

# Patterdale Parish Financial Support Information

As at 1 June 2020

Here is an update of the recent changes in grants, loans and furlough as relevant to Ullswater.

*This note is one person's understanding of the position at a particular point in a situation that is changing all the time. It is intended to be a general guide to assist people to make their own enquiries and to take their own advice as necessary, and not a definitive statement of the law.*

**GENERAL GOVERNMENT BUSINESS SUPPORT** <https://www.gov.uk/browse/business/finance-support>

The link to a Q&A to find your way <https://www.gov.uk/business-coronavirus-support-finder>

## **SELF EMPLOYED INCOME SUPPORT SCHEME (SEISS)**

CHANCELLOR'S ANNOUNCEMENT 29<sup>TH</sup> MAY:

**There is now a deadline for applications for the first phase of this grant: 13<sup>th</sup> July 2020.** Here is the link for PHASE 1 (March to end of May) to start your claim if you haven't already: [Link Here](#).

It has just been announced that those eligible under Phase 1 of the SEISS scheme, will be able to claim a **second and final grant** in August. The grant will be worth 70% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £6,570 in total.

The eligibility criteria are the same for both grants, and individuals will need to confirm that their business has been adversely affected by coronavirus. An individual does not need to have claimed the first grant to receive the second grant: for example, they may only have been adversely affected by COVID-19 in this later phase. Further guidance on the second grant will be published on **Friday 12 June**.

## **THE CORONA VIRUS JOB RETENTION (FURLOUGH) SCHEME**

THE CHANCELLOR'S ANNOUNCEMENT

The Chancellor has just announced, on Friday 29<sup>th</sup> May, how the Furlough Scheme will be extended:

From 1 July, employers can bring back to work employees who have previously been furloughed for any amount of time and any shift pattern, while still being able to claim CJRS grant for their **normal hours not worked**. When claiming the CJRS grant for furloughed hours; employers will need to report and claim for a minimum period of a week. Those making claims for longer periods such as those on monthly or two weekly cycles will be able to do so.

The scheme will close to new entrants from 30 June. From this point onwards, employers will only be able to furlough employees that they have already been furloughed for a full 3 week period prior to 30 June. This means that the final date by which an employer can furlough an employee for the first time will be 10 June, in order for the current 3 week furlough period to be completed by 30 June. Employers will have until 31 July to make any claims in respect of the period to 30 June.

The number of employees an employer can claim for in any claim period cannot exceed the maximum number they have claimed for under any previous claim under the current CJRS.

Employees working part time must be paid 100% of their wages for the days they work.

To be eligible for the grant, employers must agree with their employee any new flexible furloughing arrangement and confirm that agreement in writing. Further guidance on flexible furloughing and how employers should calculate claims will be published on **12 June**.

From **August** – employers will have to pay the Employers' NI and Pension Contributions for the furloughed employees but can still reclaim the 80% of basic wages (with allowances as above)

From **September** Employers will have to pay 10% of the furloughed pay – they can only claim back 70%, UP TO A MAXIMUM OF £2,187.50 but are expected to keep employees on the same furloughed pay as before.

From October Employers will have to pay 20% of the furloughed pay – they can only claim back 60% of the 'Furlough Grant' up to a maximum of £1,875.

Employers will be required to submit data on the usual hours an employee would be expected to work in a claim period and actual hours worked. **Employees** who believe they are not getting their 80% share can also report any concerns to the HMRC fraud hotline. HMRC will not hesitate to take action against those found to be abusing the scheme.

The Chancellor declared that '**Employees see no change between now and the end of October** but then this Furlough scheme will cease completely'.

#### **EDEN DC DISCRETIONARY GRANTS SCHEME NOW OPEN FOR APPLICATIONS:**

Aimed at:

- Small or Micro businesses with **relatively high ongoing fixed property-related costs** that can demonstrate that they have suffered a **significant fall in income** due to the COVID-19 crisis but **not** to those with fixed property related costs **below £250** per month
- Businesses which occupy property, or part of a property, with a rateable value or **annual rent or annual mortgage payments below £51,000** (where a rateable value exists this will be the figure used) but did NOT qualify for the earlier Business Rates Grants.
- Business must be predominantly based in the Eden District

#### **ESSENTIAL CONDITIONS:**

- The business must have been trading on the 11 March 2020.
- The business must not have been eligible or received a grant from the existing Covid **grant** schemes or other support schemes (excluding the Self-employed Income Support Scheme).
- Application **window 1<sup>st</sup> – 14th June 2020**

**SIZE OF GRANTS:** £2,500 - £10,000 per business not per property.

Eden has some discretion with this grant and has come up with 4 categories. They will disburse grants in order to these categories. Hence if you fall into category B or C you may well not get anything.

Category A:

- Small businesses in shared offices or other flexible workspaces.
- Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment
- Bed & Breakfasts which pay Council Tax instead of business rates. **BUT to qualify** you will need to be **registered as a food business with the Council**. **Airbnb's** that do not serve breakfast and are not registered with the Council as a food business **are specifically excluded** from this scheme.

- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief, and are not eligible for a grant through the Expanded Retail Discount Relief scheme.

#### Category B:

Small manufacturing businesses not eligible for Small Business Rate Relief or Expanded Retail Discount Relief.

#### Category C:

Local wholesalers and **supply chain/services** businesses whereby the **majority of their business relates to the hospitality or leisure sector**, not eligible for Small Business Rate Relief or Expanded Retail Discount Relief. The definition of 'majority' in this case is over 60%.

#### Category D:

Larger businesses with rateable value over £51,000 that can demonstrate exceptional hardship

You will need to show **evidence of your rent, mortgage or other fixed property** related costs and **evidence of loss of business** due to Covid 19.

#### Here is the link:

<https://selfservice.eden.gov.uk/renderform.aspx?t=272&k=1134F2791899BE5B0D9C3434BEB019D91D10D385&refresh=1>

These grants will be counted as taxable income

#### **BOUNCE BACK LOANS**

- These loans have proved popular.
- For the Application Process here's the link:

<https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

#### **BUSINESS INTERRUPTION INSURANCE**

**BUSINESSES:** For the many small businesses that have not been able to claim on their '**Business Interruption Insurance**' help may be on the way: The FCA (Financial Conduct Authority) is taking the case of policyholders to court. They have written to a number of insurers to ask for clarity on their policy wordings by May 15 before beginning an action at London's High Court. The process is complicated but here is the latest discussion on the issue:

<https://www.fca.org.uk/firms/business-interruption-insurance>