



**Winter Economy Plan and
Related Updates**



03300 886 686
info@dnsaccountants.co.uk



www.dnsaccountants.co.uk



DNS House, 382 Kenton Road,
Harrow, Middlesex, HA3 8DP

Employment Support Scheme

Replacement for Furlough Scheme

The new schemes announced by the chancellor opens on 1st of November and will run for a period of 6 months ending 31st April.

- ◆ Intends to protect jobs through winters.
- ◆ By supporting businesses facing lower demands.
- ◆ In order to keep employees in the job.
- ◆ Sustain the businesses.

Benefit

- ◆ Wage support as Job Retention (furlough) Scheme ends in October.
- ◆ Aims to keep staff on reduced hours rather than laying them off.
- ◆ The employer and the government will each pay one third of the employee's usual pay for hours not worked.
- ◆ The government contribution capped at £697.92 per month per employee.

Process

- ◆ The Scheme works in arrears.
- ◆ Employee will work for minimum of 1/3 or 33% of usual working hours.
- ◆ Employers to pay for the time worked.
- ◆ Employers and Government to share the burden of hours not worked.
- ◆ Employers to pay 1/3rd or 33% of hours not worked.
- ◆ Government to pay 1/3rd or 33% of hours not worked.
- ◆ Employee to forgo 1/3rd or 33% of hours not worked.
- ◆ Employees to earn a minimum of 77% of their normal wages.

Eligibility

EMPLOYERS	EMPLOYEES
Employers must have a UK bank account and PAYE scheme.	Must be PAYE's payroll on or before 23rd September.
Large businesses will have to meet a financial assessment test, no test for small and medium sized firms.	For the first three months, employees are required to work at least 33 percent of their 'usual' hours. After that, government will make the necessary decision(s).

Only for firms facing lower turnover now than compared to before.	Similar working patterns every month not required and will be able to cycle on and off the scheme.
Employer and the employee should not have previously used the Corona virus Job Retention Scheme.	Participating employees must be included in a Real Time Information (RTI) submission to HMRC on or before 23 September.
	Short-time working arrangement* must be of minimum 7 days.

Note* Employers must enter into written short time working agreements with participating employees and these agreements must cover a period of at least seven days. This necessary change to employees' contracts is effectively a temporary variation to terms and conditions (similar to a flexible furlough agreement).

Example

- ◆ Beth normally works 5 days a week and earns £350 a week. Her company is suffering reduced sales due to corona virus. Rather than making Beth redundant, the company puts Beth on the Job Support Scheme, working 2 days a week (40% of her usual hours).
- ◆ Her employer pays Beth £140 for the days she works.
- ◆ And for the time she is not working (3 days or 60%, worth £210), she will also earn 2/3, or £140, bringing her total earnings to £280, 80% of her normal wage.
- ◆ The Government will give a grant worth £70 (1/3 of hours not worked, equivalent to 20% of her normal wages) to Beth's employer to support them in keeping Beth's job.

Hours Employee Works	33%	40%	50%	60%	70%
Hours Employee Not Working	67%	60%	50%	40%	30%
Employee Earnings (% of normal)	78%	80%	83%	87%	90%
Gov't Grant (% of normal wages)	22%	20%	17%	13%	10%
Employer Cost (% normal wages)	55%	60%	67%	73%	80%

Job Support Scheme Expansion for Closed Business Premises

What is this scheme?

- ◆ This scheme will cover businesses that are required to close their premises due to restrictions.
- ◆ This includes businesses told to provide only delivery services to and from their premises.

Eligibility

- ◆ Eligible employees cannot work for a minimum of seven consecutive (or calendar) days.
- ◆ This scheme is open to employers across the UK.
- ◆ Employers will only be able to use the scheme for employees who have been instructed to cease work.

The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month.

Process

- ◆ Claims must not overlap and must be made monthly in arrears.
- ◆ These payments will be taxable.
- ◆ Employers will be required to cover employer NICS and automatic enrolment pension contributions in full, where applicable.

DNS will be able to help you in claiming the grant. Please get in touch with your account manager.

Self-Employment Income Support Scheme (SEISS) Grant— Extension and Updated

Grant for self-employed individuals who are currently eligible for the SEISS and are actively continuing to trade but are facing reduced demand due to COVID-19.

Benefit

- ◆ To provide two grants over period of November 2020 to April 2021.
- ◆ To be paid in two lump sum instalments each covering a three month period.
- ◆ The first grant to cover a 3-month period from the start of November.
- ◆ Taxable grant covering 20 percent of average monthly trading profits **during the 3-month period.**
- ◆ Paid in a single instalment covering 3 months' worth of profits, and **capped at £1,875 in total.**
- ◆ The second grant will cover a 3-month period from the start of February 2021 to April 2021.

Eligibility

- ◆ Individuals eligible for the SEISS (do not have to have claimed for the previous grants).
- ◆ Currently actively trading and intend to continue to trade.
- ◆ Impacted by reduced demand due to COVID-19 in the qualifying period.
- ◆ The qualifying period for the first grant is between 1st November 2020 and 31st January 2021.

Applications

- ◆ HMRC will provide full details about claiming and applications in guidance on gov.uk in due course.
- ◆ Additionally you may also check the old application link, click [here](#).

Reduced VAT Rate for Tourism and Hospitality— Extended

- ◆ Temporary VAT rate reduction to 5% applicable until 31st March 2021 (originally scheme was ending on 12th January 2021).
- ◆ Applicable to
 - ◆ supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises,
 - ◆ supplies of accommodation and admission to attractions across the UK.

CBILS and Bounce Back Loans— Relaxations and Extension

Extension of applications – CBILS and BBL loan schemes **deadline to 30th November 2020** for new applications.

Bounce Back Loan Scheme (BBL):

- ◆ **Pay as you grow** provisions
 - ◆ Option to repay their loan over a period of up to ten years, earlier this was six years.
 - ◆ Option to move temporarily to interest-only payments for periods of up to six months (can be used up to three times).
 - ◆ Pause their repayments entirely for up to six months (can be used only once only after having made six payments).
 - ◆ All early borrowers are covered.

For more on eligibility and application, contact your account manager.

Coronavirus Business Interruption Loan Scheme (CBILS) loan extension:

- ◆ CBILS borrowers can extend the term of a loan up to ten years, providing additional flexibility.

Future Fund Scheme— Extended

Match funding investment support for start-ups.

- ◆ The investment scheme has been extended till 30th November 2020 for new applications.
- ◆ Businesses already accessed a Future Fund convertible loan cannot apply for another one.

Eligibility

- ◆ Incorporated in UK, on or before 31st December 2019
- ◆ Must have raised at least £250,000 in equity investment from third-party investors in the last 5 years.
- ◆ No shares traded on a regulated market, multilateral trading facility or other listing venue.
- ◆ At least half or more employees are UK-based or half or more revenues are from UK sales.

For more information on application and eligibility, contact your account manager or click [here](#).

VAT Deferral 'New Payment Scheme'

- ◆ To allow businesses who want extra time to pay back the VAT in smaller **equal monthly payments (EMIs), interest-free**, until the end of March 2022.
- ◆ Businesses which deferred VAT due in March to June 2020 can choose to spread their payments over the financial year 2021-2022.
- ◆ All businesses which took advantage of the VAT deferral can use the New Payment Scheme.
- ◆ Businesses will need to opt in, but all are eligible.

HMRC will put in place an opt-in process in early 2021.

For Self-Assessment Taxpayers

To give the self-employed and other taxpayers more time to pay taxes due in January 2021, building on the Self-Assessment deferral provided in July 2020.

- ◆ Taxpayers with up to £30,000 of Self-Assessment liabilities due will be able to use HMRC's self-service 'Time to Pay' facility.
- ◆ To choose a plan to pay over an additional 12 months.
- ◆ Self-Assessment liabilities due in July 2020 will not need to be paid in full until January 2022.

You can discuss your situation with your Account Manager.

Kickstart (Recruitment) Scheme

Govt to provide funding for 6-month job placements for 16-24 year olds.

Benefit

- ◆ Funding to employers to create job placements for 16-24 years olds.
- ◆ 6-month job placement.

Funding will cover

- ◆ 100% of the relevant National Minimum Wage for 25 hours a week.
- ◆ The associated employer National Insurance contributions.
- ◆ Employer minimum automatic enrolment contributions
- ◆ **£1500 per job** placement available for setup costs, support and training

There will also be extra funding to support young people to build their experience and help them move into sustained employment after they have completed their Kickstart Scheme funded job.

Who can apply for funding?

- ◆ Any organisation.
- ◆ Must be new jobs.
- ◆ Job must be a minimum of 25 hours per week, for 6 months.
- ◆ Paid at least the National Minimum Wage for their age group.
- ◆ **Should not require people to undertake extensive training** before they begin the job placement.

They must not

- ◆ Replace existing or planned vacancies.
- ◆ Cause existing employees or contractors to lose or reduce their employment.

Eligible Candidates

- ◆ Young people between 16-24 years old.
- ◆ **Who are claiming Universal Credit**, and are at risk of long term unemployment

How to Apply

- ◆ If you are hiring **for less than 30 positions**, you can make a group application through a representative.
- ◆ Firms hiring over 30 new candidates can approach DWP directly.

DNS is in process to act as a representative for clients. We will send more communication in this regards soon.

Rateable value of properties

Rateable value represents the rental value of a property if it was let at the standard valuation date on the basis that the tenant pays for all repairs during the letting.

Businesses will receive the following grants:

Rateable value of property	Grants (per month)	Grants (per two weeks)
£15,000 or under	£1,334	£667
£15,000 - £51,000	£2,000	£1,000
£51,000 or over	£3,000	£1,500

Local Authorities will continue to receive 5% of the funding as a discretionary fund.

Note: Grants will be administered by local authorities, and eligible businesses will probably need to provide their details to their local authority to access this support.

Green Homes Grant

If you're a homeowner or residential landlord you can apply for a Green Homes Grant voucher towards the cost of installing energy efficient improvements to your home. You must redeem the voucher and ensure improvements are completed by 31 March 2021.

You may be eligible if you live in England and:

- ◆ You own your own home.
- ◆ You own your own park home on a residential site.
- ◆ You're a residential landlord in the private or social rented sector.

You cannot get the Green Homes Grant for newly built homes which have not been previously occupied.

What the voucher can be used for

Home improvements: The available measures are split into 'primary' and 'secondary' measures.

1) Primary measures

- ◆ Insulation
- ◆ Low carbon heat

2) Secondary measures

- ◆ Windows and doors
- ◆ Heating controls and insulation

What the voucher covers

Costs that are covered by the voucher include:

- ◆ Labour
- ◆ Materials
- ◆ VAT

Note: Vouchers will cover two-thirds of the cost of eligible improvements, up to a maximum government contribution of £5,000. If you, or someone in your household, receive certain benefits you may be eligible for a voucher covering 100% of the cost of the improvements. The maximum value of the voucher is £10,000.

How to apply for Green Homes Grant

- ◆ Check your eligibility
- ◆ Check what energy efficiency or low carbon heat improvements may be suitable for your home
- ◆ Find certified installers in your area that are able to carry out the work
- ◆ Get the quote from the certified installers in your area.
- ◆ Apply for the voucher

Note: Applying for a voucher does not guarantee that your application will be approved. You should not commit to start any work until you have been successfully issued with a voucher.

- ◆ Get the voucher
- ◆ Redeem the voucher

For more info please visit [here](#).

Please reach out to your account manager for any further information.

DNS

Accounting Group



03300 886 686

info@dnsaccountants.co.uk



020 3500 2658

info@dnsumbrella.co.uk



02084 272 404

info@targetaccounting.co.uk



01428 644 433

mail@limelight-accountancy.co.uk



01908 041 755

info@cloudcogroup.co.uk



02089 521 120

info@korklin.co.uk



02074 719 330

info@london-1st.co.uk



01633 253 377

info@philbessantltd.co.uk



Barnett and Co
Accountants | A DNS Company

01225 790 224

andrew@barnettandco.com

Get in Touch

DNS ACCOUNTANTS

03300 886 686

info@dnsaccountants.co.uk

www.dnsaccountants.co.uk

DNS House, 382 Kenton Road, Harrow, Middlesex, HA3 8DP