



As ever, from all the team at Butler & Co, we hope everyone is staying well and keeping positive, despite the prospect of further restrictions this week.

COVID-19 BUSINESS SUPPORT: NEW SUPPORT MEASURES UPDATE

On Friday 9 October 2020, the chancellor announced new financial support for businesses that will be affected by the new restrictions across the Autumn and into the winter. The key points are as follows:

1. **Extension to the Job Support Scheme [JSS]** – this programme replaces the Job Retention Scheme for Furloughed workers
2. An update to the **Job Retention Bonus [JRB]** application process
3. The launch of new **Local Restrictions Support Grants [LRSB]**
4. Extension to the **Local Authority Discretionary Grants [LADG]**

1. EXTENSION TO THE JOB SUPPORT SCHEME [JSS]

Alongside the Job Support Scheme, providing government support to those who work at least 33% of their hours, there is now an extension for those businesses whose premises have been legally required to close as a direct result of coronavirus restrictions.

Key Points

- Businesses will receive grants towards the wages of employees who have been instructed to, and subsequently cease work and operations. Voluntarily closures are **not** covered.
- The government will pay two thirds of employees' usual wages (67%), up to a **maximum of £2,100 per month**.
- Businesses will need to cover (1) Employer National Insurance and (2) Pension contributions.
- The Extension to the Job Support Scheme will be open to all small and medium sized businesses across the UK, including those that have not previously used the furlough scheme
- The scheme will run from 1 November 2020 to 30 April 2021 but will be reviewed in January 2021.
- Joining this scheme does not impact on the eligibility for the Job Retention Bonus for workers that have come off furlough and returned to employment

NOTES: Full details of how to apply will follow in due course – the government is still to publish these at the present time. It is understood a portal will be available for claims in the same way as the furlough scheme operated, and this will begin processing claims in early December 2020. HMRC will be adding extra checks to this support scheme, so employers need to make sure they comply with the eligibility criteria before making JSS claims.

2. JOB RETENTION BONUS [JRB]

As a reminder - businesses will be able to claim a one-off payment of £1,000 for every eligible employee furloughed and claimed for through the Coronavirus Job Retention Scheme (CJRS) and kept in continuous employment until at least 31 January 2021.

To be eligible:

- Employees must earn at least £1,560 between 6 November 2020 and 5 February 2021, and have received earnings in the November, December, and January tax months.
- Employees **must not** be serving a contractual or statutory notice period on 31 January 2021.
- Claims will be accepted from 15 February until 31 March once PAYE information for the period up to 5 February 2021 has been submitted.

You can still claim the Job Retention Bonus if you make a claim for the same employees through the Job Support Scheme, as long as you meet the eligibility criteria for both.

What you need to do now

If you intend to claim the Job Retention Bonus, you must:

- Keep PAYE submissions up-to-date and on time, with Real Time Information reported for all employees
- Use the irregular payment pattern indicator in RTI for any employees not paid regularly
- Provide any employee data for the past Job Retention Scheme claims that HMRC has requested
- Make sure all Job Retention Scheme claims have been accurately submitted and, if any changes to previous claims are needed, these are submitted to HMRC sooner rather than later

3. LOCAL RESTRICTIONS SUPPORT GRANTS [LRSRG]

The Local Restrictions Support Grant (LRSRG) supports businesses that pay, or is registered for, business rates, which were open as usual, but are then required to close for at least 3 weeks due to local lockdown restrictions imposed by government.

Businesses will be eligible if:

1. They occupy property on which **business rates** are paid or upon which Small Business Rates Relief is claimed.
2. They are located within **a local lockdown area** and are required to close because of the formal publication of local restrictions guidance that resulted in a first full day of closure on or after 9 September.
3. They are required to close for **at least 3 weeks** because of the lockdown
4. They have been unable to provide **usual in-person** customer service from their premises
Examples of this could include non-essential retail, personal services, cafes/restaurants that operate primarily as an in-person venue, but which have been forced to close those services and provide a takeaway-only service instead.

Grant amounts

- If a business is eligible and has a property with a rateable value of **less than £51,000**, you will receive a cash grant of **between £1,000 - £1,500** for each 3-week period the business is closed.
- If a business is eligible and has a property with a rateable value of **£51,000 or above**, you will receive a cash grant of **£3,000** for each 3-week period your business is closed.

The grant will be extended to cover each additional 3-week period, so if a business is closed for 6 weeks, it could receive up to £6,000, depending on the rateable value of the property.

Exclusions

Businesses not eligible for the Support Grant include the following:

- Businesses which are able to continue to operate during the lockdown because they do not depend on providing direct in-person services from their premises
- Businesses that have chosen to close, but have not been required to close as part of a local lockdown
- Businesses that are still subject to national closures, such as nightclubs
- Businesses that have reached the state aid limit

How to Apply

This grant is administered by Local Councils, so all applications will be made through the individual Local Authority websites. This means that specific applications, and the information required, will vary; if you have any issues please do not hesitate to contact us as early in the process as possible – the longer we have to assist, the more we will be able to help.

4. LOCAL AUTHORITY DISCRETIONARY GRANT

The local authority discretionary grants have been renewed as part of the latest updates, to support businesses in local lockdown areas that do not pay business rates.

Businesses may therefore receive a grant of up to £1,500 at the discretion of the local council if:

- The business is **required to close** but it does not pay business rates; or
- The business has been 'severely affected' by the local lockdown, for example as a result of customer businesses being closed

Local councils will publish details of discretionary funding on their individual websites. This will no doubt vary from local area to local area, so please check directly with your local council to confirm.

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@butler-co.co.uk] remains available, alongside your regular primary contact(s), across the working week to answer anything arising.

Best regards