

Covid-19 Measures

January Update

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Introduction

As the third Covid-19 lockdown took effect on 5 January 2021, the Chancellor announced a further £4.6 billion in grants to the retail, hospitality and leisure sectors. This new round of support follows extensions to the job retention and loan schemes revealed on 17 December 2020. There may be more to come with the Budget on Wednesday 3 March 2021.

New lockdown 3.0 grants

An extra £4.6 billion in lockdown grants has been directed at the worst affected sectors.

New one-off grants for closed retail, hospitality and leisure businesses have been announced. The new grants are in addition to all other forms of support, such as the Lockdown Restrictions Support Grant ([LRSG \(Closed\) Addendum](#)) which applied to businesses that were forced to close between 5 November and 2 December 2020.

The new grants in England will be:

- £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; and
- £9,000 for businesses with a rateable value of over £51,000.

In addition, £594 million is being made available for Local Authorities and the Devolved Administrations to support other businesses not eligible for the above grants, that might be affected by the latest restrictions. Businesses should apply to their Local Authorities.

The Devolved Administrations will be receiving additional funding in line with the English measures, with £375 million for Scotland, £227 million for Wales and £127 million for Northern Ireland.

The announcement of the new grants talks of helping business “through to the Spring”, with the Chancellor hinting that additional support measures are to come in the Budget on 3 March 2021.

Coronavirus Job Retention Scheme (CJRS)

The CJRS furlough scheme is now running through to April 2021.

On 17 December 2020 the Chancellor announced a further one-month extension of financial support under the Coronavirus Job Retention Scheme (CJRS) to the end of April 2021. As currently, the government will pay 80% of the salary of employees for hours not worked up to a maximum of £2,500. Employers will only be required to pay wages, National Insurance Contributions (NICs) and pensions for hours worked; and NICs and pensions for hours not worked.

Claims for furloughed employees can only be made for those who were employed and on payroll on 30 October 2020. The employer must have made a PAYE RTI submission to HMRC between 20 March and 30 October 2020, notifying a payment of earnings for that employee. This may differ where an employee has been made redundant, or they [stopped working on or after 23 September 2020 and have subsequently been re-employed](#).

Self Employed Income Support Scheme (SEISS)

No change.

No changes to the SEISS were announced alongside the CJRS extension, as the SEISS already runs through to the end of April 2021. Details of the fourth SEISS grant that will cover the three months from February to April have not yet been released.

Loan schemes

Most schemes extended to 31 March 2021.

On 17 December the Chancellor extended access to the [Bounce Back Loan Scheme \(BBLs\)](#), [Coronavirus Business Interruption Loan Scheme \(CBILS\)](#), and the [Coronavirus Large Business Interruption Loan Scheme \(CLBILS\)](#) until the end of March.

Additional support measures

In November 2020 the Financial Conduct Authority (FCA) published fresh guidance across a range of issues including [mortgages](#) and [consumer credit and loans](#). The thrust of these was to limit the maximum payment holiday to six months, which had to be agreed three months at a time.

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