

# Business Support Available in Scotland

Prepared for Bacta

15 Jan 2020

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## Funding Sources for Businesses and Individuals in Scotland

### **Strategic Framework Business Fund – please see below for additional top up grant**

If your business is required to close by law or to significantly change its operations due to COVID-19 restrictions from 2 November 2020, you may be [eligible to apply for grant funding](#).

Funding will cover any closures with the earliest claim date being 2 November 2020.

[Applications to the Strategic Framework Business Fund should be made through your local authority website.](#)

Grants will be paid every 4 weeks in arrears as long as restrictions last.

If your business is required to close by law - Temporary Closure grant:

- £2,000 if your business premises has a rateable value of up to and including £51,000
- £3,000 if your business premises has a rateable value of £51,001 or above
- An upper limit of £15,000 in total in any four-week period will apply to any eligible business operating multiple premises.

If your business is required to modify its operations - Business Restrictions grant:

- £1,400 if your business premises has a rateable value of up to and including £51,000
- £2,100 if your business premises has a rateable value of £51,001 or above
- An upper limit of £10,500 in total in any four-week period will apply to any eligible business operating multiple premises.

Payments will be paid administered by local authorities, and you will not need to re-apply if restrictions are extended beyond four weeks.

When restrictions end, any final payment in arrears may be adjusted to reflect the duration of the restrictions to the nearest week.

### **Extending support for hospitality, retail and leisure – additional top up grant**

In addition to the grants businesses receive through the Strategic Business Framework Fund, listed above, eligible businesses will also get a one off grant of:

- £25,000 for larger hospitality businesses on top of the 4-weekly £3,000
- £6,000 for smaller hospitality businesses on top of the 4-weekly £2,000
- £9,000 for larger retail and leisure businesses on top of the 4-weekly £3,000
- £6,000 for smaller retail and leisure businesses on top of the 4-weekly £2,000

In most cases, eligible businesses that have already applied for the 4-weekly payment from the Strategic Framework Business Fund will get an automatic top-up. For the majority, this top-up will be combined with the next tranche of payment for the Strategic Framework Business Fund due to go to businesses on 25 January.

Businesses that haven't yet applied for either of these funds should submit an application as soon as possible through their local authority website. Applications are now open.

### **Coronavirus Job Retention (furlough) Scheme**

The Coronavirus Job Retention Scheme is being extended until the end of April 2021.

Instead of making employees redundant, employers can furlough employees and [apply for a grant](#) that covers:

- 80% of their usual monthly wage costs, up to £2,500 a month, plus
- the associated Employer National Insurance contributions, and
- pension contributions (up to the level of the minimum automatic enrolment employer pension contribution) on that subsidised furlough pay

[Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#)

### **Coronavirus Business Interruption Loan Scheme (for SMEs)**

[Small businesses can now apply for the Coronavirus Business Interruption Loan Scheme](#) (CBILS). They have changed eligibility criteria to make it easier for businesses to access funds.

The British Business Bank offers the [Coronavirus Business Interruption Loan Scheme](#) and the scheme has been extended and will now close on 31 March 2021.

This provides facilities of up to £5 million for smaller UK businesses experiencing lost or deferred revenues, leading to disruptions to their cashflow.

CBILS supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance. The scheme provides the lender with a guarantee backed by government, potentially enabling a 'no' credit decision from a lender to become a 'yes'. The borrower always remains 100% liable for the debt.

### **Bounce Back Loans for small businesses**

Small and medium-sized businesses affected by COVID-19 can apply for a loan of up to £50,000 which will be guaranteed by the UK Government. The scheme is open to applications until 31 March 2021. [Apply for a coronavirus Bounce Back Loan.](#)

The scheme has been designed to ensure that small firms, who need a vital cash injection to keep operating, can get finance in a matter of days:

- no forward-looking tests of business viability
- simple eligibility criteria
- a quick, standard form
- most firms should receive the loan within 24 hours of approval
- the UK Government will pay the interest for the first 12 months
- the UK Government will guarantee 100% of the loan
- it will be capped at £50,000

### **UK Government Statutory Sick Pay – Employee**

Statutory Sick Pay will be paid from day 1 instead of day 4 for those affected by Coronavirus. To access the scheme:

- If you have COVID-19 or are advised to stay at home, you can get an 'isolation note' by visiting [NHS 111 online](#), rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.

### **Self-Employment Income Support Scheme (SEISS)**

Self-employed people can receive up at least three months in grants. This scheme will provide a grant worth 80% of profits to a cap of £2,500 per month for the self-employed with profits less than £50,000 per annum. It will be based on average profits declared in the last 3 years tax return will allow you to claim a taxable grant of 80% of your average monthly trading profits, paid out in a single instalment covering 3 months. The claims service opened on 13th May; applications will open in tranches based on your UTR number. Those eligible will have the money paid into their bank account by within 6 working days of making a claim. More details can be found [here](#).

### **Pivotal Event Businesses Fund Reopens**

The £6 million [fund](#) is being delivered by VisitScotland on behalf of the Scottish Government and has been developed in consultation with the [Event Industry Advisory Group](#).

The fund is open to event businesses whose primary role as organisers, suppliers, contractors and venues is critical to the survival of the events sector in Scotland, and upon whom the wider events industry and supply chain are most reliant for their own business and operations.

Funding will be prioritised towards those businesses that can evidence and demonstrate they play a pivotal role across the events industry in Scotland and are in financial difficulty as a direct result of COVID-19.

Applicants can apply for grants from £25,000 up to a maximum £150,000, and the amount applied for should demonstrate financial need and will require to be evidenced at the application stage.

### **Kickstart Scheme**

The UK government has introduced a [Kickstart Scheme](#) to create high-quality 6-month work placements. It is aimed at those aged 16 to 24 who are on Universal Credit and are deemed to be at risk of long-term unemployment.

### **Extend Your Filing Deadline**

If your business has been affected by COVID-19, you can apply online for an [automatic three-month extension](#), to give you more time to submit your accounts to Companies House.

You can only apply for an extension if your normal filing deadline has not already passed.

### **VAT Deferral**

If you deferred VAT between 20 March and 30 June 2020 and still have payments to make, you can:

- pay the deferred VAT in full on or before 31 March 2021
- opt in to the VAT deferral new payment scheme when it launches in 2021
- contact HMRC if you need more help to pay

You can [pay your deferred VAT](#) in full by 31 March 2021. You do not need to contact HMRC.

If you want to opt in to the new payment scheme. You cannot do so yet. The online opt in process will be available in early 2021. You must opt in yourself, your agent cannot do this for you.

Instead of paying the full amount by the end of March 2021, you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

The scheme will allow you to:

- pay your deferred VAT in instalments without adding interest
- select the number of instalments from 2 to 11 equal monthly payments

To use this scheme you must:

- still have deferred VAT to pay
- be up to date with your VAT returns
- opt in before the end of March 2021
- pay the first instalment before the end of March 2021
- be able to pay the deferred VAT by Direct Debit

If you opt in to the scheme, you can still have a time to pay arrangement for other HMRC debts and outstanding tax.

### Non-Domestic Rates Support for Businesses

To help owners of non-domestic properties, including businesses, deal with the impact of COVID-19, the Scottish Government has made changes to [non-domestic rates \(business rates\) for 2020-21](#).

The Scottish Government has introduced extra [rates reliefs \(discounts\)](#) and a one-off grant for some businesses.

These reliefs will be available to non-domestic properties from 1 April 2020 to 31 March 2021.

**\*\*Please note, the non-domestic rates reliefs and grant funding measures announced by the Chancellor of the Exchequer in March 2020 apply only in England. \*\***

#### Deferring payment of non-domestic rates

If a business is struggling to pay its non-domestic rates bill they should contact their local council and ask them about alternative payment [options](#).

#### Extra reliefs for businesses to help with COVID-19

All non-domestic properties in Scotland will get a 1.6% rates relief. This relief effectively reverses the change in poundage for 2020-21. Businesses will not need to apply for this relief and it will be applied to your bill by the local council's. Retail, hospitality and leisure businesses will get 100% rates relief – in order to gain this relief, a property has to be occupied.

### Local authority discretionary fund

The Scottish Government provided an additional £45 million in funding to local authorities to support businesses impacted by COVID-19. This includes £15 million for newly self-employed people who are not able to access other forms of financial support, and a £30 million discretionary fund to enable local authorities to provide additional support for businesses where they consider that necessary or justified.

The aim of the £30 million fund is to mitigate the short-term financial challenges being experienced by businesses adversely impacted by restrictions and regulations introduced since October to control the spread of COVID-19. It enables individual local authorities to direct additional financial support to specific groups, sectors or businesses within their local business communities who are experiencing immediate financial challenges as a result of current restrictions and regulations.

**Renfrewshire Coronavirus Business Support Fund** - To qualify for support, the business must operate from a commercial premise in Renfrewshire.

#### Business Restart Loan

Small and start-up businesses and the self-employed can apply for interest-free loans from £1,000 to £5,000. They are to assist with short-term cashflow and are repayable for up to three years.

Eligible businesses must have been adversely affected by the coronavirus pandemic and not be in receipt of any other coronavirus loan fund.

### **Business Resilience Grant**

This grant is part-funded by the European Regional Development Fund and provides a 50% match-funded grant from £1,000 to £10,000. The aim is to support small and medium sized businesses and the self-employed, who have plans for growth and are working towards new business goals. This includes:

- buying new equipment
- property expansion or improvements
- exhibiting costs
- developing new products and processes

To qualify for support, the business must operate from a commercial premise in Renfrewshire.

### **Business Adaptation Grant**

This grant provides a match-funded grant from £1,000 to £2,500 to help small and medium sized businesses, including the self-employed, to adapt their premises to meet physical distancing requirements. This includes:

- purchase of screens
- PPE
- signage
- The grant is open to retrospective applications for businesses who have already purchased the necessary equipment.

### **Support from your bank**

As well as accessing the Coronavirus Business Interruption Loan Scheme, your business bank can potentially help with other financial support. Here's a list of the support available from the major business banks.

- [Bank of Scotland](#)
- [Barclays](#)
- [Clydesdale Bank](#)
- [HSBC](#)
- [Lloyds](#)
- [Lombard](#)
- [Metro Bank](#)
- [NatWest](#)
- [Royal Bank of Scotland](#)
- [Santander](#)
- [Virgin Money](#)

### **Additional Support**

On 9 December the Cabinet Secretary for Finance announced £185 million for new and additional business support. This will provide support on a sector-by-sector basis so that it is appropriately targeted. The overall package will include support for tourism and hospitality business sectors, including the wedding sector, events sector, inbound tour operators, accommodation services, including self-catering, visitor accommodation hostels, hotels, B&Bs and guest houses, the outdoor tourism sector, visitor attractions, coach companies and tour operators, & hospitality.

Details on how to apply, and the basis of support, is being developed in conjunction with appropriate stakeholder groups and delivery partners, and more details will be announced shortly.