**Budget announcement 3rd March 2021**

For full information on the budget announcement, please visit

<https://www.gov.uk/government/news/budget-2021-what-you-need-to-know>

The sector organisations are currently working on their own guidance following the announcements so please do check their websites for a tailored response

[www.ndna.org.uk](http://www.ndna.org.uk)

[www.eyalliance.org.uk](http://www.early-yearsalliance.org.uk)

[www.pacey.org.uk](http://www.pacey.org.uk)

[www.outofschoolalliance.org.uk](http://www.outofschoolalliance.org.uk)

Here is a summary of the announcements that may affect Early Years and Childcare businesses

**Coronavirus Job Retention Scheme (CJRS)** will be extended until September 2021, to enable businesses to continue to furlough staff where required.

For periods starting on or after 1 May 2021, claims can be made for employees who were employed on 2 March 2021. You do not need to have previously claimed for an employee before the 2 March 2021 to claim for periods starting on or after 1 May 2021. You do not need to have previously claimed for an employee before the 30 October 2020 to claim.

For periods ending on or before 30 June 2021 you can claim 80% of an employee’s usual salary for hours not worked, up to a maximum of £2,500 per month. From 1 July 2021, [the level of grant will be reduced](https://www.gov.uk/government/publications/changes-to-the-coronavirus-job-retention-scheme) each month and you will be asked to contribute towards the cost of your furloughed employees’ wages.

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

**Self Employed Income Support Scheme** will be extended until September 2021. It was confirmed that the fourth SEISS grant will be set at 80% of 3 months’ average trading profits, paid out in a single instalment, capped at £7,500. The fourth grant will take into account 2019 to 2020 tax returns. This means it will be open to those who became self-employed in tax year 2019 to 2020. The rest of the eligibility criteria remain unchanged.

Eligibility for the scheme will now be based on tax returns submitted 2019 to 2020. This may also affect the amount of the fourth grant which could be higher or lower than previous grants received.

<https://www.gov.uk/government/publications/self-employment-income-support-scheme-grant-extension/self-employment-income-support-scheme-grant-extension>

**The National Minimum Wage** is set to raise from 1st April 2021 and will apply to workers over 23 years of age. The rate will be: £8.91 for workers over 23; £8.36 for 21-22; £6.56 for 18-21 and £4.30 for apprentices.

[National Minimum Wage and National Living Wage rates - GOV.UK (www.gov.uk)](https://www.gov.uk/national-minimum-wage-rates)

**Statutory Sick Pay (SSP)** can be reclaimed for two weeks for staff who are absent due to self-isolating or a positive COVID-19 result.

<https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19>

**Test and Trace payments** of £500 will be extended until the summer, which could be a source of financial support for staff who are required to self-isolate.

<https://www.gov.uk/test-and-trace-support-payment>

**The Recovery Loan Scheme** will offer businesses of any size access loans and other kinds of finance once the existing COVID-19 loan schemes close. It will provide support as businesses recover and grow following the disruption of the pandemic and the end of the transition period. The finance can be used for any legitimate business purpose, including growth and investment.

The government guarantees 80% of the finance to lenders, ensuring confidence to lend to businesses. The scheme launches on 6 April and is open until 31 December, subject to review. Loans will be available through a network of accredited lenders, whose names will be made public in due course.

Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.

No personal guarantees will be taken on facilities up to £250,000, and a borrower’s principal private residence cannot be taken as security. There are eligibility criteria, and a business may be eligible for the scheme even if it has already received other COVID-19 financial support.

<https://www.gov.uk/guidance/recovery-loan-scheme>

**Help to Grow Scheme** will be available from Jun. Small businesses will be able to access a 12 week-programme delivered by leading business schools across the UK. The programme will combine a practical curriculum, with 1:1 support from a business mentor, peer-learning sessions and an alumni network.

Designed to be manageable alongside full-time work, this programme will support small business leaders to develop their strategic skills with key modules covering financial management, innovation and digital adoption. By the end of the programme participants will develop a tailored business growth plan to lead their business to its full potential.

There will be 30,000 places will be available over 3 years, with the programme 90% subsidised by government – participants will be charged £750.

Businesses from any sector that have been operating for more than 1 year, with between 5 to 249 employees are eligible however this does not include charities. The participant should be a decision maker or member of the senior management team within the business.

<https://helptogrow.campaign.gov.uk/>

**Apprenticeships** will receive additional support. There is an extension of the apprenticeship hiring incentive in England to September 2021 and an increase of payment to £3,000. The new “flexi-job” apprenticeship programme in England, will enable apprentices to work with a number of employers in one sector. There is also additional funding for 40,000 more traineeships in England, funding high quality work placements and training for 16-24 year olds in 2021/22 academic year.

<https://www.gov.uk/employing-an-apprentice>