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## Introduction

Re-reading the introduction to our last newsletter in March, it is striking how unprepared we all were at that time for what has followed since. We have all had to adapt to so many “new norms” and it has often seemed bewildering. As we write this newsletter, we face not only the second wave, but also the longer-term consequences of the first wave. As businesses, we have all had to learn new ways of working in order to continue to operate effectively.



We would like to pay tribute to all our staff who have worked tirelessly during both the lock-down period and since to provide our clients with the best possible help and support, despite having to adjust to home working for such a prolonged period. Fortunately, our systems have enabled us to work remotely effectively and to continue to provide a full service to all clients.

We also thank you, our clients, for your patience and for working with us, often in difficult circumstances, and for your support generally. We very much appreciate it.

We have delayed this newsletter following the cancellation of the Autumn Budget in order to provide you with a summary of the latest Government support available. We know that many of you are unsure about what is, or is not, available and the eligibility criteria can also be confusing.

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## Covid-19 Financial Support

### Self Employed

#### SEISS

The Self-employed Income Support Scheme has been extended and will be available to those who are:

- currently eligible for the SEISS (although they do not have to have previously claimed);
- actively trading and intending to continue to trade; or
- temporarily not trading, but intending to continue; and
- have been affected by **reduced demand** due to Covid-19 in the qualifying period, which for the first claim, is the period from 1 November 2020 and the date of claim.

The first grant will cover the three months to January 2021 and, the second, the three months to April 2021. The first grant will be for 40% of the past average monthly trading profit and limited to a maximum of £3,750. The amount of the second grant has not yet been set.

It is very important to note the key change in the eligibility criteria from the previous and much wider “adversely affected” definition to the new and much narrower “reduced demand” definition. It is essential that anyone claiming the SEISS retain sufficient evidence of entitlement for at least the next six years, as HMRC will be carrying out various checks and investigations over the coming years and these have already started.

#### Time to Pay

It is now possible for anyone with a Self Assessment tax liability due on 31 January 2021 (including the deferred 2019/20 second payment on account, balancing 2019/20 payment and first payment on account for 2020/21) to apply for the total amount due to be paid by twelve equal monthly standing order payments ending in January 2022, although interest will be charged. Applications can be made automatically under the “self-serve time to pay” option via [www.gov.uk](http://www.gov.uk), provided the total amount due is less than £30,000. For higher amounts, applications will need to be made in person using the existing helpline 0300 200 3822.



### Employers



#### JSS

The existing Coronavirus Job Retention Scheme (CJRS) will finish on 31 October 2020. This will be replaced by the new Job Support Scheme (JSS) from 1 November 2020, which will run for six months, although subject to review in January 2021. There will be two variants of the scheme - JSS Open and JSS Closed.

JSS Open will provide support where employees are working shorter hours, due to reduced demand. Employees will need to work at least 20% of their usual hours. Employers will pay for the hours worked and 5% of the usual pay for hours not worked up to a maximum of £125 per month, although they can pay more if they wish. The Government will pay 61.67% of the usual pay for hours not worked, up to a maximum of £1,541.75 per month. This means employees should receive at least two-thirds of their usual pay for hours not worked.

JSS Closed will be available to businesses who are legally required to close as a direct result of coronavirus restrictions, although this includes premises restricted to delivery or collection-only services and those restricted to providing food and/or drinks outdoors.

For JSS Closed, the Government will fund two-thirds of employees' usual wages for time not worked, up to a maximum of £2,083.33 per month. Employers will not have to contribute, but can choose to if they want.

Employers will still have to pay all employer National Insurance and pension contributions.

## Covid-19 Financial Support *continued*

### Businesses Generally

#### JRB

Employers can claim a fixed Job Retention Bonus (JRB) of £1,000 for each eligible employee who has either been furloughed under the CJRS up to 31 October 2020, or employed part-time under the JSS up to 31 January 2021.

To be eligible, employees must earn at least £1,560 between 6 November 2020 and 5 February 2021 and have received at least some income in each of the three months. They must also not be serving a contractual or statutory notice period on 31 January 2021.

The bonus can be claimed from 15 February 2021 until 31 March 2021, once the PAYE information has been submitted for the period up to 5 February 2021.

#### CBILS, Future Fund and BBLs

The deadlines for making a loan application under either the coronavirus business interruption loan scheme (CBILS), the Coronavirus Future Fund (loans for innovative companies), or the bounce back loan scheme (BBLs) have all been extended to 30 November 2020.

The repayment period for both CBILS and BBLs has been extended to up to ten years. Under the BBLs, businesses in difficulty can also apply to make interest only repayments or suspend repayments for up to six months.

#### VAT Deferral – New Payment Scheme

Previously deferred Vat payments originally due on 31 March 2021 can now be paid by eleven equal monthly instalments over 2021/22 under a new scheme to be put in place by HMRC by early 2021.

#### Business Grants for Hospitality, Leisure and Accommodation Businesses

English Councils have been given further funding to support certain businesses subject to both Tier 2 and Tier 3 restrictions.

#### VAT Reduction for Hospitality and Tourism

The temporary reduction in output Vat from 20% to 5% on some supplies of hospitality, hotel and holiday accommodation and admission to attractions, has been extended from 12 January 2021 to 31 March 2021.



#### Retrospective Claims for Child Benefit

Whilst not a specific measure, anyone who has previously disclaimed their entitlement to Child Benefit because their income was expected to exceed £60,000, can make a statutory retrospective claim for up to the two previous tax years, if their income fell below £50,000 in each year and, by concession, if it is between £50,000 and £60,000. At £21.05 per week for the first child and £13.95 for each subsequent child, the amount available can be significant.



## This and That

### Private Sector Working Rules (and IR35)

After being delayed from 6 April 2020, the new legislation is due to be introduced again from 6 April 2021. A recent Parliamentary Committee Report has criticised the way in which the new legislation will work and the effect it will have on many contractors and, in the light of this, and the effect of covid-19, there could be further changes. The legislation also contains key drafting errors, which will need to be amended.

### VAT Reverse Charge for Building and Construction Services

This new legislation was also delayed from 1 October 2020 and will now be applied from 1 March 2021. Under the new rules, the liability to pay any output Vat switches from the subcontractor to the contractor for standard rated construction services within a supply chain that also fall within the Construction Industry Scheme (CIS). Detailed guidance is available via [www.gov.uk](http://www.gov.uk), or from this firm.



### Landlords – Electrical Legislation

An Electrical Installation Condition Report (EICR) must be provided to residential tenants for all new tenancies that commence after 1 July 2020 and for all existing tenancies by 1 April 2021. Identified faults that are either dangerous, or create a risk of injury, must be rectified within 28 days. The report will also need to be repeated every five years.

### Leaving the EU

Any business that currently has dealings within the EU will need to urgently review the changes that will take place from 1 January 2021 and understand how they will affect their business. HMRC has been writing to businesses highlighting links to more detailed guidance available at [www.gov.uk/transition](http://www.gov.uk/transition).



### Advisory Fuel Rates for Business Mileage

From 1 September 2020 (previous quarter in brackets)

Engine Size	Petrol	Diesel	LPG
1400cc or less	10p (10p)		7p (6p)
1401cc - 2000cc	12p (12p)		8p (8p)
Over 2000cc	17p (17p)		12p (11p)
1600cc or less		8p (8p)	
1601cc - 2000cc		10p (9p)	
Over 2000cc		12p (12p)	

This newsletter has been prepared for general interest and it is important to obtain professional advice on specific issues. We believe the information contained in it to be correct as at 23 October 2020. While all possible care is taken in the preparation of the newsletter, no responsibility for loss occasioned by any person acting or refraining from acting as a result of the material contained herein, can be accepted by the firm or its directors.