

Written 17 December 2020

BUSINESS NEWSLETTER

Welcome to the latest news on business, Government supports and the economy.

This will be our last business newsletter before Christmas and the New Year break so let us wish you a happy Christmas and a more stable New Year.

We think most clients will be glad to see the back of 2020. Let us have hope that later in 2021 we return to a more normal way of life.



How do we make sense of what's happened this year?

This year will be remembered for the destruction Coronavirus has caused to our lives, especially the 79,000 who died from the virus. We have had to change the way we work and communicate. One of the greatest costs has been the restrictions on civil liberties in peacetime. We now wear face masks and socially distance. Schools have been closed and pupils now learn part of the time remotely and in some areas of the country, attendance has been below 80%. There are nearly 1.5 million patients waiting more than six months from appointment to referral for hospital treatment. The criminal court backlog has grown significantly and mental health amongst all elements in our population has worsened.

Economically, the country has been devastated and sectors such as hospitality, travel, the Arts and high street retail hit hardest. The number of people claiming Universal Credit has doubled to 5.7 million people. For many business owners, 2020 has been the worst of the worst years, and the UK economy is expected to shrink by 11.3% this year and not return to its pre-Covid size until the end of 2022. Government borrowing will rise to its highest outside of wartime to deal with the economic impact.

A “No Deal” Brexit will have a further negative impact on the economy in early 2021 and any recovery will take longer as a result. The Confederation of British Industry (CBI) predict the UK won’t get back to its pre-pandemic level until the end of 2022 and if there is “No Deal” this could take up to 2024.

We are “Where we are”

The pandemic happened and now is not the time to reflect how it happened or judge how it was managed. We need to take precautions individually to prevent the virus entering a third wave and we must continue to take responsibility in the community to socially distance and help prevent the spread.

2020 – A year of resilience

This year, we have been amazed at the resilience of clients and how they have energetically repurposed or pivoted their businesses into new areas, products and services. Businesses have redesigned delivery and payment systems, moved their entire processes digital, accepted remote working or new safe working environments and adopted to new technologies to survive and indeed prosper in this Covid-19 era.

Clients have demonstrated to us how we can all readily adapt to a change in circumstances and have given us inspiration and optimism for the future. We believe that by this time next year we will be back to where we want to be and more of our daily lives will resemble some kind of normality again. Do not give in to the virus, stay strong, be resilient and together we will move forward!



We can also reflect on the good news of the first vaccines arriving, being distributed and administered to people in the UK. The Government plans state the aim of the COVID-19 vaccination programme is to protect those who are at most risk from serious illness or death. More vaccines have and are continuing to be developed and we can expect more of us to be vaccinated in 2021. Let’s hope that sometime next year we have broken the back of this virus!

COVID-19 Government support and Grants available in 2021

Government grants will continue for the foreseeable future and certainly until 31 March 2021. The main grants and supports available now are outlined below. Please contact us if you need help in claiming any of these.

Coronavirus Job Retention Scheme (CJRS)

The CJRS will remain open until 31 March 2021. From 1 November 2020 employers can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. Employers can claim for employees who were employed on 30 October 2020, as long as they have made a PAYE RTI submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. This may differ where they have re-employed an employee after 23 September 2020. All employers with a UK bank account and UK PAYE schemes can claim the grant.

Employers can furlough employees for any amount of time and any work pattern, while still being able to claim the grant for the hours not worked. Employers might need to contribute towards the cost of their furloughed employees' wages for these periods. For periods from 1 November 2020, they will need to pay for the cost of employer NICs and pension costs.

Self-Employment Income Support Scheme Grant Extension (SEISS)

SEISS is available in the form of 2 further grants, each available for 3-month periods covering November 2020 to January 2021 and February 2021 to April 2021.

To be eligible for the grant extension, self-employed individuals, including members of partnerships, must:

- have been previously eligible for the Self-Employment Income Support Scheme first and second grant (although they do not have to have claimed the previous grants)
- declare that they intend to continue to trade and either:
 1. are currently actively trading but are impacted by reduced demand
 2. were previously trading but are temporarily unable to do so

The extension will last for 6 months, from November 2020 to April 2021. Grants will be paid in 2 lump sum instalments, each covering a 3-month period. The third grant will cover a 3-month period from 1 November 2020 until 31 January 2021. The Government will provide a taxable grant calculated at 80% of 3 months average monthly trading profits, paid out in a single instalment and capped at £7,500 in total.

Coronavirus Business Interruption Loan Scheme

The scheme helps small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months. The scheme has been extended and is open until 31 January 2021.

See: https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme?utm_source=63fd2f34-693e-4f1b-b01c-6c90370bc39f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

The Coronavirus Large Business Interruption Loan Scheme

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) provides financial support to larger businesses affected by coronavirus (COVID-19). The scheme helps medium and large sized businesses to access loans and other kinds of finance up to £200 million. The government guarantees 80% of the finance to the lender and is open to applications until 31 January 2021.

See: https://www.gov.uk/guidance/apply-for-the-coronavirus-large-business-interruption-loan-scheme?utm_source=61b117b3-7089-44f5-829b-af84c68c4fc9&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Bounce Back Loans

The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000. The government guarantees 100% of the loan and there won't be any fees or interest to pay for the first 12 months. After 12 months, the interest rate will be 2.5% a year. The scheme is open to applications until 31 January 2021.

See: https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan?utm_source=c7cea23d-a8b9-43df-a18c-104d4423f70c&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

The Future Fund

This scheme will issue convertible loans, between £125,000 to £5 million, to innovative companies which are facing financing difficulties due to the coronavirus outbreak.

The Future Fund provides government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors.

These convertible loans may be an option for businesses that rely on equity investment and are unable to access other government business support programmes because they are either pre-revenue or pre-profit.

The scheme is open for applications until 31 January 2021.

See: https://www.gov.uk/guidance/future-fund?utm_source=0f1c86a1-76e8-47de-b390-7bcfa20e319f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Regional and local supports

There are regional and local supports also available and you can find details of these on the Government website. When you click the “Start now” button you are immediately asked whether you are based in England, Scotland, Wales or Northern Ireland.

Find coronavirus financial support for your business

Coronavirus (COVID-19) support is available to employers and the self-employed, including sole traders and limited company directors. You may be eligible for loans, tax relief and cash grants, whether your business is open or closed.

Use this business support finder to see what support is available for you and your business.

Start now >

See: <https://www.gov.uk/business-coronavirus-support-finder?priority-taxon=09944b84-02ba-4742-a696-9e562fc9b29d>

Business Planning for 2021

Business planning for 2021 is more difficult as we cannot predict the date of a return to normality or what will happen with Brexit just yet, but there are some practical steps you can take to minimise potential disruption to your business:

1. Review your Budgets and set realistic and achievable targets for 2021.
2. Get your employees involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
3. Review and flow chart the main processes in your business (e.g. Sales processing, order fulfilment, shipping etc.) and challenge the need for each step.
5. Encourage team members to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction).
6. Put extra effort into making sure your relationships with your customers are solid.
7. Review your list of products and services and eliminate those that are unprofitable or not core products/services.
8. Review efficiency of business processes and consider alternatives such as outsourcing certain activities locally or overseas.

9. Agree extended payment terms (if applicable) with all suppliers in advance.
10. Pull everyone together and explain the business strategy and get their buy-in.
11. Remember to spend some quality time with the people that matter to you, especially family and friends!
12. Use the holiday period as an opportunity to reflect on the exceptional challenges you have faced as a result of Covid-19 over the last 12 months. What were your most significant accomplishments? Have you encountered any setbacks or disappointments? Consider what you have learned from your experiences to improve your prospects for 2021.
13. Send notes to colleagues, customers and contacts to thank them for their support during such a difficult year.
14. Your final task is to set yourself and the business some specific goals for 2021. Make sure to keep them visible and share them.

Please talk to us about cash flow planning for the next six months, we can help with a template so you can do this yourself or work together to produce estimates for a variety of scenarios.

Brexit planning for 1 January

Whether or not there is a trade deal with the EU, there are new rules for businesses and citizens from 1 January 2021.

There is a Government Brexit checker to assist with the planning for business, family, and personal circumstances. Use the Brexit checker to get a personalised list of actions. You can also sign up for emails to get updates for what you need to do.

Brexit transition: time is running out

There are new rules for businesses and citizens from 1 January 2021.

16 days to go



Make sure you're ready

Your business, family, and personal circumstances will be affected. Use the Brexit checker to get a personalised list of actions. You can also sign up for emails to get updates for what you need to do.

[Start now >](#)

- Check
- Change
- Go

See: <https://www.gov.uk/transition>

Recent Government activity

The Government focus this week has been on controlling the spread of the virus nationally and specifically the South East as there has been a spike in cases and a new variant announced. Several of the recent guidance changes we have reviewed are about the reduction in self-isolation from 14 to 10 days and these have been widely reported already so we have not included them in our newsletter. Below is a roundup of other relevant news.

Test and Trace Support Payment scheme: claiming financial support

If you have been contacted by NHS Test and Trace and told to self-isolate on or after 28 September 2020, you are under a legal obligation to do so, and could be eligible for a £500 Test and Trace Support Payment. This guidance sets out who can claim support and explains how to apply.

See: https://www.gov.uk/government/publications/test-and-trace-support-payment-scheme-claiming-financial-support?utm_source=24008ce0-df2a-4513-86f6-440a11555026&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Travel corridors - England

The list of countries, territories and regions from where you can travel to England and may not have to self-isolate has been updated.

See: https://www.gov.uk/guidance/coronavirus-covid-19-travel-corridors?utm_source=cea06e0f-d881-41a2-99ff-512d80a8a376&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Test to Release for international travel - England

Details have been released about paying for a COVID-19 test to find out if you can reduce the self-isolation period after international travel. The Test to Release for International Travel scheme is for people who need to self-isolate on arrival in England. Under the scheme you can choose to pay for a private COVID-19 test. If the result is negative, you can stop self-isolating. The earliest you can take the test is 5 full days after you left a place not on the travel corridor list. The scheme is voluntary and applies to those self-isolating in England only. If you do not want to opt into the Test to Release scheme, you will need to self-isolate until 10 full days have passed since you were last in a place not on the travel corridors list.

The Government states the move will give passengers the confidence to book international trips in the knowledge that they can return home and isolate for a shorter period if they receive a negative result.

See: https://www.gov.uk/guidance/coronavirus-covid-19-test-to-release-for-international-travel?utm_source=34fed943-d5a3-4765-8ea3-15f6abfc61de&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

List of private providers of coronavirus testing

The Department of Health and Social Care is aware of the following private sector (non-NHS) providers who may be able to conduct tests for the presence of coronavirus.

These are listed in alphabetical order. They have declared that they meet the government's minimum standards for providers of Test to Release for international travel or minimum standards for private sector providers of general COVID-19 testing (the Declaration). Both lists are continually updated by the Department of Health and Social Care as providers declare that they meet the required standards and are reviewed by UKAS.

See: <https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing/list-of-private-providers-of-coronavirus-testing>

Income Tax and National Insurance contributions exemption for employer-reimbursed coronavirus antigen tests

This Tax Information and Impact Note is about an exemption from Income Tax and NICs for employer-reimbursed coronavirus antigen tests. This measure aims to make sure the use of relevant antigen testing procedures by employers are not subject to an Income Tax and National Insurance contributions charge.

See: https://www.gov.uk/government/publications/income-tax-and-national-insurance-contributions-exemption-for-employer-reimbursed-coronavirus-antigen-tests?utm_source=c5789e53-3cb6-4a72-942a-535f55e168a4&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Coming to the UK for seasonal agricultural work on English farms

Advice for seasonal agricultural workers coming to England to pick fruit and vegetables on farms, and their employers.

See: https://www.gov.uk/guidance/coming-to-the-uk-for-seasonal-agricultural-work-on-english-farms?utm_source=d308718b-d7e4-4da0-b94a-da3ec79bdd32&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate