



## **CORONAVIRUS COVID-19 SUPPORT FOR BUSINESSES RELEVANT TO FARMERS 27<sup>th</sup> NOVEMBER 2020**

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

### **WHAT'S THE LATEST?**

Yesterday, the Government announced the new Tier system that will apply from 2<sup>nd</sup> December. Both Cumbria and the Yorkshire Dales are in Tier 2, but much of the rest of Northern England is in Tier 3 including the whole of Lancashire and Northumberland. This means that although tourism accommodation may not have to close, there may be a high level of cancelled bookings from visitors not able to travel because of living in Tier 3. The support available is outlined below.

Some Local Authorities) have now opened their [Local Restrictions Support Grant](#) for businesses forced to close by the most recent lockdown but note these grants require applicants to be registered for business rates. Businesses affected by the lockdown who have not closed or who do not pay business rates, may be able to apply for the [Additional Restrictions Grant](#) – see further details below.

### **1. GRANTS**

#### **a) 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 third round of the Scheme is now open covering the period from November to the end of January. The grant is 80% of average profits in line with the extension to the furlough scheme and a further grant will be available to cover February to the end of April 21.

#### **b) LOCAL RESTRICTIONS SUPPORT GRANT**

The [Local Restrictions Support Grant](#) (LRS) supports businesses required to close as a result of the lockdown. It is for businesses that pay business rates with the level of funding based on the rateable value of their business properties:

- Rateable value of £15k or under: Grants of £1,334 per month, or £667 per two weeks;
- Rateable value of between £15k-£51k: Grants of £2,000 per month, or £1,000 per two weeks;
- Rateable value of £51k or over: Grants of £3,000 per month, or £1,500 per two weeks.

Local Authorities have been given some additional funding and may be able to offer discretionary grants of £1500 to businesses that do not pay rates. Contact your Local Authority for details.

#### **c) ADDITIONAL RESTRICTIONS GRANT**

Businesses affected by the lockdown that do not pay business rates or who have not closed, may be able to apply for the [Additional Restrictions Grant](#). Local Authorities can set their own criteria but this is expected to include:

- businesses which supply the retail, hospitality, and leisure sectors
- businesses in the events sector
- business required to close but which do not pay business rates.

Check your Local Authority webpage for details.

## 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. If you have already applied for a Bounce Back loan you can top up your existing loan to the maximum allowed if you applied for less than this first time.

### 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.

### 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.

All the Government loan schemes deadlines have now been extended until the end of January 2021.

## 3. SUPPORT FOR BUSINESSES WITH EMPLOYEES

### a) CORONAVIRUS JOB RETENTION (FURLOUGH) SCHEME

The Furlough Scheme that was due to end on 31<sup>st</sup> October but has now been extended until 31<sup>st</sup> March 2021. Employees receive 80% of their current salary for hours not worked with employers only contributing to the costs of National Insurance and pension contributions. The new Job Support Scheme has been postponed until the furlough scheme ends.

Employers were going to be able to claim a [Job Retention Bonus](#) of £1,000 for every furloughed employee who remained continuously employed until the end of January 2021. This has now been postponed and the Government states that: "an alternative retention incentive will be put in place at the appropriate time".

### b) 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.

### c) 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 be deferred to January 2022 and you can set up a direct debit to pay tax owed in monthly instalments, up to a 12-month period. Click on [Deferring self assessment payments](#)

#### 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.**

