



Business News – C19 Update (Updated 14/08/2020)

It's easy for everyone to forget that there are other major changes happening across the world beyond those driven by COVID-19.

The changes to our relationship with Europe, the trade and political tensions between the USA and rest of the world will all influence our future and potentially our finances.

These important matters and the impact they may have on your business goals should be kept in mind when planning ahead.

In the UK, the latest round of negotiations between the EU and the UK has seen both sides citing "significant differences". Brussels claimed it was still working "constructively" but suggested that Britain's top negotiator David Frost had failed to make the necessary concessions. The UK team see the concessions being demanded as impossible to deliver.

We will keep you up to date on Brexit throughout the Autumn and into 2021.

With an unsettled international situation, Brexit and the aftereffects of Covid, the next few months could challenge your current financial arrangements. The downturn might be short, and recovery may come quickly, but it still makes sense to ensure that your own finances are prepared.

Please talk to us about your business, we are here to help!

CORONAVIRUS AND THE ECONOMIC IMPACTS ON THE UK: 13 AUGUST 2020

The Government has released new experimental data on the UK economy detailing the impact on businesses from the coronavirus (COVID-19). Data is from the Business Impact of Coronavirus Survey; a 2-weekly survey designed to estimate the impact over the previous 2 weeks and the expectations for the following 2 weeks. The main points are:

- Of all responding businesses, most industries reported 90% or more of businesses as currently trading, and as having been, for more than the last two weeks.
- Of businesses that have temporarily paused or closed trading, 6% intended to close some sites in the next three months, compared with 3% of businesses currently trading.
- Across all businesses currently trading, 29% reported that operating costs were greater than, or equal to, turnover.
- The arts, entertainment and recreation sector reported the largest percentage of businesses indicating that operating costs had exceeded turnover at 42%.



- The arts, entertainment and recreation sector reported the highest proportion of the workforce returning from furlough leave in the last two weeks, at 25%, followed by the accommodation and food service activities sector and the construction sector, at 17% and 10% respectively.
- Of businesses that have not permanently stopped trading, 32% had postponed or cancelled bookings, services and events.

See: <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/13august2020>

CORONAVIRUS JOB RETENTION SCHEME (CJRS) – A REMINDER

From September 1, the government grant towards the employee wages will be reduced to 70%. From October 1, the government grant will be reduced again to 60%. During these months' employers will be asked to contribute towards the cost of their furloughed employees' wages to ensure they continue to receive at least 80% of their wages for the time they are on furlough.

You cannot claim for:

- additional National Insurance or pension contributions you make because you choose to top up your employee's wages
- your employees' wages for any time they spend working, or any National Insurance or pension contributions you make on these wages
- any pension contributions you make that are above the mandatory employer contribution

You can choose to top up your employees' wages above the minimum furlough pay amount, but you do not have to. Employees must not work or provide any services for the business during hours which they are recorded as being on furlough, even if they receive a top-up wage.

Please talk to us if you need assistance in making these claims.

See: https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme?utm_source=69eeded-5a17-416e-927d-9b2c060e71e2&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate



IF YOU'VE CLAIMED TOO MUCH OR NOT ENOUGH FROM THE CORONAVIRUS JOB RETENTION SCHEME

The Government has updated its guidance if an employer has claimed too much or not enough from the CJRS.

If you have claimed too much

If you want to delete a claim in the online service, you must do this within 72 hours.

If you have made an error in a claim that means you've received too much, you must pay this back to HMRC. You can either:

- tell HMRC as part of your next online claim (your new claim will be reduced and you'll need to keep a record of the adjustment for 6 years)
- contact HMRC to pay the money back (you should only do this if you're not submitting another claim)

If you've overclaimed a grant and have not repaid it, you must notify HMRC by the latest of either:

- 90 days after the date you received the grant you were not entitled to
- 90 days after the date you received the grant that you were no longer entitled to keep because your circumstances changed
- 20 October 2020

If you do not do this, you may have to pay a penalty. If you do repay any overclaimed grant, this will prevent any potential tax liability in respect of the overpayment of Coronavirus Job Retention Scheme. We will not be actively looking for innocent errors in our compliance approach.

If you have not claimed enough

If you made an error in your claim that has resulted in receiving too little money, you will still need to make sure you pay your employees the correct amount. You should contact HMRC to amend your claim and as you are increasing the amount of your claim and they may need to conduct additional checks.

Before 31 July, you must:

- make sure to include all eligible employees on claims that you still need to make for periods up to 30 June
- make any updates you need to on claims you've already made



After 31 July, you will:

- no longer be able add an employee to any existing claims for periods up to 30 June, that should have been included on a claim submitted before that date
- still be able to make amendments for any other errors that resulted in you not claiming enough

See: https://www.gov.uk/guidance/if-youve-claimed-too-much-or-not-enough-from-the-coronavirus-job-retention-scheme?utm_source=dd2d6127-4428-4c7e-993f-d51f9b70af9c&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

FRANCE, THE NETHERLANDS, MONACO, MALTA, TURKS AND CAICOS ISLANDS AND ARUBA TO BE REMOVED FROM TRAVEL CORRIDORS LIST

People arriving in England from these destinations from 4am Saturday 15 August will need to self-isolate for 2 weeks. This list changes regularly and if you trade abroad it is worth reviewing.

See: https://www.gov.uk/government/news/france-the-netherlands-monaco-malta-turks-and-caicos-islands-and-aruba-to-be-removed-from-travel-corridors-list?utm_source=9296bf0d-ceaa-40b5-b924-f91b1c355948&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

WORKING SAFELY DURING CORONAVIRUS (COVID-19)

This guidance again changes regularly and applies to England. There are separate guides for:

Wales: <https://gov.wales/keep-wales-safe-work>

Scotland: <https://www.gov.scot/publications/coronavirus-covid-19-returning-to-work/>

Northern Ireland: <https://www.nibusinessinfo.co.uk/content/coronavirus-workplace-safety-guidance-and-priority-sector-list-published>

England: These 14 guides cover a range of different types of work. Many businesses operate more than one type of workplace, such as an office, factory and fleet of vehicles. You may need to use more than one of these guides as you think through what you need to do to keep people safe. Further guidance will be published as more businesses are able to reopen.

See: https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?utm_source=05c2b6d7-bdd8-4307-a2d9-4a737c60e767&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate



STRONGER ENFORCEMENT MEASURES AS EASEMENTS RESUME

The Government has announced a series of new enforcement measures targeting the most serious breaches of social distancing restrictions.

- Fines will double to a maximum of £3,200 for those who repeatedly flout face covering rules
- New fines to be introduced for people hosting raves or other unlawful gatherings of more than 30 people
- Bowling alleys, skating rinks and casinos to reopen for the first time as well as indoor play and soft play centres which comply with new Covid-19 Secure guidelines
- Beauty salons, tattoo studios, spas, barbers across England will be able to offer all close contact services and treatments
- Wedding receptions for up to 30 people to resume – and indoor performances with socially distanced audiences will recommence
- Sports and business events pilots to resume

See: https://www.gov.uk/government/news/prime-minister-announces-stronger-enforcement-measures-as-easements-resume?utm_source=b4c2c571-6875-406e-85f2-263d2987dcd1&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

OPENING CERTAIN BUSINESSES AND VENUES IN ENGLAND

The list of businesses permitted to open and those that must remain closed has been updated.

See: https://www.gov.uk/government/publications/further-businesses-and-premises-to-close?utm_source=41c588a9-4134-4189-a601-fd14a62850eb&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate