

Coronavirus - Bulletin 4

Business Financial Support Guide

Resource Kit

. This bulletin outlines the current position on the Government's various measures to support businesses during the crisis. For more details on any of the points below go to: <https://www.gov.uk/coronavirus/business-support>.

Version 4.0 - The information here is correct as at 19 November 2020.

Coronavirus Bounce Back Loan

You may be eligible for this scheme if your business:

- Has been negatively affected by coronavirus
- Was not an 'undertaking in difficulty' on 31-12-2019

You may be able to borrow between £2,000 and £50,000.

The Government will guarantee 100% of the loan and for the first 12 months you will not have to pay any fees or interest, or make repayments. This includes self-employed people. The scheme is open until 31 January 2021

New options are available to top up existing loans, extend the loan period, make interest-only repayments, or pause repayments.

If you already have a Bounce Back Loan but borrowed less than you were entitled to, you can top up your existing loan to your maximum amount. You must apply for the top-up by 31 January 2021.

Coronavirus Business Interruption Loan Scheme

You may be able to apply for a temporary loan, overdraft, invoice finance and asset finance of up to £5 million, for up to 6 years. The Government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months.

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

You may also be eligible for Business Interruption Payment to cover the first 12 months of interest payments and any lender fees. The Government will give lenders 80% guarantee on each loan (subject to pre-lender cap on claims). There are over 50 lenders participating in the scheme including all the main retail banks. You should approach a suitable lender yourself via the lender's website.

SEIS - self-employed income support

The Self-Employment Income Support Scheme grant extension provides critical support to the self-employed in the form of 2 further grants, each available for 3 month periods covering November 2020 to January 2021 and February 2021 to April 2021.

To be eligible for the grant extension self-employed individuals, including members of partnerships, must have been previously eligible for the Self-Employment Income Support Scheme first and second grant (although they do not have to have claimed the previous grants) and must declare that they intend to continue to trade and either:

- Are currently actively trading but are impacted by reduced demand due to coronavirus
- Were previously trading but are temporarily unable to do so due to coronavirus

The extension will last for 6 months, from November 2020 to April 2021. Grants will be paid in 2 lump sum instalments each covering a 3 month period.

The third grant will cover a 3 month period from 1 November 2020 until 31 January 2021. The Government will provide a taxable grant calculated at 80% of 3 months average monthly trading profits, paid out in a single instalment and capped at £7,500 in total. This is an increase from the previously announced amount of 55%. The grants are taxable income and also subject to National Insurance contributions.

There will be a fourth grant covering February 2021 to April 2021. The Government will set out further details, including the level, of the fourth grant in due course.

The online service for the next grant will be available from 30 November 2020. HMRC will provide full details about claiming and applications in guidance on GOV.UK in due course.

CJRS Furlough scheme extended

If you are an employer with a PAYE scheme, you can get support to continue paying part of your employees' salary instead of making staff redundant. For claims up to January 2021, HMRC will pay 80% of employees' usual salary, up to a maximum of £2,500 per month. The CJRS is being extended until 31 March 2021.

Employers can furlough employees for any amount of time and any work pattern, while still being able to claim the grant for the hours not worked.

The last day employers can submit or change claims for periods ending on or before 31 October 2020 is 30 November 2020. Claims for furlough days in November 2020 must be submitted by 14 December 2020.

You can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE RTI submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. This may differ where you have made employees redundant, or they stopped working for you on or after 23 September 2020 and you have subsequently re-employed them.

The eligibility criteria have been made clearer for employees who are made redundant on or after 23 September 2020 and you have re-employed, and for employees that have a fixed term contract that expired after 23 September.

You do not need to have previously claimed for an employee before the 30 October 2020 to claim for periods from 1 November 2020.

Employers can continue to claim for periods ending on or before 31 October 2020 until the deadline on 30 November 2020. You might need to contribute towards the cost of your furloughed employees' wages for these periods. For periods from 1 November 2020, you will only need to pay for the cost of employer NICs and pension costs.

This applies to employees who have been asked to stop working because of coronavirus, but are being kept on the payroll. You can claim for the hours they have not worked.

In January 2021 the government will review the scheme and will announce the amount you can get from January to March.

Defer your Self Assessment payment on account due to coronavirus (COVID-19)

You had the option to defer your second payment on account if you were registered for Self Assessment and you are finding it difficult to make that payment by 31 July 2020 due to the impact of coronavirus.

You can still pay your deferred July 2020 payment on account any time up to 31 January 2021. There'll be no interest or penalty as long as you pay in full by that date.

If you chose to defer your July 2020 payment on account then if you receive a Self Assessment statement before 31 January 2021 it may still show the deferred July 2020 payment on account as due and payable now.

Some statements may also show interest accruing if you have any payments on account. This interest will only apply to those other payments, not your deferred July 2020 payment on account.

Deferred VAT

If you had a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to defer payment until 31 March 2021.

On 24 September 2020, the Chancellor announced that businesses who deferred VAT due from 20 March to 30 June 2020 will now have the option to pay in smaller payments over

a longer period.

Instead of paying the full amount by the end of March 2021, you can make smaller payments up to the end of March 2022, interest free.

You will need to opt-in to the scheme, and for those who do, this means that your VAT liabilities due between 20 March and 30 June 2020 do not need to be paid in full until the end of March 2022. Those that can pay their deferred VAT can still do so by 31 March 2021.

The Local Restrictions Support Grant (LRSB (Open))

Businesses that have not had to close but which have been severely impacted due to local restrictions (Local COVID alert levels: High or Very High) may be eligible for LRSB (Open).

Eligible businesses may be entitled to a cash grant from their local council for each 28 day period under local restrictions. Local councils have the discretion to provide grant funding for businesses under this scheme. They will use their discretion in identifying the right businesses to receive this funding, based on their application process. The funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses.

Business Interruption Insurance

The Supreme Court is currently hearing the appeal from the recent decision of the High Court that in some cases BIL policies may cover the pandemic. The decision is likely to be widely reported.

Protection from eviction

The moratorium on forfeiture introduced by s.82 of the Coronavirus Act 2020 protecting commercial tenants in England, Wales and Northern Ireland who can't pay their rent because of COVID-19 are protected from eviction has been extended until 31 December 2020. This isn't a rental holiday, however and all tenants are still liable for the rent.

Currently, the amount of rent that must be outstanding before landlords can use CRAR is 276 days - one day more than the period covered by the March, June and September quarters combined. On 25 December 2020 (until 31 December 2020 currently) it will increase to 366 days. This essentially covers all unpaid rent from 25 March 2020 to 24 March 2021.

The restrictions introduced by the new Corporate Insolvency Governance Act 2020 (CIGA) have been extended, restraining the presentation of winding up petitions based on statutory demands served between 1 March 2020 to 31 December 2020 subject to certain conditions.

The court's stay on both residential and commercial possession claims ended on 20 September 2020. There is a substantial backlog of possession claims that have not progressed since March that will now need to work their way through the system and large numbers of claims may now be issued that were held back during the stay.