



Turning insight into foresight

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Significant updates

- / Coronavirus Job Retention Scheme (CJRS)
- / Self-Employment Income Support Scheme (SEISS)
- / Taxes
- / Loan schemes

New schemes

- / Grants
- / Job Support Scheme – Open and Closed (JSS)
- / Job Retention Bonus

Cash in times of uncertainty

- / Cash is king
- / Business plans
- / Cashflow forecasts

Coronavirus Job Retention Scheme (CJRS)

- / Flexi-furlough extended to 31 March 2021
- / Initially:
 - Grant pays 80% of wages for hours not worked
 - Maximum £2,500 per month per employee
 - Employer pays NIC and pension contributions
- / Open to employees not previously furloughed
- / RTI for employees' payroll before 31 October 2020

CJRS – some new aspects

- / November claims must be submitted by 14 December
- / From December HMRC will publish:
 - Employer name
 - Employer number
 - Indication of value of claim

SEISS: update

- / Scheme extended for 6 months, November 2020 to April 2021
- / Same eligibility criteria, though need not have previously claimed SEISS
- / First grant for November 2020 to January 2021:
 - 80% of average monthly trading profits
 - Capped at £7,500
- / Level of second grant to be reviewed in due course

Taxes: update

- / Income tax self assessment <£30,000 in January 2021 can be deferred over 12 months:
 - Includes deferrals from July 2020 and January 2021 payment on account
 - Interest due on outstanding amounts from 1 February 2021
- / VAT deferred from March to June 2020 till March 2021 can be deferred over 12 months:
 - Businesses need to opt in
 - Interest free

Bounce Back Loan Scheme: key updates

- / Applications extended to 31 January 2021
- / Borrowers can top up if less than maximum borrowed
- / Pay as you Grow:
 - Repayments over up to 10 years
 - Interest-only for up to 6 months, 3 times
 - Payment pause for up to 6 months
- / Usage:
 - £42.18bn facilities approved (average £30k)
 - 1.4m facilities approved (79.1% of applications)

Other loan schemes

/ **CBILS:**

- Applications open to 31 January 2021
- Term can be extended to 10 years
- £18.46bn facilities (average £237k) to 78k applicants (45%)

/ **CLBILS:**

- Applications open to 31 January 2021
- £4.84bn facilities (average £7.4m) to 658 applicants (62%)

/ **Future Fund:** Applications open to 31 January 2021

/ **CCFF:** New borrowers must apply before 31 January 2021

National Restrictions Support Grants

- / Businesses mandated to close during national lockdown can claim grants
- / Non-essential retail, leisure, personal care, sports facilities and hospitality businesses
- / In-person venue businesses forced to close but now offer takeaway-only service instead also eligible
- / Grants from 5 November to 2 December:

Rateable value of premises	Grant
<£15,000	£1,334
£15,001 - £51,000	£2,000
>£51,000	£3,000

Local Restrictions Support Grants (Open)

- / Businesses that do not have to close but are severely impacted due to restrictions in High or Very High alert level areas (“Tier 2” and “Tier 3” areas) may be eligible for discretionary grants
- / Likely to be reserved for hospitality and leisure businesses
- / Grants can be backdated to August
- / Grants per 28 day period:

Rateable value of premises	Grant
<£15,000	£934
£15,001 - £51,000	£1,400
>£51,000	£2,100

Local Restrictions Support Grants (Closed)

- / Businesses required to close in Very High alert (“Tier 3”) areas eligible for grants
- / Must be closed for >14 days and not subject to national restrictions
- / In-person venue businesses forced to close but now offer takeaway-only service instead also eligible
- / Businesses required to remain closed nationally since 23 March eligible to grants from 1 November
- / Grants per 14 day period:

Rateable value of premises	Grant
<£15,000	£667
£15,001 - £51,000	£1,000
>£51,000	£1,500

Job Support Scheme – Open (JSS)

- / Will replace CJRS (1 April 2021?)
- / Eligible employees work minimum 20% usual hours
- / For hours not worked:
 - Government pay 61.67% up to £1,541.75 per month
 - Employer pays 5%
 - Employee is not paid for one third
- / Employee paid at least 73% of usual pay if below cap
- / Government does not pay NIC/pension contributions

JSS: Eligibility

- / Open to all employers including those who did not use CJRS
- / Employee must not be on a redundancy notice
- / Large businesses (>250 employees):
 - Must demonstrate reduction in turnover
 - Restricted from paying dividends

Job Support Scheme – Closed

- / For businesses required to close their businesses due to coronavirus restrictions
- / Government pays two thirds of employees' salaries
- / Maximum £2,083.33 per employee per month
- / Government does not pay NIC/pension contributions

Job Retention Bonus

- / Grant of £1,000 for each employee furloughed under CJRS still employed
- / Following extension of CJRS, JRB will be redeployed at appropriate time
- / Employers keep grant, which is taxable
- / Likely minimum earnings' criteria and that employees must be paid at least once per taxable earnings month
- / Employees cannot be serving contractual or statutory notice
- / Employers who repaid CJRS ineligible

Cash is king

In these uncertain times, it is important to preserve business cash, plan ahead and gain a better understanding of what the future holds.

Consider:

- / Financing
- / New revenue lines
- / Cutting expenditure?

Financing

/ Debt

- Coronavirus loans (BBLS, CBILS, CLBILS etc)
- Asset based lending
- Traditional bank debt (loans, overdrafts)
- Peer to peer lenders

/ Equity

/ Mezzanine finance

Raising finance

- / Use of funds
- / Management
- / Debt finance:
 - Security
 - Serviceability
 - Covenants
- / Business plan with robust forecasts

Cashflow forecasts

Financial forecasts will enable you to:

- / Gain a better understanding of your business's future finances
- / Identify risks and plan accordingly
- / Identify areas where the business could cut costs
- / Identify when you might require additional funds
- / Assist with debt finance and FCA applications

Cashflow forecasts

- / Fully integrated models based on assumptions in relation to:
 - Revenue streams
 - Cost analysis
 - Capital expenditure
 - FCA capital requirements
- / Perform sensitivity analyses

Business plan

- / Essential when seeking investment or applying for a loan
- / Communicates your ideas to stakeholders
- / Minimises risk
- / Assists with decision making

How can we help?

- / Cashflow forecasts
- / Business plan
- / Revised business models

Thank you and questions



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