



## New cash grants

Businesses in England that are forced to shut as a result of lockdown measures will be eligible for grants of up to £3,000 per month payable every two weeks. Businesses will be eligible to claim after two weeks of closure.

The amount businesses will be able to claim from their local authority depends on their rateable value ranging from £1,300 per month for small businesses, £2,000 for medium-sized businesses and £3,000 for larger businesses.

The grants will also be available to businesses that have been forced to close on a national rather than a local basis. The devolved administrations in Scotland, Wales and Northern Ireland will receive an additional £1.3 billion to help offer similar measures.

## Self Employed Income Support Scheme Extension

The Self-Employed Income Support Scheme (SEISS) extension will apply for 6 months from 1 November 2020. The initial lump sum will cover three months of profits from 1 November 2020 calculated as 20% of average monthly profits, up to a total of £1,875.

An additional second grant will be available from 1 February 2021 to 30 April 2021, but the level of this second grant amount is subject to review. The level of support is based on similar terms and conditions to the Jobs Support Scheme.

To be eligible for the scheme, self-employed individuals, including members of partnerships, must meet the following criteria:

- Currently be eligible for the SEISS (although they do not have to have claimed the previous grants).
- Declare that they are currently actively trading and intend to continue to trade.
- Declare that they are impacted by reduced demand due to COVID-19 in the qualifying period. The qualifying period for the first grant is between 1 November and the date of claim.

## Loan Deadlines Extended

Businesses that have taken out a Bounce Back Loan will be able to benefit from a new Pay As You Grow flexible repayment system.

This will include an extension in the loan term from six to ten years. There will also be new options for interest-only repayments for up to six months as well as payment holidays.

The Coronavirus Business Interruption Loans will also have their Government guarantee extended to ten years.

The deadline for applying for all the Government's coronavirus loan schemes will be standardised and pushed back until 30 November 2020.

A new successor loan guarantee programme is also expected to be introduced early next year.

## Self-Assessment payment deadlines

Taxpayers that were due to make their second payment on account for the 2019-20 tax year had the option to have the payment due date deferred until 31 January 2021.

It will now be possible to benefit from a separate additional 12-month extension from HMRC on the "Time to Pay" self-service facility for this payment and also for payments due in January 2021 extending the deadline until January 2022.

## Support for businesses paying tax and VAT

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay service.

VAT registered businesses had the option to defer any VAT payments due between 20 March 2020 and 30 June 2020. There was no application process required to defer the relevant payment. However, businesses could still choose to pay any VAT due as normal. If you chose to defer your VAT, the payment was due to be paid in full to HMRC by 31 March 2021.

In delivering his Winter Economy Plan to Parliament, the Chancellor confirmed that businesses will instead be able to make 11 smaller interest-free payments during the 2021-22 financial year.



## VAT reduction for hospitality and tourism sector

The VAT reduction that was announced as part of the Summer Economic update was scheduled to end on 12th January 2021.

The end date for the VAT cut has now been extended until 31 March 2021 to give the affected sectors more time to adjust to the difficult trading conditions.

This means that VAT charged on food, accommodation and attractions (such as eat in or takeaway food in restaurants, cafes and pubs, cinemas, theme parks and zoos) will see VAT reduced from 20% to 5% until the end of March 2021.