

## Coronavirus: Support for Impacted Businesses

On 31 October, the Prime Minister announced there would be a second national lockdown in England, which will last until at least 2 December. As a result, the government announced additional support for businesses effected. Following the Prime Minister's statement yesterday further support and clarification was announced.

### [Extension to the Coronavirus Job Retention Scheme \(Furlough\)](#)

- The Job Retention Scheme has now been extended until 2 December
- On 2 November the Prime Minister clarified that it has been extended in all nations of the United Kingdom.
- You can now only claim if you have previously furloughed your employee before 30 June 2020 and you have submitted a claim for this by 23:59 30th October 2020.
- These rules may differ for employees who have been on maternity, shared parental, paternity, or parental bereavement leave.

### How will the scheme work?

- This extended Job Retention Scheme will operate as the previous scheme did, with businesses being paid upfront to cover wages costs.
- Employers will be required to pay employees' normal wages while they are working. The government subsidy will only apply to hours when the employee is not working.
- The CJRS grant will amount to 80% of the pay for hours that the employee is not working, subject to the £2,500 cap.
- Employers will pay employer NICs and pension contributions, and should continue to pay the employee for hours worked in the normal way.
- Employers can choose to top up employee wages above the scheme grant at their own expense if they want to.
- We expect the Government to confirm when claims can first be made in respect of employee wage costs during November
  - there will be no gap in eligibility for support between the previously announced end-date of CJRS and this extension.
- The Job Support Scheme will be introduced following the end of the CJRS.

### Eligibility

- All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the CJRS.
- To be eligible to be claimed for under this extension, employees must be on an employer's PAYE payroll by 23:59 30th October 2020.

### How to access the scheme

- In order to apply you will need to be registered for [PAYE online](#).

- Employers must agree with the worker any new flexible furlough working arrangements and confirm that agreement in writing. Employers can enter into several successive furlough agreements to ensure maximum flexibility.
- When employers are making decisions in relation to the process, including deciding who to offer furlough to, equality and discrimination laws will apply in the usual way.
- Employers must a written record of the agreed flexible furlough working arrangements. This must be kept for at least five years.
- Employers must also keep records of how many hours the worker works and the number of hours they are furloughed. Records of all claims and calculations must be kept for at least six years and must include:
  - amounts claimed and the claim periods for each employee;
  - claim reference number;
  - calculations used when preparing the claims;
  - usual hours worked by flexibly furloughed employees (including the calculations used to reach those figures);
  - actual hours worked by flexibly furloughed employees.
- Claims should be made through the [HMRC portal](#):
  - You'll need the Government Gateway user ID and password you got when you registered for PAYE online.
  - You must complete your claim within 7 days of starting it.
  - All claims must be submitted no later than 30 November 2020 and you will not be able to add to that claim after 30 November.

### **When the government ends the scheme**

When the scheme closes on 2 December, you must decide to either:

- bring your employees back to work on their normal hours
- reduce your employees' hours
- terminate their employment ([normal redundancy rules apply to furloughed employees](#))

### **[Coronavirus Bounce Back Loan Scheme \(BLS\)](#)**

#### **Key details:**

- The BLS helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover.
- The adjusted Bounce Back Loan Scheme rules to allow those businesses who have borrowed less than their maximum (i.e. less than 25% of their turnover) to top-up their existing loan.
- The maximum loan available is £50,000.
- The length of the loan is 6 years, but you can repay early without paying a fee.
- No repayments will be due during the first 12 months.

**Eligibility:** You can apply for a loan if your business as established before 1 March 2020 and has been adversely impacted by the coronavirus.

**How to apply:** There are [many lenders](#) participating in the scheme including several of the main retail banks. You should approach a suitable lender yourself via the lender's website.

**Deadline:** The application deadline has been extended to January 31 2021.

### **[Coronavirus Business Interruption Loan Scheme \(CBILS\)](#)**

**Key details:**

- The scheme helps small and medium-sized businesses to access loans and other kinds of finance up to £5 million.
- 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

**Eligibility:** You can apply for a loan if your business has an annual turnover of up to £45 million and has been adversely impacted by the coronavirus. You will also need to be able to demonstrate your business was viable were it not for the pandemic.

**How to apply:** There are [many lenders](#) participating in the scheme including several of the main retail banks. You should approach a suitable lender yourself via the lender's website.

**Deadline:** The application deadline has been extended to January 31 2021.

### **[Coronavirus Large Business Interruption Loan Scheme \(CLBILS\)](#)**

**Key details:**

- The scheme helps medium and large sized businesses to access loans and other kinds of finance up to 25% of your annual turnover to a maximum of £200 million:
  - loans revolving
  - credit facilities (including overdrafts)
  - invoice finance
  - asset finance
- The government guarantees 80% of the finance to the lender.
- Finance is available from 3 months to 3 years.

**Eligibility:** To be eligible for the CLBILS you must have an annual turnover of over £45 million and not have received support under the Bank of England's COVID-19 [Corporate Financing Facility \(CCFF\)](#).

You must be able to demonstrate that your business your business has been negatively affected by coronavirus and was viable before the pandemic.

If you're borrowing more than £50 million you must agree to restrictions on dividend payments, senior pay and share buy-backs during the period of the loan. Further details can be found [here](#).

**How to apply:** There are [12 lenders](#) taking part in the scheme including all the main retail banks. You should approach a suitable lender yourself via the lender's website.

You'll need to provide documents that show you can afford to repay the loan, which varies depending on the lender.

## **Business Grants**

The government is providing funding to allow local authorities to support businesses required to close in England due to national restrictions.

### **Key details:**

- For properties with an RV of £15k or under, grants of £934 per month
- For properties with an RV of between £15k-£51k, grants of £1,400 per month
- For properties with an RV of £51k, grants of £2,100 per month

**Eligibility:** Local authorities have the freedom to determine the precise eligibility criteria for these grants in their local areas.

**How to apply:** These grants will be administered by Local Authorities, and businesses will need to apply to their local authority for support. Local authorities will be responsible for the payment schedule and timings for these grants.