

LOOKING AHEAD TO 2021



As we head into Christmas, the COVID-19 pandemic continues to cause changes to both business and personal plans. We all hope that the roll out of the vaccination programme will eventually see life get back to something like normal but in the meantime here are a few dates for the spring.

3rd March Budget

On 17th December, the Chancellor confirmed that the next Budget will be held on 3rd March 2021 and will provide further information on COVID-19 economic support packages. This will come at a critical time, after a winter spent battling the pandemic and consequent economic decline. *Watch this space!*

Extension to the furlough scheme

The Coronavirus Job Retention Scheme (CJRS) has been extended from March to April 2021. This means that the government will continue to subsidise the wages of eligible workers. Currently this is by paying up to 80% of hours not worked. Employers will be required to pay wages, National Insurance Contributions (NICS) and pensions for hours worked – and NICS and pensions for hours not worked.

COVID-19 Business Loan Schemes extended

Rishi Sunak confirmed he is also extending the COVID-19 business loan schemes until the end of March. These are: the Bounce Back Loan Scheme, the Coronavirus Business Interruption Loan Scheme and the Coronavirus Large Business Interruption Loan Scheme. He said that more support will be available beyond March, through a successor loan scheme, which will be announced at a later date.

- **The Coronavirus Business Interruption Loan Scheme (CBILS)**

- The CBILS gives a government-backed guarantee of 80% of the loan to the lender. Any fees or interest are covered by them for the first 12 months.
- When applying you must show how your business could support a loan and that it is a viable business. This would include (ideally) information on your accounts, assets and business plan. You need to show an understanding of your cash flow and how it could be affected by the pandemic.
- Repayments can now be paid over 10 years.

- **Bounce Back Loans (BBL)**

- Small businesses affected by the coronavirus pandemic can apply for a 100% government-backed loan between £2000 and £50,000. This is capped at 25% of your total turnover.
- You will not be charged interest or required to make repayments for the first 12 months. The recent changes mean you've now got until 31st March to apply, and you can 'top up' if you've not borrowed the full amount. Loans can be extended to up to 10 years.
- After one year, banks will charge a fixed 2.5% annual interest. This is much cheaper than a typical personal loan.
- You'll need to contact your bank/lender to apply and your business must have been established before 1st March 2020. It must also still be trading as a going concern at the point of application (temporary cessation due to COVID-19 doesn't matter) – and the reason for any issues must be due to coronavirus.

We can help

There are often a range of solutions available depending on your circumstances. Do get in touch to discuss these in more detail.