

Coronavirus

Business Support Options Summary

31 March 2021

V14.1



Introduction

As we continue to see the economic impacts of the pandemic, these notes have adjusted to focus on the support that remains available to your business and the measures that are now in place to stimulate demand and economic activity.

As a result, this document is much shorter than previous versions, and focused on those measures that are applicable from now onwards. Previous versions of this document that include additional advice and detail can be obtained by contacting me at ian.corner@cornerfinance.co.uk

This version includes the major update for changes announced in the Budget of 3 March 2021.

Any comments, questions, suggestions, amendments are always welcome (ian.corner@cornerfinance.co.uk) as this remains an exercise in sharing best practice.

Government Announced Business Support

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1. **Bounce Back Loan Scheme (BLS) – now closed**
2. **Coronavirus Business Interruption Loan Scheme (CBILS) – now closed**
3. **Coronavirus Large Business Interruption Loan Scheme (CLBILS) – now closed**
4. **Coronavirus Future Fund (CFF) – now closed**

5. **Recovery Loans Scheme – until 31st December 2021**

This scheme will launch from 6 April 2021 and will replace the Bounce Back Loan Scheme and the Coronavirus Business Interruption Loan Scheme.

- Loans will be available from £25,000 to £10m until 31st December 2021
- Loans will be available for periods of up to 6 years
- There will be no turnover limit for businesses wanting to access the scheme
- The government will continue to provide an 80% guarantee to the lender
- Unlike the previous loan schemes, businesses will need to meet the cost of interest and any arrangement fees from the outset
- There continue to be no personal guarantees taken for amounts up to £250,000, and a borrower's principal private residence cannot be taken as security
- This scheme will be much more commercial in nature than the previous schemes, with the approach likely to vary between lenders

6. **Local Restrictions Support Grant (LRS)**

Businesses that have either had to close or have remained open but been severely impacted due to local Tier 2, 3 or 4 restrictions may be eligible for this grant:

- Applies to businesses that occupy a property on which they pay business rates
- For properties with a rateable value of £15,000 or under, the grant is £667 for each 14 day period (closed businesses) or £467 for each 14 day period (open businesses)
- For properties with a rateable value of between £15,000 and £51,000, the grant is £1,000 for each 14 day period (closed businesses) or £700 for each 14 day period (open businesses)
- For properties with a rateable value of £51,000 or over, the grant is £1,500 for each 14 day period (closed businesses) or £1,050 for each 14 day period (open businesses)
- This scheme is administered through local councils who will use their discretion over funding

7. Local Restrictions Support Grant Addendum (LRSB Addendum)

Businesses that have been required to close as a result of the national restrictions imposed on 5 January 2021 may be eligible for this one-off grant:

- **This one-off grant is in addition to any payments made under the Local Restrictions Support Grant above**
- This payment is targeted at those businesses in the retail, hospitality and leisure sectors that have been required to close.
- As with the Local Restrictions Support Grant above, eligible businesses are those that occupy a property on which they pay business rates
- For properties with a rateable value of £15,000 or under, the grant is a £4,000 one-off payment
- For properties with a rateable value of between £15,000 and £51,000, the grant is a £6,000 one-off payment
- For properties with a rateable value of £51,000 or over, the grant is a £9,000 one-off payment
- This scheme is administered through local councils who will use their discretion over funding – I would urge you to contact your local authority as soon as possible to check your eligibility. [Find your local council - GOV.UK \(www.gov.uk\)](https://www.gov.uk/find-your-local-council)

8. Restart Grants

Announced as part of the budget to replace the LRSB (see above), these grants are one-off payments for retail and hospitality businesses that are continuing to be impacted by the delay to their reopening dates.

- Eligible businesses are:
 - Based in England
 - Business-rate paying
 - In the non-essential retail, hospitality, accommodation, leisure, personal care or gym sectors
 - Trading on 1 April 2021
- Eligible businesses will receive:
 - A one-off grant of up to £6,000 in the non-essential retail sector
 - A one-off grant of up to £18,000 in the hospitality, accommodation, leisure, personal care and gym sectors
- Applications must be made through your local council website. [Find your local council - GOV.UK \(www.gov.uk\)](https://www.gov.uk/find-your-local-council)

9. Coronavirus Job Retention Scheme (CJRS) – now extended to 30 September 2021

Note there are slightly different eligibility criteria for claims for periods on or before 30 April 2021, and those starting from 1 May 2021.

- For periods ending on or before 30 April 2021, employees must have been on payroll as at 23:59pm on 30th October 2020, and included in a Real Time Information submission between 20 March 2020 and 30th October 2020
- For periods starting on or after 1 May 2021, employees must have been on payroll as at 23:59pm on 2nd March 2021, and included in a Real Time Information submission between 20 March 2020 and 2nd March 2021
- Employees do not need to have been previously furloughed to be eligible for this scheme
- Employees can work part time, being paid by the business as usual for hours worked. The CJRS scheme only covers those hours not worked.
- The claim period for the grants is a minimum of 7 consecutive calendar days. Longer claim periods can be used if preferred.
- The scheme continues unchanged until the end of June, meaning:
 - The grant will cover 80% of the wages for the hours not worked (to a maximum of £2,500 per month per employee)
 - The employer does not need to contribute but can choose to top up if they wish
 - The employer remains liable to pay Employer’s National Insurance and minimum pension contributions
- The scheme then tapers down in July, August, and September with the employer making increasing contributions in those months. See table below for more detail:

| | March - June | July | August | September |
|------------------------------|------------------|---------------------|------------------|------------------|
| Government grant | 80% up to £2,500 | 70% up to £2,187.50 | 60% up to £1,875 | 60% up to £1,875 |
| Employer payment | N/A | 10% up to £312.50 | 20% up to £625 | 20% up to £625 |
| Employee receives | 80% up to £2,500 | 80% up to £2,500 | 80% up to £2,500 | 80% up to £2,500 |
| Employers NI paid by | Employer | Employer | Employer | Employer |
| Pension contribution paid by | Employer | Employer | Employer | Employer |

- Claims now have individual monthly deadlines as shown in the table below:

| Furlough Days in Month of: | Claim No Later Than |
|----------------------------|---------------------|
| March 2021 | 14 April 2021 |
| April 2021 | 14 May 2021 |
| May 2021 | 14 June 2021 |
| June 2021 | 14 July 2021 |
| July 2021 | 16 August 2021 |
| August 2021 | 14 September 2021 |
| September 2021 | 14 October 2021 |

- Further details on how to claim can be found here:
<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

10. Coronavirus Job Retention Scheme Bonus – now withdrawn

Originally designed as a one-off payment to reduce the impact of the end of the CJRS, this scheme has now been cancelled.

11. Coronavirus Job Support Scheme – now deferred until Coronavirus Job Retention Scheme ends (see above)

12. Coronavirus Statutory Sick Pay Rebate Scheme (CSSPRS)

- Available to businesses with fewer than 250 employees as at 28 February 2020
- SSP will be refunded for a 2-week period per employee only [*Note: this is 2 calendar weeks and not 14 working days*]
- Directors of companies with fewer than 250 employees are eligible for this SSP scheme (provided you earn at least £118 per week through payroll)
- SSP can now be paid from day 1 and can be evidenced by NHS 111 rather than a GP
- Employees who have been told to stay at home for at least 12 weeks ('shielding') can be paid SSP from day 1 that they are off work (for maximum of 2 weeks)
- Claims are submitted through an online portal
- Claims can be made for both the CSSPRS and the CJRS for the same employee if applicable, **but not for the same time period**
- More detail and eligibility criteria here: <https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19>

13. Kickstart Scheme

A scheme designed to create 6-month work placements for 16-24 year-olds on Universal Credit:

- Job placements are for those at risk of long-term unemployment and should support people to develop the skills and experience they need to find future work
- Funding available to cover 100% of the relevant National Minimum Wage for 25 hours per week, including the employer National Insurance contributions and minimum pension contributions
- £1,500 per placement available for set-up costs, support and training
- **There is now no lower limit on the number of roles you must have available** – any organisation can apply directly with any number of roles
- **Placements must be in new jobs** – they cannot be existing vacancies or cause existing employees to reduce hours
- **Roles must:**
 - Be for a minimum of 25 hours per week for 6 months
 - Be paid at least the National Minimum Wage
 - Not require extensive training before beginning
- You can apply directly online here: [Home - Apply for a Kickstart Scheme Grant for Employers – GOV.UK \(apply-kickstart-grant-employer.service.gov.uk\)](https://www.gov.uk/guidance/apply-for-a-kickstart-scheme-grant-for-employers)

14. Support for tax payments

- **Any VAT payments deferred in respect of the quarter to 30 June 2020 can now be repaid in 11 interest-free monthly instalments from March 2021 onwards.**
 - **Businesses need to opt in to this payment plan by 21 June 2021, through the online portal: [Pay VAT deferred due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/pay-vat-deferred-due-to-coronavirus-covid-19)**
- **A scheme known as “Time to Pay” has been established. The tax deferment option for self-assessment has been extended to 12 months – meaning tax due in January 2021 can be deferred until January 2022.**
 - The dedicated helpline is **0800 0159 559**.
 - Note that HMRC see themselves as a lender of last resort and you should therefore be prepared to answer questions to illustrate that you have looked at other sources of funding too. Before you call, consider:
 - What specific payments you want to defer
 - How long you propose deferring for
 - What your short-term cashflow looks like
 - Actions taken to try to reduce the impacts on your business
 - Further details here: <https://www.gov.uk/government/news/tax-helpline-to-support-businesses-affected-by-coronavirus-covid-19>

15. VAT cut for hospitality sector – now extended until 30 September 2021

VAT on eating out, accommodation, and tourist attractions cut to 5% from 15 July 2020.

- The temporary 5% rate applies to sales of:
 - Food and non-alcoholic beverages sold on-premises (eg restaurants, pubs, cafes)
 - Hot takeaway food
 - Hot takeaway non-alcoholic beverages
 - Sleeping accommodation
 - Holiday accommodation
 - Pitch fees for caravans and tents
 - Admissions to theatres, circuses, fairs, amusement parks, concerts, museums, zoos, cinemas, exhibitions, cultural events
- **The rate will taper back up as follows:**
 - Until 30 September 2021 – VAT @ 5%
 - 1 October 2021 to 31 March 2022 – VAT @ 12.5%
 - 1 April 2022 onwards – VAT @ 20% standard rate

16. Business Rates – holiday extended to 30 June 2021

- **All businesses in the retail, hospitality and leisure sectors have a 100% discount from 6 April 2020 to 30 June 2021**
- **Businesses will then receive a 66% reduction in their business rates bill from 1 July 2021 to 5 April 2022**
- The discount should be automatically applied to your Council Tax bill. Contact your local authority if not.

17. Self-employment Income Support Scheme (SEISS) – to end of September 2021

- Applicable to people who are self-employed or part of a partnership
- Eligibility:
 - Submitted a self-assessment tax return for 2019/20
 - Traded in the current tax year (2020/21)
 - Still trading, or would be if it were not for Coronavirus impacts
 - Intend to continue trading
 - Have lost trading profits as a result of the Coronavirus (see below)
 - Self-employed trading profits of less than £50,000
 - More than 50% of your income comes from self-employed trading profits
- **Grants 1-3 are now closed for applications.**
- **Grant 4 covers the period February to April 2021:**
 - This grant will cover 80% of average monthly profits, capped at a total of £7,500 for the 3-month period
 - **This claim will have to be made between late April 2021 and 31 May 2021**
- **Grant 5 will be the final grant and will cover the period May to September**
 - Claims will be open from late July
 - This grant will be based on how much your business has been impacted in the tax year 2020/21:
 - For those with turnover reduction of 30% or more, the grant will be 80% of average trading profits
 - For those with turnover reduction of less than 30%, the grant will be 30% of average trading profits
 - More detail on this grant will be published in due course
- You **can** keep working while receiving the SEISS grants
- This scheme does **not** cover directors who pay themselves a salary and/or dividend

Please send any comments, corrections, suggestions, or anything you think might be useful to other businesses to ian.corner@cornerfinance.co.uk and I will continue to update the document as we go.

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