

Written 16 November 2020

C19 NEWSLETTER

As we enter the third week of lockdown in England and reflect on improved testing, new vaccine trial results and a host of experts talking on the news about the timing of rollout and when Covid-19 will no longer be a threat to normality, it is worth remembering our lives are and will remain different for the remainder of 2020 and most of 2021. With that in mind we need to be resilient as individuals, families and businesses.



The latest indicators for the UK economy found nearly half (49%) of currently trading UK businesses reported a decrease in their turnover below what is normally expected for this time of year. On 8 November, overall UK footfall dropped to 33% of the level seen on the equivalent day last year as national restrictions were introduced in England.

Clearly we are living in tough times and it makes sense to take advantage of Government supports both directly such as the extended job retention and self-employed support schemes, deferring tax and using bounce back loans. There are also grants available to help firms with Brexit changes for import and export administration.

We have helped many businesses apply and claim for these supports and if you need any assistance, please contact us.

Business planning for 2021 will be difficult as we don't know the timings for mass vaccinations and whether they will truly work 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 the remainder of 2020 and 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. Use 'bottom up' budgeting where everyone in the business gives input on areas over which they have control – target a 10% cost saving.
4. Review and flowchart 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 with all suppliers in advance.
10. Pull everyone together and explain the business strategy and get their buy-in.

Please talk to us about cashflow 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.

The latest news on Government grants and supports are outlined below:

CORONAVIRUS JOB RETENTION SCHEME (CJRS)

The scheme has been extended. Government guidance has been updated with details of how to claim for periods after 1 November 2020.

Changes to the grant contributions from July 2020

The table shows changes to the grant contributions from July 2020.

| Month | Percentage of reference pay employee gets for furlough | Government contribution | Employer contribution | Government contribution to employer NICs and pension contributions |
|-----------|--|-------------------------|-----------------------|--|
| July | 80% | 80% | Nil | Yes |
| August | 80% | 80% | Nil | No |
| September | 80% | 70% | 10% | No |
| October | 80% | 60% | 20% | No |
| November | 80% | 80% | Nil | No |
| December | 80% | 80% | Nil | No |
| January | 80% | 80% | Nil | No |

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.

They do not need to have previously claimed for an employee before the 30 October 2020 to claim for periods from 1 November 2020.

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.

Claims for furlough days in November 2020 must be submitted by 14 December 2020. This is a tight deadline, so it is important we work together to get any claims submitted promptly.

We have already processed many grants for clients, and we can estimate a claim in advance for you with our November (and onwards) Excel Furlough claim calculator.

| Front Page | Help | Free Notes | Business Info | Average Pay Calc | "Normal" Hours | 01/11/2020 First day of Month | 30/11/2020 Last Day of Month | Multiple F/N | SEE NOTES ON FRONT PAGE | Do not Overwrite | ADJUST | On any single line, complete Section A OR B. BUT NOT BOTH | | | | |
|---------------|----------------------|----------------------|--|---------------------------|--------------------------------|-------------------------------|------------------------------------|--|-----------------------------|---------------------------------|--------------------------------------|---|--|--|---------------|----------------|
| Employee Name | NI Number (optional) | Work/ Payroll Number | Tick if Employment started after 20/03/2020 or not previously Furloughed | Memo only Date furloughed | Memo only "Claimed" From" Date | Memo only "Claimed" To" Date | Normal Hours (Linked to Calc) Page | Actual Worked Hours Input from Working Sheet | F Furlough Hours Calculated | Days in period Claimable Normal | Raised Days within the current month | NORMAL SALARY/ WAGES Payable | Section A Either Regular Salary as at Oct 2020 | Section A Either Regular Salary as at Feb 2020 | X Same period | Section Y Aver |
| | | | <input type="checkbox"/> | | | | | | | 100.00% | | | | | | |

We can also guide you through the information you need to gather, ensure you follow the rules and record any changes of employment terms with your employees.

Please talk to us about example Board minutes and notes of meetings with employees.

See also: https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme?utm_source=3828fbca-86f4-4f35-b476-3e20599ed05e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

SELF-EMPLOYMENT INCOME SUPPORT SCHEME GRANT EXTENSION (SEISS)

In a change of policy the Government has announced the SEISS grant extension 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.



Policy paper

Self-Employment Income Support Scheme grant extension

Updated 5 November 2020

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:
 - are currently actively trading but are impacted by reduced demand due to coronavirus
 - were previously trading but are temporarily unable to do so due to coronavirus

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. This is an increase from the previously announced amount of 55%.

The Government are providing the same level of support for the self-employed as is being provided for employees through the Coronavirus Job Retention Scheme which has also been extended until March 2021.

The Government has already announced that there will be a fourth grant covering February 2021 to April 2021. They will set out further details, including the level, of the fourth grant in due course.

If you want us to help you estimate your claim then please ask us – we have an Excel SEISS claim estimator.

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

LOCAL RESTRICTIONS SUPPORT GRANT (FOR OPEN BUSINESSES) - ENGLAND

The Local Restrictions Support Grant (LRSG (Open)) supports businesses that have been severely impacted due to temporary local restrictions.

Businesses that have not had to close but which have been severely impacted due to local restrictions (Local COVID alert levels: High or Very High) may be eligible for LRSG (Open).

Eligible businesses may be entitled to a cash grant from their local council for each 28-day period under local restrictions.

Local councils have the discretion to provide grant funding for businesses under this scheme. They will use their discretion in identifying the right businesses to receive this funding, based on their application process.

Eligibility

Your business may be eligible if it:

- is based in England
- is in an area subject to 'High' or 'Very High' local restrictions since 1 August 2020 and has been severely impacted because of the local restrictions
- was established before the introduction of Local COVID alert level: High restrictions
- has not had to close but has been impacted by local restrictions

Local councils have the freedom to determine the precise eligibility criteria for these grants. However, we expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses.

The grant will be based on the rateable value of the property on the date of the start of the local restrictions. We anticipate local councils will provide funding under the following tiers unless there is a local need to deviate.

If your business has a property with a rateable value of £15,000 or less, you may be eligible for a cash grant of up to £934 for each 28-day period.

If your business has a property with a rateable value over £15,000 and less than £51,000, you may be eligible for a cash grant of up to £1,400 for each 28-day period.

If your business has a property with a rateable value of £51,000 or above, you may be eligible for a cash grant of up to £2,100 for each 28-day period.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-open-businesses?utm_source=5a644229-f852-4978-a5b7-1d2df9ae8d82&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

LOCAL RESTRICTIONS SUPPORT GRANT (FOR CLOSED BUSINESSES) – ENGLAND

The Local Restrictions Support Grant (LRSG (Closed)) supports businesses that have been required to close due to temporary local restrictions.

Businesses that were open as usual and were then required to close due to local restrictions (local COVID alert level: Very High) may be eligible for LRSG (Closed).

Eligible businesses are entitled to a cash grant from their local council for each 14 day period they are closed.

Eligibility

Your business may be eligible if it:

- is based in England
- occupies property on which it pays business rates (and is the ratepayer)
- is in an area of local restrictions and has been required to close because of local restrictions that resulted in a first full day of closure on or after 9 September
- has been required to close for at least 14 days because of the restrictions
- has been unable to provide its usual in-person customer service from its premises

For example, this could include non-essential retail and personal services that operate primarily as an in-person venue, but which have been forced to close those services and provide a takeaway-only service instead.

Eligible businesses can get one grant for each non-domestic property within the restriction area.

The precise set of businesses eligible for the scheme may vary between each local council area under local restrictions in recognition of the specific conditions in each area.

The grant will be based on the rateable value of the property on the first full day of local restrictions.

If your business has a property with a rateable value of £15,000 or less, you may be eligible for a cash grant of £667 for each 14-day period your business is closed.

If your business has a property with a rateable value over £15,000 and less than £51,000, you may be eligible for a cash grant of £1,000 for each 14-day period your business is closed.

If your business has a property with a rateable value of £51,000 or above, you may be eligible for a cash grant of £1,500 for each 14-day period your business is closed.

The grant will be extended to cover each additional 14-day period of closure. If your business is closed for 28-days, or 2 payment cycles, it will receive £1,334, £2,000 or £3,000, depending on the rateable value of the property.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-closed-businesses?utm_source=efbdf34f-151f-4636-9a38-529a6a06ce5e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

NIGHTCLUBS, DANCE HALLS OR ADULT ENTERTAINMENT BUSINESSES – ENGLAND

Businesses that have been required to close due to the national restrictions introduced in March 2020, and which have not been able to re-open, may be eligible for LSRG (Sector).

Eligible businesses are entitled to a cash grant from their local council for each 14-day period they are closed. This funding is available from 1 November 2020 and is not retrospective.

Eligibility

Eligible businesses include:

- nightclubs, dance halls, and discotheques
- adult entertainment venues and hostess bars

Your business may be eligible if it:

- is based in England
- occupies property on which it pays business rates (and is the ratepayer)
- has been closed since 23 March 2020 because of national restrictions

Eligible businesses can get one grant per non-domestic property.

The grant will be based on the rateable value of your property on 1 November 2020.

If your business has a property with a rateable value of £15,000 or less, you may be eligible for a cash grant of £667 for each 14-day period your business is closed.

If your business has a property with a rateable value over £15,000 and less than £51,000, you may be eligible for a cash grant of £1,000 for each 14-day period your business is closed.

If your business has a property with a rateable value of £51,000 or above, you may be eligible for a cash grant of £1,500 for each 14-day period your business is closed.

The grant will be extended to cover each additional 14-day period of closure. If your business is closed for 28-days, or 2 payment cycles, it will receive £1,334, £2,000 or £3,000, depending on the rateable value of the property.

See: https://www.gov.uk/guidance/check-if-your-nightclub-dance-hall-or-adult-entertainment-business-is-eligible-for-a-coronavirus-grant-due-to-national-restrictions?utm_source=846c1750-d62e-46e2-8ecd-a17e7d43dbf5&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

ADDITIONAL RESTRICTIONS GRANT – ENGLAND

The Additional Restrictions Grant (ARG) provides local councils with grant funding to support closed businesses that do not directly pay business rates as well as businesses that do not have to close but which are impacted. In addition, larger grants can be given than those made through LRSG (Closed).

Local councils can determine which businesses to target and determine the amount of funding from the ARG.

Local councils have the freedom to determine the eligibility criteria for these grants. However, the Government expects the funding to help those businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions.

This could include:

- businesses which supply the retail, hospitality, and leisure sectors
- businesses in the events sector
- business required to close but which do not pay business rates

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant?utm_source=6762fb62-9961-4234-a19c-ba6c6c2dfa25&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

PROVIDING APPRENTICESHIPS DURING THE CORONAVIRUS (COVID-19) OUTBREAK

The Government has updated its guidance on providing apprenticeships following the changes made to the CJRS (outlined above).

See: https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response?utm_source=9bcd6a48-58f7-4469-b646-17976311f9e2&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate