



## Business News—Coronavirus Update (Updated 04/08/2020)

### THE LATEST INDICATORS FOR THE UK ECONOMY AND SOCIETY

The Office for National Statistics (ONS) produced an economic survey on Coronavirus on the 30 July.

The main points are:

- Of businesses still trading, the arts, entertainment and recreation industry had the highest proportion of the workforce remaining on furlough, at 47%, followed by accommodation and food services at 43%, according to the Business Impact of Coronavirus (COVID-19) Survey (BICS).
- The proportion of adults wearing a face covering when leaving the home increased to 84% from 71% in the previous week, according to the latest Opinions and Lifestyle Survey (OPN).
- Between 19 and 26 July 2020, footfall in high streets moderately increased to just under 60% of its level the same day a year ago, while retail parks and shopping centres held steady at just under 80% and 60% respectively.
- The volume of job adverts remained at 52% of its 2019 average between 17 and 24 July 2020.
- Prices decreased for a number of high demand products (HDPs) in the week beginning 20 July 2020, and the High Demand products index fell by 0.1%.
- In the week commencing 20 July 2020, Energy Performance Certificate (EPC) lodgements for existing dwellings returned to similar levels observed at the end of February across all regions, while EPC lodgements for new dwellings were around 20% lower across England and Wales; as such, they can be used as a timely indicator for the number of completed constructions and number of transactions.
- Average daily visits of all ships have remained stable for a fourth consecutive week, and passenger ship visits reached their highest level since the week commencing 30 March 2020.

The ONS survey only reflects the characteristics of those who responded and can be considered experimental but what it does show is a moderate increase in footfall to shops and some signs of the economy opening up.

If your business needs a plan for the “New Normal” please talk to us we have experience of helping our clients to repurpose or pivot into new areas. Taking some time just now to think ahead is the most valuable exercise you can do!

See: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukeconomyandsocietyfasterindicators/30july2020#toc>



## CHANGES TO THE JOB RETENTION SCHEME

The Coronavirus Job Retention Scheme will close on 31 October 2020.

From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked.

From 1 August 2020, the level of grant will be reduced each month. To be eligible for the grant employers must pay furloughed employees 80% of their wages, up to a cap of £2,500 per month for the time they are being furloughed.

The timetable for changes to the scheme is set out below. Wage caps are proportional to the hours an employee is furloughed. For example, an employee is entitled to 60% of the £2,500 cap if they are placed on furlough for 60% of their usual hours:

- there are no changes to grant levels in June
- for June and July, the government will pay 80% of wages up to a cap of £2,500 for the hours the employee is on furlough, as well as employer National Insurance Contributions (ER NICs) and pension contributions for the hours the employee is on furlough. Employers will have to pay employees for the hours they work
- for August, the government will pay 80% of wages up to a cap of £2,500 for the hours an employee is on furlough and employers will pay ER NICs and pension contributions for the hours the employee is on furlough
- for September, the government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed
- for October, the government will pay 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed

Employers will continue to be able to choose to top up employee wages above the 80% total and £2,500 cap for the hours not worked at their own expense if they wish. Employers will have to pay their employees for the hours worked.

See: <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>



## JOB RETENTION BONUS

The government is introducing a new Job Retention Bonus to provide additional support to employers who keep on their furloughed employees in meaningful employment, after the government's Coronavirus Job Retention Scheme ends on 31 October 2020.

The Job Retention Bonus is a one-off payment to employers of £1,000 for every employee who they previously claimed for under the scheme, and who remains continuously employed through to 31 January 2021. Eligible employees must earn at least £520 a month on average between the 1 November 2020 and 31 January 2021. Employers will be able to claim the Job Retention Bonus after they have filed PAYE for January and payments will be made to employers from February 2021.

An employer will be able to claim the Job Retention Bonus for any employees that were eligible for the Coronavirus Job Retention Scheme and they have claimed a grant for. Where a claim for an employee was incorrectly made, a Job Retention Bonus will not be payable.

All employers are eligible for the scheme including recruitment agencies and umbrella companies.

Employers should ensure that they have:

- complied with their obligations to pay and file PAYE accurately and on time under the Real Time Information (RTI) reporting system for all employees
- maintained enrolment for PAYE online
- a UK bank account

Employers must keep their payroll up to date and accurate and address all requests from HMRC to provide missing employee data in respect of historic Coronavirus Job Retention Scheme claims. Failure to maintain accurate records may jeopardise an employer's claim.

See: <https://www.gov.uk/government/publications/job-retention-bonus/job-retention-bonus>





## **CORONAVIRUS JOB RETENTION SCHEME (CJRS) - EXAMPLES TO HELP YOU CALCULATE YOUR EMPLOYEES' WAGES**

Check examples to help you calculate your employee's wages, National Insurance contributions and pension contributions if you're claiming through the Coronavirus Job Retention Scheme.

See: [https://www.gov.uk/government/publications/find-examples-to-help-you-work-out-80-of-your-employees-wages?utm\\_source=42b982a3-cce5-43f1-a9b2-919a3ab56d6a&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/find-examples-to-help-you-work-out-80-of-your-employees-wages?utm_source=42b982a3-cce5-43f1-a9b2-919a3ab56d6a&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

Remember to talk to us about any claims we can estimate your claim for August, September and October in advance.

## **CJRS – INDIVIDUALS YOU CAN CLAIM FOR WHO ARE NOT EMPLOYEES**

You can claim a grant for individuals - as long as they're paid via PAYE. The groups you can claim for include:

- office holders (including company directors)
- salaried members of Limited Liability Partnerships (LLPs)
- agency workers (including those employed by umbrella companies)
- limb (b) workers
- Contingent workers in the public sector
- Contractors with public sector engagements in scope of IR35 off-payroll working rules (IR35)

Individuals who are paid through PAYE but not necessarily employees in employment law, can continue to be furloughed from 1 July as long as you have previously submitted a claim for them for a furlough period of at least 3 weeks between 1 March and 30 June and submitted a claim for this by 31 July.

## **PROVIDING APPRENTICESHIPS DURING THE CORONAVIRUS OUTBREAK**

The Government has updated its guidance on apprenticeships.

This sets out guidance for apprentices, employers, training providers and assessment organisations in response to the impact of coronavirus (COVID-19).

It outlines the changes that the Education and Skills Funding Agency (ESFA) is making to the apprenticeship programme during the coronavirus (COVID-19) outbreak.

The information should be read alongside:

- guidance on financial support for businesses during coronavirus (COVID-19) - the salary support for furloughed employees, also applies to apprentices
- articles on the apprenticeship service for employers, training providers and end-point assessment organisations
- articles on the apprenticeship service for apprentices
- guidance from the Institute for Apprenticeships and Technical Education (IFATE) on the delivery of assessment

See: [https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response?utm\\_source=a5395aab-ccf6-4952-97a9-6261dac4790d&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response?utm_source=a5395aab-ccf6-4952-97a9-6261dac4790d&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)



## ENGLAND—NEW GRANTS TO BOOST RECOVER OF SMALL BUSINESSES

Thousands of smaller businesses in England are set to benefit from £20 million of new government funding to help them recover from the effects of the coronavirus pandemic, the Minister for Regional Growth and Local Government has announced.

Small and medium sized businesses will have access to grants of between £1,000 - £5,000 to help them access new technology and other equipment as well as professional, legal, financial or other advice to help them get back on track.

The support will be fully funded by the Government with no obligation for businesses to contribute financially and the support will be fully funded by the government from the England European Regional Development Fund and distributed through local enterprise partnerships (LEP) Growth Hubs, embedded in local areas across England.

LEPs are voluntary partnerships between local authorities and businesses, set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

Activities supported through the £20 million can include:

- One-to-many events providing guidance to respond to coronavirus,
- Grants (£1,000 - £5,000) to help businesses access specialist professional advice such as HR, accountants, legal, financial, IT and digital, and to purchase minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify.

See: [https://www.gov.uk/government/news/20-million-in-new-grants-to-boost-recovery-of-small-businesses?utm\\_source=d73de287-c359-4e20-b0ee-3f50952053fd&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/news/20-million-in-new-grants-to-boost-recovery-of-small-businesses?utm_source=d73de287-c359-4e20-b0ee-3f50952053fd&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## WORKING SAFELY DURING CORONAVIRUS

There are now 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=74eabfcb-5e92-490d-a0e2-109aa087adea&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?utm_source=74eabfcb-5e92-490d-a0e2-109aa087adea&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)





## **ASK HMRC TO VERIFY YOU HAD A NEW CHILD WHICH AFFECTED YOUR ELIGIBILITY FOR THE SELF-EMPLOYMENT INCOME SUPPORT SCHEME**

If you are self-employed or a member of a partnership, and having a new child affected the trading profits or total income you reported for the tax year 2018 to 2019, use the HMRC form to ask them to verify that you had a new child.

If you are already eligible for the grant based on your 2016 to 2017, 2017 to 2018 and 2018 to 2019 Self-Assessment tax returns, how HMRC will work out your grant amount will not be affected.

If you are not already eligible you can ask HMRC to check if you had a new child which either:

- affected your trading profits or total income you reported for the tax year 2018 to 2019
- meant you did not submit a Self-Assessment tax return for the tax year 2018 to 2019

For this scheme having a new child is any of the following:

- being pregnant
- giving birth (including a stillbirth after more than 24 weeks of pregnancy) and the 26 weeks after giving birth
- caring for a child within 12 months of birth if you have parental responsibility
- caring for a child within 12 months of adoption placement

You must have been self-employed in the tax year 2017 to 2018 and have submitted your Self-Assessment tax return on or before 23 April 2020.

You must also meet all other eligibility criteria.

See: [https://www.gov.uk/guidance/ask-hmrc-to-verify-you-had-a-new-child-which-affected-your-eligibility-for-the-self-employment-income-support-scheme?utm\\_source=d0c58b1c-9412-4027-9cb7-8868b1c199b5&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/ask-hmrc-to-verify-you-had-a-new-child-which-affected-your-eligibility-for-the-self-employment-income-support-scheme?utm_source=d0c58b1c-9412-4027-9cb7-8868b1c199b5&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)



## DEVELOPING NHS TEST AND TRACE: BUSINESS PLAN

The Government has set out its plans for the next steps in the development of the NHS Test and Trace service and priorities for the next 3 to 6 months.

NHS Test and Trace brings together testing, contact tracing and outbreak management into an end-to-end service to help prevent the spread of coronavirus.

The NHS Test and Trace business plan sets out ambitions to:

- double daily COVID-19 testing capacity to 500,000 by the end of October
- test 150,000 at-risk people without symptoms per day by September
- increase testing sites to more than 500 across the country by October
- introduce an app to support the NHS Test and Trace service
- have 100,000 people participating in research studies into COVID-19 immunity by September
- drive world-leading research into antibodies and immunity to help improve our understanding of the virus and our ability to contain it
- support local councils to refine and improve their local outbreak control plans and ensure they have the capacity and capability to implement those plans

See: [https://www.gov.uk/government/publications/developing-nhs-test-and-trace-business-plan?utm\\_source=8926ec14-0213-412e-abae-a3b341ea8d11&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/developing-nhs-test-and-trace-business-plan?utm_source=8926ec14-0213-412e-abae-a3b341ea8d11&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

We are here to help you so do feel free to contact us should you have any questions; [Viraj.Mehta@bournerbullock.co.uk](mailto:Viraj.Mehta@bournerbullock.co.uk)