
Written 1 May 2020

C19 BUSINESS NEWS UPDATE

FINANCIAL SUPPORT FOR BUSINESSES DURING CORONAVIRUS (COVID-19)

The Government has updated its page on financial support for businesses. No details regarding the operation of Business Bounce back loan scheme are included other than the eligibility criteria and overview have been published yet. We will keep you up to date when we know more.

We are also awaiting details on how the Self-Employment Income Support Scheme will work but we will let you have the full details when they are known to us.

See: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

CORONAVIRUS JOB RETENTION SCHEME: STEP BY STEP GUIDE FOR EMPLOYERS

This has been updated for the latest guidance to the scheme. If you are claiming CJRS or intending to do so talk to us about how we can help and make sure you read the guidance as the rules are complicated and the last thing you want to do right now is submit an incorrect claim.

See: https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-step-by-step-guide-for-employers?utm_source=3d563e5a-3904-4ed0-b554-7437735ab9ee&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

CORONAVIRUS OUTBREAK FAQs: WHAT YOU CAN AND CAN'T DO

The Government has updated its guidance and frequently asked questions on what you can and cannot do during the coronavirus outbreak.

There are 23 FAQ's, and these can be found:

<https://www.gov.uk/government/publications/coronavirus-outbreak-faqs-what-you-can-and-cant-do/coronavirus-outbreak-faqs-what-you-can-and-cant-do>

PLANNING FOR COVID-19 AND THE “NEW NORMAL”

What are the strategies and options for businesses?

You are probably flat out dealing with Grants, suppliers, customers, employees and doing the day job. We cannot think of a time where businesses had so many difficult choices to make. We also have been incredibly busy making sure you are informed, prepared and ready to survive the Pandemic. We have also been flat out helping our clients with Government supports and ensuring as many of our clients survive as possible.

What is amazing is that we are seeing many businesses repurpose or pivot their activities and focus on surviving and prospering post Pandemic. We are so proud to be your accountants! What is important is the chance to take some time and plan for post Lock down and the “New Normal” for businesses.

What is the “New Normal?” It is the most important question, but no one can predict the length of the crisis and what will be the outcomes post lock down. What is certain is that the best way to predict your future is to create it!

We have a Planning process to help you get your business back on track and to help you prosper post lock down. We cannot guarantee how things will work out, but we do know taking some time now to think about the future may lead to new opportunities and help focus your actions.

Talk to us if you want to create your future – remember our success depends on yours!

GOVERNMENT TO SAFEGUARD VITAL GREAT BRITAIN-NORTHERN IRELAND AIR LINKS

Air passenger services between Great Britain and Northern Ireland will be safeguarded through a £5.7 million government investment.

The funding will ensure lifeline services are maintained, protecting key air links across the Union which are vital for connecting critical workers and ensuring that those who need to travel at this time can continue to do so.

The package is being funded by the UK government and the Northern Ireland Executive and will temporarily support airlines and airports that are currently operating, allowing them to continue running air passenger services along 2 routes from Belfast City, and City of Derry, to London during the coronavirus pandemic.

The package will:

- maintain 2 lifeline passenger services (Derry-Londonderry to London and Belfast to London)
- International Airlines Group (IAG) (Aer Lingus) will maintain the Belfast to London route which would be at risk without financial assistance given low passenger numbers
- Belfast City Airport will provide airport services for the flight to and from London
- increased subsidies to Loganair to continue operating the City of Derry Airport (LDY) to London route
- support for City of Derry Airport to continue to provide airport services for this route

Full details: https://www.gov.uk/government/news/government-to-safeguard-vital-great-britain-northern-ireland-air-links?utm_source=e16ed786-7fe0-4967-934e-d36e6229b23a&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

TREASURY CUT TAXES TO REDUCE PPE COSTS

From 1 May 2020, PPE purchased by care homes, businesses, charities and individuals to protect against Covid-19 will be free from VAT for a three-month period.

- a zero-rate of VAT will apply to sales of personal protective equipment (PPE) for Covid-19 from 1 May 2020 until 31 July 2020
- move will save care homes and businesses more than £100 million
- comes after import duty also removed from PPE

VAT on essential personal protective equipment (PPE) for Covid-19 will be temporarily scrapped saving more than £100 million for care homes and businesses dealing with the coronavirus outbreak, the government has announced.

See: https://www.gov.uk/government/news/treasury-cut-taxes-to-reduce-ppe-costs?utm_source=5e6cb49d-28fc-44d1-82f0-a3b1bbcbb742&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

ENGLAND - MAJOR HOME TESTING PROGRAMME FOR CORONAVIRUS WILL TRACK LEVELS OF INFECTION IN THE COMMUNITY

A major new programme of home testing for coronavirus will track the progress of the infection across England, the government announced today.

The programme, commissioned by the Department of Health and Social Care, is being led by a team of scientists, clinicians and researchers at Imperial College London, alongside colleagues at Imperial College Healthcare NHS Trust and Ipsos MORI.

It will help improve understanding of how many people are currently infected with the virus, and potentially how many have been infected and recovered since the outbreak began. Accurate testing for the virus on a wide scale will provide authorities with a clearer picture of the current spread of the disease and the number of people who have previously caught it. It will help identify individuals who may have some immunity to the virus, and to plan services for those who do not.

Full details: https://www.gov.uk/government/news/major-home-testing-programme-for-coronavirus-will-track-levels-of-infection-in-the-community?utm_source=4b5a8e08-0f48-4243-9162-cb8f1a56e34e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

ENGLAND - £6.1 MILLION FUNDING BOOST TO HELP HIGH STREETS AND TOWN CENTRES THROUGH PANDEMIC

Business Improvement Districts (BIDs) will receive funding in response to the coronavirus (COVID-19) pandemic. Hundreds of BIDs across England will receive support to help cover their day to day costs for the next 3 months. The funding comes on top of the government's package of support for business and workers during the economic emergency.

Hundreds of local business partnerships across England will share £6.1m of funding to spend on projects that will help their local economies through the uncertainty of the coronavirus (COVID-19) pandemic, High Streets Minister Simon Clarke MP confirmed 1 May 2020.

The money will be paid to local authorities and dispersed to Business Improvement Districts (BIDs). These are local business partnerships that bring developers and communities together to provide local leadership, drive regeneration and deliver projects and additional local services.

Many BIDs are now playing a crucial role during these challenging economic times, offering hands-on support to those businesses affected, including advice services, increased security to protect businesses that have closed, and providing key intelligence to local and central government on the impact of the coronavirus outbreak on their local economies.

Full text: https://www.gov.uk/government/news/6-1-million-funding-boost-to-help-high-streets-and-town-centres-through-pandemic?utm_source=a2f758f0-99ab-478a-8c67-743c985ef94f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

HMRC RELEASE DETAILS OF SEISS SCHEME

HMRC update their Guidance on the SEISS scheme.

See: <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

The following text is extracted from HMRC website:

Who can claim?

You can claim if you are a self-employed individual or a member of a partnership and:

- you carry on a trade which has been adversely affected by coronavirus
- you traded in the tax year 2018 to 2019 and submitted your Self-Assessment tax return on or before 23 April 2020 for that year
- you traded in the tax year 2019 to 2020
- you intend to continue to trade in the tax year 2020 to 2021

Your business could be adversely affected by coronavirus, for example if:

you are unable to work because you:

- are shielding
- are self-isolating
- are on sick leave because of coronavirus
- have caring responsibilities because of coronavirus
- you have had to scale down or temporarily stop trading because:
 - your supply chain has been interrupted

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- you have fewer or no customers or clients
 - your staff are unable to come in to work

You should not claim the grant if you are above the state aid limits or operating a trade through a trust.

To work out your eligibility we will first look at your 2018 to 2019 Self-Assessment tax return. Your trading profits must be no more than £50,000 and at least equal to your non-trading income.

If you are not eligible based on the 2018 to 2019 Self-Assessment tax return, HMRC will then look at the tax years 2016 to 2017, 2017 to 2018, and 2018 to 2019.

Find out how HMRC will work out your eligibility including if they have to use other years here: <https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme>

How different circumstances affect the scheme

- if your return is late, amended or under enquiry
- if you are a member of a partnership
- if you are on or took parental leave
- if you have loans covered by the loan charge
- if you claim averaging relief
- if you are non-resident or chose the remittance basis
- if you are above the state aid limits

Check these circumstances here: <https://www.gov.uk/guidance/how-different-circumstances-affect-the-self-employment-income-support-scheme>

How much you will get

You will get a taxable grant based on your average trading profit over the 3 tax years:

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

HMRC will work out your average trading profit by adding together your total trading profits or losses for the 3 tax years, then we will divide by 3.

The grant will be 80% of your average trading profit, divided by 12 to give a monthly amount. HMRC will then multiply this by 3. We will pay this amount up to a maximum of 7,500. The grant amount they work out for you will be paid directly into your bank account, in one instalment.

Find out how HMRC will work out your average trading profits including if you have not traded for all 3 years here: <https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme#3years>

How to claim

The online service you will use to claim is not available yet. HMRC will aim to contact you by mid May 2020 if you are eligible, to invite you to claim using the GOV.UK online service. Payment will be made by early June 2020 if your claim is approved.

If you are unable to claim online an alternative way to claim will be available. HMRC will update the overview with more information soon. We will update you as soon as we know more but keep your eye on: <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>