

Ways forward: **Childminders**

Thinking about managing childcare businesses through the COVID-19 pandemic, lockdown and beyond

Version One: 12 May 2020

Working with **hempsall's**



Oldham
Council

Introduction

- We have all been keeping up with all the information about COVID-19 and available support.
- We also appreciate you have been using this information to make your own business decisions.
- Thank you if you have been able to stay open during this difficult period.
- We have produced this summary. Hopefully it is helpful for you. We also wanted to outline what we all might do next.



In this pack you will find:

- Some useful reminders
- A link to an online checker
- A list of the financial support that we think **childminders** could benefit from
- Some key actions for your business now and later
- Questions about what you would like us to do
- Lots of pages at the end with details of each of the financial support offers.

A really useful tool to check your eligibility

- To find out what Government financial support you could benefit from, you could take the gov.uk questionnaire. It is quick and simple and provides all the latest information. If you haven't done it already, we recommend you do:

<https://www.gov.uk/business-coronavirus-support-finder/y>



Childminders – this is what we think:

Bounce Back Loan	Yes.	Easy to apply for smaller business loans, fully backed by Government
Business Interruption Loan Scheme	Possibly	Larger loans more suitable for larger businesses.
Deferring self-assessment payments on account	Yes.	July 2020 payments can be deferred until January 2021, if needed.
Deferring VAT	No.	Childcare services are exempt from VAT.
Early Years entitlement funding	Yes.	Paid in full until further notice. The council does have the ability to move funding from setting to setting if necessary.
Job Retention Scheme (JRS) (known as furloughing)	Possibly.	This could be used if you have an employed assistant(s) if their role is wholly paid for by business income other than early years entitlement funding.
Self-employment Income Support Scheme	Yes.	Most childminders are self-employed. This is a sort of equivalent to furloughing for the self-employed. If not eligible, claiming Universal Credit could be a possibility.
Small Business Grant Fund (SBGF)	Possibly.	Only if you are a small business/company that already pays little or no business rates because of: small business relief (SBBR) or rural rate relief (RRR), tapered relief.
Top-up to local business grant funds scheme	Possibly.	If you are using non-domestic premises and a portion of your rent includes business rates in shared space, this may be an option.
Statutory Sick Pay rebate	Possibly.	If this applies to employed assistants.
Time to Pay (tax) service	Yes.	Contact HMRC to agree delays to payments.

Green = tasks completed or options to consider now

Amber = options to consider, some may not be possible

Red = possible tasks and options for later if and when you need it

Preparing for opening

- Opening of childcare may start from 1 June 2020 if Govt. conditions are met. You need to be prepared.
- Developing phased plans will help delivery to be manageable, safe and financially sustainable.
- Think early about longer term financial needs and whether you need a Govt. Bounce Back Loan.



Some key actions for your business now

1. Make sure you have made the most of available government funding.
2. Get in touch if you think you need more information or support.
3. Ensure service delivery continues (if possible) for vulnerable children and children of keyworkers.
4. If you have an assistant(s) is furloughing needed or possible?



Some key actions for your business now and later

1. Consider a 3-month mortgage/rent holiday (if applicable).
2. Continually review income, expenditure and the cashflow forecast.
3. Communicate regularly with families who have stopped attending or are continuing to attend to think ahead about childcare needs and wants. How might they want to attend when things start to open?
4. Review anticipated Sept 2020 occupancy. Maintain regular contact with new starters and families staying on for a further year.
5. Review marketing strategies and start to think about how to engage with potential new clients to increase occupancy if low.
6. Identify longer-term finance needs and look at Govt. supported loans.



Guidance on the wider opening of education and childcare settings

- On 11 May 2020, DfE published guidance on plans to open education and childcare settings to more children from 1 June. Guidance can be found here: <https://www.gov.uk/government/publications/actions-for-educational-and-childcare-settings-to-prepare-for-wider-opening-from-1-june-2020>
- Guidance on implementing protective measures in education and childcare settings can be found here: <https://www.gov.uk/government/publications/coronavirus-covid-19-implementing-protective-measures-in-education-and-childcare-settings>
- Guidance for parents and carers as schools and other education settings in England open to more children and young people can be found here: <https://www.gov.uk/government/publications/closure-of-educational-settings-information-for-parents-and-carers>

What you would like us to do next?

Consider what training and/or business support is needed. Let us know how we can help.

Free.entitlement@oldham.gov.uk

A-Z

Possible financial support for **childminders**

Bounce Back Loan

- If your small to medium-sized business (SME) is affected by coronavirus, you may be able to borrow between £2,000 and £50,000 through a Bounce Back Loan scheme. The government will guarantee 100% of the loan and for the first 12 months you will not have to pay any fees or interest, or make repayments. You may be eligible for this scheme if your business: is based in the UK; has been negatively affected by coronavirus; was not an 'undertaking in difficulty' on 31 December 2019. This includes self-employed people. [Apply for a Coronavirus Bounce Back loan](#)



Business Interruption Loan

- If you are a small to medium-sized business (SME) you may be able to apply for a temporary loan, overdraft, invoice finance and asset finance of up to £5 million, for up to 6 years. You may also be eligible for Business Interruption Payment to cover the first 12 months of interest payments and any lender fees. The government will give lenders 80% guarantee on each loan (subject to pre-lender cap on claims). Self-employed people are also eligible for Coronavirus Business Interruption Loan Scheme. You may be eligible for this scheme if you meet all of the following criteria: your business is UK-based, with a turnover of no more than £45 million per year; you have a borrowing proposal which would be considered viable by the lender, if not for the current pandemic; you can self-certify that coronavirus (COVID-19) has adversely impacted your business. [Apply for the Coronavirus Business Interruption Loan Scheme](#)

Coronavirus Job Retention Scheme (CJRS) (commonly known as furloughing)

- If you are an employer with a PAYE scheme, you should be able to access support to continue paying part of your employees' salary instead of laying them off. This applies to employees who have been asked to stop working because of coronavirus, but are being kept on the payroll. They are known as 'furloughed workers'. HMRC will pay 80% of their wages, up to £2,500 per month. [Check if you are eligible for the Coronavirus Job Retention Scheme](#) For early years and childcare providers, no one whose post could be considered to be paid for by public funding (including but not exclusively early years entitlement funding) should be furloughed. Find out more here: <https://tinyurl.com/yc9j3fap>

Deferring Self Assessment payments on account

- If you are due to pay a Self Assessment payment on account by 31 July 2020, you can defer payment up until January 2021.
- You will not be charged any interest or penalties during the deferral period. You do not need to be self-employed to be eligible for the deferral. The deferral is optional. If you are still able to pay your second payment on 31 July, you should do so. This is an automatic offer.
- You do not need to apply for the deferral, or tell HMRC. If you normally pay by Direct Debit you should contact your bank to cancel your Direct Debit as soon as you can. You do not need to contact HMRC before doing this.

Early Years Entitlement Funding

- The government announced on 17 March 2020 it will continue funding LAs for all early years entitlements during any periods of nursery, preschool or childminder closures, or where children cannot attend due to coronavirus.
- The DfE has set out its expectation that local authorities should follow its position and continue to pass on in full the government funding it receives for these entitlements to providers, in the event that any are advised to close by Public Health England or children are not able to attend due to coronavirus, to minimise short-term disruption.

<http://www.gov.uk/government/news/free-childcare-offers-to-continue-during-coronavirus-closures>

Self-employment Income Support Scheme

- If self-employed (either as an individual or in a partnership), you can claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month, for 3 months. This may be extended. You may be eligible for this scheme if:
 - you've lost profits due to coronavirus
 - you've submitted your Self Assessment tax return for 2018 to 2019 tax year
 - you traded in 2019 to 2020 tax year
 - you are trading when you apply, or would be except for coronavirus
 - you intend to continue trading in 2020 to 2021 tax year
 - your trading profits have been no more than £50,000 for either 2018 to 2019 tax year, or as an average of last 3 financial years
 - your trading profits have been more than half of your total income for either 2018 to 2019 tax year, or as an average of last 3 financial years
 - Trading profits do not include dividends paid from your own company to yourself. [Claim a grant through the Self-employment Income Support Scheme](#)

Small Business Grant Funding (SBGF) and top-up

- You may be eligible for a one-off grant of £10,000 if you are a small business that already pays little or no business rates because of: small business relief (SBBR) or rural rate relief (RRR), tapered relief. You are eligible if: your business is based in England; in receipt of small business rate relief or rural rate relief as of 11 March 2020; you are a business that occupies a property. Contact your local council if you think you are eligible for a grant but have not yet received it. [Coronavirus: business support grant funding guidance for businesses](#) **Top up to local business grant funds scheme** A discretionary fund has been set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme. This additional fund is aimed at small businesses with ongoing fixed property-related costs. Businesses must be small, under 50 employees, and they must also be able to demonstrate that they have seen a significant drop of income due to Coronavirus restriction measures.



Statutory Sick Pay Rebate

- Employers can reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. This scheme will cover up to 2 weeks of SSP for every eligible employee. Employers must maintain records of staff absences and payments for SSP. Employees will not have to provide a GP fit note. You are eligible if your business meets both of the following requirements. Your business is: UK based, small or medium-sized and employs fewer than 250 employees as of 28 February 2020. [Claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\)](#)

Time to Pay (tax) service

- If you cannot pay your tax bill on time because of coronavirus, you may be able to delay it without penalty using HMRC's Time to Pay service. You may be eligible if you are a UK business that: pays tax to the UK government; has outstanding tax liabilities [If you cannot pay your tax bill on time](#)



Thank you

- We hope this information has been useful for you.
- It is provided as information, and to support your planning or thinking
- The contents do not constitute legal or other advice.