

Coronavirus - Bulletin 6

Business Financial Support Guide

Special Bulletin

This bulletin outlines the current position on the Government's various measures to support businesses during the crisis. It focusses only on those measures relevant to conveyancing firms, not retail business or those closed by the pandemic. For more details on any of the points below go to: <https://www.gov.uk/business-coronavirus-support-finder>.

Version 6 - The information here is correct as at 25 April 2021.

Recovery Loan Scheme

The Recovery Loan Scheme is to help businesses of any size access loans and other kinds of finance so they can recover after the pandemic and transition period.

Up to £10 million is available per business. The actual amount offered and the terms are at the discretion of participating lenders. The government guarantees 80% of the finance to the lender. 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 cannot be taken as security.

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

The scheme is open until 31 December 2021, subject to review. Loans are available through a network of accredited lenders, listed on the British Business Bank's website.

SEIS - self-employed income support

The Self-Employment Income Support Scheme grant extension provides critical support to the self-employed, such as sole traders, or members of a partnership.

The fourth grant is calculated at 80% of 3 months' average trading profits. It will be paid out in a single instalment and capped at £7,500 in total. How much you receive will depend on your average trading profits.

The fourth round will be available from late April 2021. HMRC will contact you from mid April to give you a date that you can make a claim from. You must make your claim before 1 June 2021.

You must either:

- be currently trading but are impacted by reduced demand due to coronavirus
- have been trading but are temporarily unable to do so due to coronavirus

You must also declare that you:

- intend to continue to trade
- reasonably believe there will be a significant reduction in your trading profits

In order to claim the fourth grant, you must reasonably believe that you'll suffer a significant reduction in trading profits, due to reduced business activity, capacity, demand or inability to trade due to coronavirus between 1 February 2021 and 30 April 2021. You must keep evidence that shows how your business has been impacted by coronavirus resulting in less business activity than otherwise expected.

HMRC expects you to make an honest assessment about whether you reasonably believe your business will have a significant reduction in profits

Significant reduction

Before you make a claim, you must decide if the impact on your business between 1 February 2021 and 30 April 2021 will cause a significant reduction in your trading profits for the tax year you report them in.

HMRC cannot make this decision for you because your individual and wider business circumstances will need to be considered when deciding whether the reduction is significant.

You should wait until you have a reasonable belief that your trading profits are going to be significantly reduced, before you make your claim.

You do not have to consider any other coronavirus scheme support payments that you have received when deciding if you've had a significant reduction in your trading profits.

Deferred VAT - no change

If you had a VAT payment due between 20 March 2020 and 30 June 2020, you had the option to defer payment until 31 March 2021. You will be liable for interest and penalties if you do not pay it on time. However, 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.



CJRS Furlough scheme extended further

The Coronavirus Job Retention Scheme has been extended further until 30 September 2021. 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. HMRC will pay 80% of employees' usual salary, up to a maximum of £2,500 per month.

The table below shows the level of government contribution available in the coming months, the required employer contribution and the amount that the employee receives per month where the employee is furloughed 100% of the time. Wage caps are proportional to the hours not worked.

	May	June	July	August	September
Government contribution: wages for hours not worked	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875	60% up to £1,875
Employer contribution: employer National Insurance contributions and pension contributions	Yes	Yes	Yes	Yes	Yes
Employer contribution wages for hours not worked	No	No	10% up to £312.50	20% up to £625	20% up to £625
For hours not worked employee receives	80% up to £2,500 per month				

When your employees are on furlough

During hours which you record your employee as being on furlough, you cannot ask them to do any work for you that:

- makes money for your organisation or any organisation linked or associated with your organisation
- provides services for your organisation or any organisation linked or associated with your organisation

Your employee can:

- take part in training
- volunteer for another employer or organisation
- work for another employer (if contractually allowed)

Coronavirus SSP Rebate Scheme

You still may be eligible for the Coronavirus Statutory Sick Pay Rebate Scheme to claim back employees' coronavirus-related Statutory Sick Pay (SSP) paid to current or former employees.

See **Bulletin 5** for details - this continues to be available.

Coronavirus Restart grant (England only)

The Restart Grant scheme supports businesses in the non-essential retail, hospitality, leisure, personal care and accommodation sectors with a one-off grant, to reopen 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.

LRSG (Closed) Addendum schemes

Businesses that were open as usual, but then required to close due to national lockdowns imposed by government may be eligible for the LRSG (Closed) Addendum scheme from 5 January 2021 onwards. It covered until 31 March 2021. Eligible businesses may be entitled to a cash grant from their local council for each period of national lockdown. You cannot get funding if you can continue to operate during the lockdown period because you do not depend on providing direct in-person services from your premises (for example accountants).

Coronavirus Bounce Back Loan

This scheme closed on 31 March 2021

Coronavirus Business Interruption Loan

This scheme closed on 31 March 2021

