



From everyone at Butler & Co, we hope you all had a good break over the Christmas and New Year period, and everyone is keeping positive despite the new lockdown that was instigated on Monday.

COVID-19 BUSINESS SUPPORT: EARLY JANUARY 2021 UPDATE

With the commencement of a new lockdown period, the Chancellor announced on Tuesday 5 January 2021 that there would be new grants made available to help support businesses in some sectors through the next few months of increased restrictions. Alongside these new grants, we feel it is worth reiterating all the support programmes from the government that remain available, so that everyone has the complete picture going forward.

NEW 2021 LOCKDOWN GRANTS

There were two new grants announced on Tuesday for businesses in the retail, hospitality and leisure sectors to consider:

1. One-off Top Up Business Support Grants

These one-off top-up grants are being issued across January, similar to the initial grants paid by local authorities in March 2020. Cash is to be provided on a per-property basis to support **rate-paying businesses in the retail, hospitality and leisure sectors** through the latest restrictions. One-off top-ups will be granted to closed businesses, as follows:

- **£4,000** for businesses with a rateable value of £15,000 or under
- **£6,000** for businesses with a rateable value between £15,000 and £51,000
- **£9,000** for businesses with a rateable value of over £51,000

This grant is given in addition to (and not replacing) the Business Support Grants that are already in existence under the previous tier restrictions (see **C** in the existing measures list below).

Our understanding is that these grants will be paid directly to all those eligible without an application procedure; however, this is yet to be confirmed. Please keep monitoring local authority websites for the latest updates on this grant – as it is being administered by district and county councils, it is possible that applications will vary significantly from area to area.

2. Local Authority 2021 Discretionary fund

A discretionary fund totalling £594 million has also been made available to support other impacted businesses that do not qualify for the grant detailed in [1], above. The exact conditions for application will vary depending on the local authority involved, so clients should keep an eye on local authority websites and listings, so as to be aware of the application procedures and not miss any local deadlines.

NOTE: It may be that businesses that do not qualify for additional support measures so far will be given priority to the discretionary fund, so those who have so far not received support should contact their local authority business team as soon as applications open.

ALL GRANT FUNDING WILL BE ISSUED BY LOCAL AUTHORITIES INSTEAD OF CENTRAL GOVERNMENT.

Therefore, the advice remains for businesses to contact their local authority directly, to find out the specific terms and conditions available in that area. There is not a nationwide standard procedure that will be adopted for the above grants and therefore it is important to investigate how specific local authorities are administering these to ensure businesses do not miss out on obtaining cash support.

Existing Measures

The following measures also remain in place and should be utilised where available and appropriate:

A. Coronavirus Job Retention Scheme for Furloughed Workers

Employees can be furloughed for childcare reasons, as well as if there is no work for them to undertake. The scheme has been extended until 30 April 2021, paying wages at 80% of an employee's gross; with employers being responsible only for Employer National Insurance and Pension Contributions (approximately 5% of the payroll costs). There is no phased reduction currently scheduled on this programme as there was during Autumn 2020.

B. Business Rate Holidays

This is in place until 31 March 2021.

C. Business Support Grants

Businesses required to close in England due to local or national restrictions will be eligible for the following, as a result of the adoption of the tier system earlier in the year:

- For properties with a rateable value of £15,000 or under, grants of up to £1,334 per month, or £667 per two weeks, will be available;
- For properties with a rateable value between £15,000 and £51,000, grants of up to £2,000 per month, or £1,000 per two weeks, will be available;
- For properties with a rateable value of £51,000 or over, grants of up to £3,000 per month, or £1,500 per two weeks, will be available.

All monies are receivable from local authorities.

NOTE: Any business not receiving these at present and feel that they are eligible, should contact their local authority immediately.

D. Self-Employment Income Support Scheme – third grant applications

The SEISS, the self-employed version of the furlough scheme, opened for applications for the third grant back in November to cover the period Nov 2020 to Jan 2021. The rules on this edition of the grant were made a lot stricter than the previous payments in the summer, with businesses having to meet the new conditions of there being a

“reasonable belief” that there would be a “significant reduction” in trading profits due to Coronavirus. This initially put off a significant number of applications.

With the now changed circumstances and implementation of a national lockdown, we highly recommend those that are eligible revisit whether they would be entitled to make a claim for this period. The grant is available for application until 31 January 2021, and clients should produce management accounts for the period November 2020 to January 2021 to confirm profits have decreased to ensure a claim will be valid.

E. Statutory Sick Pay Rebate Scheme

Two weeks of statutory sick pay remain available to be reclaimed from the government, should an employee have to self-isolate or is away from work with Covid-19.

F. Universal Credit

If an individual has no or limited income at a personal level – say if their limited company is not currently operating or they do not qualify for SEISS – then applications for Universal Credit remain available to those who have not received support from elsewhere.

G. Bounce Back Loans

Most businesses have applied for Bounce Back Loans in the last few months, but for those who have not utilised this source of finance thus far, these interest-free loans for the first-year remain open for applications until 31 January 2021.

As ever, please do not hesitate to contact us if you have any questions regarding any of the points mentioned above. The Covid-19 Business Support Co-ordinator, Russell Nash [russell@butlerco.co.uk] remains available, alongside your regular primary contact(s), across the working week to answer anything arising – while the Alresford office is currently home to skeleton staff, the full Butler & Co team are still working from home and are able to answer any questions or queries you may have.

Best regards and stay well