



## **CORONAVIRUS COVID-19 INFORMATION ABOUT BUSINESS SUPPORT 1<sup>st</sup> OCTOBER 2020**

This briefing provides information about the Government support available to businesses during the Coronavirus outbreak. For more details, click [Business Support Finder](#) and with any questions, please contact the Farmer Network on 01768 868615, or E mail: [Veronica@thefarmernetwork.co.uk](mailto:Veronica@thefarmernetwork.co.uk).

### **1. GRANTS**

#### **a) SMALL GRANTS TO HELP BUSINESSES RECOVER FROM COVID-19**

Businesses can apply for grants from £1,000 to £3,000 if they can demonstrate a 40% loss of income between March and June, compared with the same period in 2019. The grants can be used for specialist advice and visitor economy businesses can also apply for grants to boost productivity, to continue to deliver business activity or diversify in response to Covid-19.

[Cumbria Growth Hub](#) has now closed its scheme but the scheme is opening in Yorkshire on 30<sup>th</sup> September with a deadline for applications of 10am on Monday 5 October 2020 - see: [Yorkshire Growth Hub Small Business Grant](#)

#### **b) SELF EMPLOYMENT INCOME SUPPORT SCHEME**

If you are self-employed, or a member of a partnership, you may be able to claim a taxable grant based on your average monthly trading profits. The second round of funding is currently open and you can claim if your business has been adversely affected on or after 14 July 2020. You can claim for the second grant even if you did not make a claim for the first grant.

The Chancellor announced on 24<sup>th</sup> September that there will be further rounds of the scheme. The next round will cover the period from November to the end of January and will pay a grant of 20% of 3 month's profits, up to a maximum payment of £1,875. A further grant will be available to cover the period from February to the end of April 21.

### **2. LOANS**

#### **a) "BOUNCE BACK" LOAN SCHEME**

Bounce Back loans are 100% backed by the tax payer (rather than 80%) with the government paying the interest for the first 12 months and with no capital or interest repayments due for one year. The loans are from £2,000 up to a maximum of 25% of turnover, or £50,000. The interest rate is fixed at 2.5% with the capital to be repaid over 6 years with no early repayment charge. Eleven lenders are participating in the scheme including most of the main banks. You should approach your own bank in the first instance, or a list of lenders is on the following website: [Bounce Back Loan providers](#).

The Chancellor announced on 24<sup>th</sup> September that businesses will be able to extend their Bounce Back loans from 6 to 10 years. Businesses can also move to interest-only payments, or suspend repayments for 6 months if they are "in real trouble" with credit ratings unaffected.

**b) CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME**

This scheme helps SME businesses access finance of up to £200 million (increased from £5 million) and is 80% underwritten by the Government. You apply via your lender's website or through one of 40 accredited finance providers offering the scheme. The scheme closed to new applications on 30<sup>th</sup> September and for more details: [click here](#).

**c) CORONAVIRUS FUTURE FUND SCHEME**

The Government's Future Fund Scheme offers convertible loans of between £125,000 and £5 million to companies which can obtain match funding from the private sector.

**The Government guarantee on Coronavirus Business Interruption Loans is being extended to 10 years and a new successor programme will be announced in January.**

### **3. SUPPORT FOR BUSINESSES WITH EMPLOYEES**

**a) KICKSTART SCHEME**

The Government's £2 billion Kickstart Scheme provides fully-funded six-month placements for 16-24 year olds claiming Universal Credit and at risk of long term unemployment. Employers receive funding for 100% of the relevant National Minimum Wage for 25 hours a week, plus associated employer NI and pension costs. Employers can only apply if they have a minimum of 30 job placements available which rules out possibly every individual farm business!

However, businesses might be able to join together to reach the target of 30 job placements and if you are interested please give us a call on 01768 868615 and we can assess whether it is possible for the Farmer Network or another body to act as an umbrella organisation. The employer guidance is [HERE](#) and learn more about the scheme [HERE](#).

**b) CORONAVIRUS JOB RETENTION SCHEME**

The Job Retention Scheme provides a grant to help cover the costs of retained workers who are "furloughed". From 1 August 2020, employers have had to pay National Insurance (NI) and pension contributions for their furloughed employees. From 1<sup>st</sup> September, they will also have to contribute 10% towards the furlough payment, rising to 20% in October. The scheme ends on 31<sup>st</sup> October. For more information see: [Furlough scheme guidance](#).

**Job Retention Bonus.**

Employers should be able to claim a one-off payment of £1,000 for every employee they have furloughed who remains continuously employed until the end of January 2021. The employee must have been paid an average of at least £520 per month, and at least £1,560 across the three months from November-January.

**c) JOBS SUPPORT SCHEME**

A new Jobs Support Scheme will be available from November for 6 months after the Job Retention Scheme comes to an end on 31<sup>st</sup> October. The scheme is for employees working at least a third of their normal hours and is designed to protect viable jobs in businesses who are facing lower demand over the winter months due to Covid-19. The company will continue to pay its employee for time worked, but the cost of the hours not worked will be split between the employer, the Government and the employee (through a wage reduction). Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus. See: [Job Support Scheme Factsheet.pdf](#).

#### d) STATUTORY SICK PAY REBATE FOR SMES

The [Coronavirus Statutory Sick Pay Rebate scheme](#) provides a refund to cover up to 2 weeks' Statutory Sick Pay per eligible employee who has been off work because of coronavirus.

#### 4. TAX CHANGES

The UK government has cut VAT from 20% to 5% on any eat-in or hot takeaway food and drinks from restaurants, cafes and pubs, excluding alcohol. This VAT reduction also applies to all holiday accommodation in hotels, B&Bs, campsites and caravan sites, as well as attractions like cinemas, theme parks and zoos. The VAT cut has been extended from January to March 2021.

Self-assessment income tax payments can now be deferred to January 2022.

#### 5. HELP FROM THE FARMER NETWORK

If you need help during the Covid-19 crisis, please call the Farmer Network to get information about business support schemes, sourcing supplies, preparing contingency plans and finding emergency labour for your business in case of illness or if workers have to isolate.

The Farmer Network has created a register of potential emergency farm workers and want to hear from farmers who might need this support - this may be skilled staff able to work full time on a paid basis, or unskilled volunteers willing to help with basic tasks under supervision, or with collecting or delivering supplies. We can also help with preparing contingency plans.

Our grants adviser, Veronica Waller, is available for one to one advice about the support schemes and how relevant they might be to your business. Call 01768 868615 for help.

**We send out an E News update every Friday afternoon to Farmer Network members and please call us on 01768 868615 if you are not receiving E News (also check your "junk" folder).**

**We post information and updates on our social media pages:  
Facebook "@thecumbriafarmernetwork" or "@theyorkshirefarmernetwork"**

**Please visit our Facebook pages to join our Coronavirus Group.**

**The Farmer Network Ltd is being supported by the Cumbria COVID-19 Response Fund administered by Cumbria Community Foundation and by the Prince's Countryside Fund.**

