

Financial Assistance Scheme

Businesses faced with the need to make redundancies, are rarely able to afford it. Government support may be available to help your businesses manage the cash flow impact of the redundancy process.

The Financial Assistance Scheme, operated by the Redundancy Payments Service (part of the Department for Business, Innovation and Skills), can help to mitigate the cash flow burden created by redundancies, thus allowing financially distressed businesses to rationalise their cost base and facilitate a step-change in performance. Geoffrey Martin & Co can support you through this process.

The Financial Assistance Scheme

Where redundancies are contemplated and the following criteria are met, the Redundancy Payments Service (RPS) will agree to make the payments on the employer's behalf subject to having first agreed a repayment plan for the aggregate liability.

- The company (and other group companies) lack the funds to meet the statutory redundancy payments.
- The existing funders have declined to fund the redundancies.
- The action will save a significant number of jobs and / or secure the solvency of the business.
- The business will be able to repay the money within an agreed timeframe.

Our Service

Drawing on our extensive experience of negotiating Time-to-Pay arrangements with HMRC, we have helped a number of businesses take advantage of the Financial Assistance Scheme.

The RPS aims to make a decision on such cases within three to four weeks from receipt of the application. The information requirement is more onerous than in a Time-to-Pay scenario, however, our expertise enables us to quickly assess the merits of a proposal and prepare an application that should be viewed favourably by the RPS.

We work with management to develop a robust strategy and financial forecasts, and liaise with the RPS to agree a sustainable repayment framework for the costs of the redundancy payments.

If approved, the RPS then makes the payments on behalf of the company, aiming to get the cash to employees within two to three weeks of redundancy.

The Financial Assistance Scheme can play a key role in turnaround situations. If you are considering making an application we would be pleased to meet with you on a no-obligation basis to discuss the scheme in more detail.



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