your business is based in England and your business is in the retail, hospitality and/or leisure sector. Properties that will benefit from the relief will be occupied premises that are wholly or mainly being used:

- As shops, restaurants, cafes, drinking establishments, cinemas and live music venues.
- For assembly and leisure.
- As hotels, guest & boarding premises and self-catering accommodation.

How to Access the Scheme - There is no action that you need to take. The relief will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.

VAT Changes for Hospitality Businesses

The Government have extended the 5% reduced rate of VAT until 30 September 2021.

To help businesses manage the transition back to the standard rate, a 12.5% rate will then apply for a further six months, until 31 March 2022.

Further guidance at: <https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions>

Restart Grant

The Restart Grant scheme supports businesses in reopening safely as COVID-19 restrictions are lifted. Grants are available from 1 April 2021.

Eligible businesses in the non-essential retail sector may be entitled to a one-off cash grant of up to £6,000 from their local council.

Eligible businesses in the hospitality, accommodation, leisure, personal care and gym sectors may be entitled to a one-off cash grant of up to £18,000 from their local council.

Eligibility

Your business may be eligible if it is:

- Based in England.
- Rate-paying.
- In the non-essential retail, hospitality, accommodation, leisure, personal care or gym sectors.
- Trading on 1 April 2021.

Businesses Excluded from the Fund

You cannot get funding if your business:

- Is in administration, insolvent or has been struck off the Companies House register.
- Has exceeded the permitted subsidy allowance.

How to Apply

Visit your local council's website to find out how to apply:

Find the website for your local council.

Recovery Loan Scheme

A new Recovery Loan Scheme has been launched to replace the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs) launched in 2020.

Under the new scheme, businesses of any size can apply from £25,000 to £10m through to the end of 2021, with the government providing a guarantee to lenders of 80%.

The new scheme will help those businesses who have either not borrowed enough cash under the existing CBILS arrangements or where they depleted their cash reserves over the last 12 months.

How Much Can I Borrow?

10 million is available per business. The actual amount that will be offered and the terms are however, at the discretion of participating lenders, they may offer:

- Term loans or overdrafts of between £25,001 and £10 million per business.
- Invoice or asset finance of between £1,000 and £10 million per business.

The government guarantees 80% of the finance to the lender, however, as the borrower, you are always 100% liable for the debt.

No personal guarantees will be taken on facilities up to £250,000, and a borrower's principal private residence (home) cannot be taken as security.

How Long is the Loan for?

The maximum length of the facility depends on the type of finance you apply for and will be:

- Up to 3 years for overdrafts and invoice finance facilities.
- Up to 6 years for loans and asset finance facilities.

Eligibility

You can apply for a loan if your business:

- Is trading in the UK.

You need to show that your business:

- Would be viable were it not for the pandemic.
- Has been adversely impacted by the pandemic.
- Is not in collective insolvency proceedings (unless your business is in scope of the Northern Ireland Protocol in which case different eligibility rules may apply).

Business that received support under the earlier COVID-19 guaranteed loan schemes are still eligible to access finance under this scheme if they meet all other eligibility criteria.

Who Cannot Apply

Businesses from any sector can apply, except:

- Banks, building societies, insurers and reinsurers (but not insurance brokers).
- Public-sector bodies.
- State-funded primary and secondary schools.

How to Apply

Find a lender accredited to offer Recovery Loans from the list on the British Business Bank website: [Find a lender](#)

The scheme is open until 31 December 2021, subject to review.

Support for Businesses Paying Tax: Time to Pay Service

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

Eligibility: You are eligible if your business pays tax to the UK government and has outstanding tax liabilities.

PLANNING NOTES:

If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.
If you are worried about a future payment, please call us if you need to confirm the amount of taxes due or need advice on how to approach HMRC for assistance.

Support for Businesses who are paying Sick Pay to Employees

HMRC have brought forward legislation to allow small-and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.

Eligibility

Your employees may be eligible for Statutory Sick Pay (SSP), which is £96.35 a week for up to 28 weeks. You can offer more if you have a company sick pay scheme (you cannot offer less).

If your employee is off work because of coronavirus (COVID-19)

You must pay an employee SSP if they're self-isolating and off work for at least 4 days and any of the following apply:

- They or someone they live with has COVID-19 symptoms or has tested positive for COVID-19.
- They've been notified by the NHS or public health authorities that they've been in contact with someone with COVID-19.
- Someone in their support bubble has COVID-19 symptoms or has tested positive for COVID-19.
- They've been advised by a doctor or healthcare professional to self-isolate before going into hospital for surgery.

You must pay your employee from the first 'qualifying day' they're off work. The date will depend on why they're off work. A 'qualifying day' is a day an employee usually works on.

You must pay them on or after one of the following dates:

- 13 March 2020 - if they or someone they live with has symptoms or has tested positive for COVID-19.
- 28 May 2020 - if your employee has been notified by the NHS or public health authorities that they've come into contact with someone with COVID-19.
- 6 July 2020 - if someone in their support bubble (or extended household in Scotland or Wales) has symptoms or has tested positive for COVID-19.
- 26 August 2020 - if your employee has been advised by a doctor or healthcare professional to self-isolate before going into hospital for surgery.

Reclaiming SSP

You can reclaim up to 2 weeks' SSP if all of the following apply:

- Your employee was off work because they had COVID-19 or were self-isolating.
- Your employee was off work because they were shielding before 1 April 2021 in England and Wales.
- Your PAYE payroll scheme started on or before 28 February 2020.
- You had fewer than 250 employees on 28 February 2020.
- You can reclaim up to £96.35 a week for each employee.
- You cannot reclaim SSP if your employee is off sick for any other reason.

Holiday (or 'annual leave')

Statutory annual leave is accrued while the employee is off work sick (no matter how long they're off) and can be taken during sick leave.

Record Keeping

- Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website.