



MCS

Installer Advice

Helping your business to cope
with the disruption and impact
of Coronavirus

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Update from our CEO, Ian



The developing situation with COVID-19 is a complicated one, which we at MCS continue to closely monitor. Our thoughts go out to those directly impacted by the outbreak.

MCS is taking decisive steps to reinforce efforts to curtail the COVID-19 outbreak, protect the safety of our team, and support and serve our Installers and their customers through this challenging time.

We have activated a work-from-home plan for all MCS employees, we are now remote working as an organisation, remaining fully open for business supported with a remotely managed Helpdesk.

Our work-from-home strategy is designed to ensure that we continue to provide a complete and effective service to our Installers and their customers.

We are monitoring the latest updates from the UK Government and the World Health Organisation, and we have now implemented our Business Continuity Plan. Our main priorities are the health and safety of our team whilst continuing to provide a responsive service.

We have eliminated all non-essential business travel and postponed our attendance at events. In the meantime, we will continue to work on the delivery of our ambitious Business Plan to bring scheme improvements in the coming months. We will also provide a regular stream of MCS related communications via our website and social media channels – please do engage with us.

We understand that this will be an extremely challenging time for our Installers and their businesses. We have produced this short, electronic guide to try and signpost to the most recent and relevant government advice. We hope that this will assist you with your business planning, although things are changing on an almost hourly basis so please check for the most up to date information, a list of reliable online sources is provided at the end of this.

Finally, we will get through this. Our economy and our businesses are undeniably going to experience unprecedented times and change. We want the businesses of our Installers to have the best chance of economic recovery – to do this, you **MUST** plan and take advantage of any government assistance that you can.

If MCS can provide any further support – please do call our Helpdesk Team 0333 103 8130 or email us: hello@mcs-certified.com

Support for Business

The Chancellor has recently set out a package of temporary, timely and targeted measures to support businesses through this period of disruption caused by COVID-19.

This includes a package of measures to support businesses including:

- A statutory sick pay relief package for SMEs
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge Coronavirus disruption to their cash flows through loans
- The HMRC Time To Pay Scheme
- Coronavirus Job Retention Grants for businesses to apply for a government grant to retain employees
- No VAT is payable for any business until the end of June 2020
- Those self-employed are entitled to extra support with self-assessment deferred until January 2021
- Self-employment Income Support Scheme

Sick Pay Relief

The government are bringing forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.

- This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- Employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note
- Eligible period for the scheme will commence the day after the regulations on the extension of statutory sick pay to those staying at home comes into force

The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.

Grant Funding of £10,000 for eligible businesses

Around 700,000 businesses in England currently eligible for Small Business Rate Relief (SBBR) or Rural Rate Relief, can apply for the emergency funding.

The Department for Business, Energy & Industrial Strategy will be writing to local authorities this week to outline the scheme, and encourage local authorities to prepare.

However, once up-and-running, your local authority will contact you rather than having to apply yourself. Funding will not be available until April, as stated on the government website.



HMRC Payments (PAYE, CIS, VAT etc.)

A new HMRC telephone helpline has been launched to help businesses concerned about paying their tax due to Coronavirus (COVID-19). The helpline will be covered by up to 2,000 experienced call handlers to allow any business or self-employed individual to get practical help and advice.

For those who are unable to pay due to COVID-19, HMRC will discuss your specific circumstances to explore:

- Agreeing an instalment arrangement
- Suspending debt collection proceedings
- Cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately

You can call HMRC's helpline for help and advice on 0800 0159 559.

Line opening hours are Monday to Friday, 8.00am to 8.00pm, and Saturday, 8.00am to 4.00pm. The helpline will not be available on Bank Holidays.



Deferring Vat and Income Tax Payments

Businesses can defer Valued Added Tax (VAT) payments for 3 months. If you're self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021. All UK businesses are eligible.

For VAT, the deferral will apply from 20th March 2020 until 30th June 2020.

This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

For Income Tax Self-Assessment, payments due on the 31st July 2020, will be deferred until the 31st January 2021. If you are self-employed you are eligible and it is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of COVID-19 and have outstanding tax liabilities.



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Coronavirus Business Interruption Loan Scheme

The government has announced a new temporary Coronavirus Business Interruption Loan Scheme (CBILS), as part of a package of measures to help small business. This became available from 23 March 2020 through participating lenders and can provide facilities of up to £5m for smaller businesses across the UK who are experiencing lost or deferred revenues, leading to disruptions to their cashflow.

CBILS supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance. The scheme provides the lender with a government-backed guarantee potentially enabling a 'no' credit decision from a lender to become a 'yes'. The borrower always remains 100% liable for the debt.

Interest rates will be similar to current bank lending. The government will provide lenders with a guarantee of 80% of each loan (subject to a per-lender cap on claims).

Like the Enterprise Finance Guarantee (EFG), the idea is to give lenders more confidence in approving credit decisions for small businesses that have insufficient security to meet the lender's normal requirements. More than 40 lenders including the big four banks; Barclays, HSBC, Lloyds and RBS, provide funds under the scheme. However, the Coronavirus Business Interruption Loan will offer more attractive terms for both small business and lenders than the EFG.

Lenders will not charge small businesses or banks for this guarantee. And the government will waive the 2 % it charges borrowers annually for the EFG guarantee. It is important to note that the small business borrower will always remain 100% liable for the debt so do be careful and take your own advice before taking on any debt.

The Government will also cover the first 12 months of interest payments and any lender-levied fees so smaller businesses will benefit from no upfront costs and lower initial repayments.

The business remains liable for repayments of the capital.

Coronavirus Job Retention Grants

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

All UK businesses are eligible.

In order to access this scheme, you will need to:

- Designate affected employees as 'furloughed workers,' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
- Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month.

HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

Support for Self-Employed

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) whose income has been negatively impacted by COVID-19. The scheme will provide a grant to self-employed individuals or partnerships, worth 80% of their profits up to a cap of £2,500 per month.

HMRC will use the average profits from tax returns in 2016-17, 2017-18 and 2018-19 to calculate the size of the grant. The scheme will be open to those where the majority of their income comes from self-employment and who have profits of less than £50,000. The scheme will be open for an initial three months with people able to make their first claim by the beginning of June.

To be eligible for the scheme you must meet all the criteria below:

- Be self-employed or a member of partnership;
- Have lost trading/partnership trading profits due to COVID-19;

- File a tax return for 2018-19 as self-employed or a member of a trading partnership. Those who have not yet filed for 2018-19 will have an additional 4 weeks from the announcement on 26th March to do so;
- Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID-19) and intend to continue to trade in the tax year 2020 to 2021
- Have trading profits of less than £50,000 and more than half of your total income come from self-employment. This can be with reference to at least one of the following conditions:
 - Your trading profits and total income in 2018/19
 - Your average trading profits and total income across up to the three years between 2016-17, 2017-18, and 2018-19.

HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational. HMRC will then pay the grant directly to eligible claimants' bank account. HMRC is urgently working to deliver the scheme; grants are expected to start to be paid out by beginning of June 2020.

Those who pay themselves a salary and dividends through their own company are not covered by this scheme, but will be covered for their salary by the Coronavirus Job Retention Scheme if operating PAYE schemes.



Adjustments to the MCS scheme – Assessments/Audits

The global pandemic resulting from the spread of COVID-19 is unprecedented and, like all organisations, we're navigating our way day-by-day as advice emerges. As MCS is a certification scheme requiring assessments, which are normally undertaken face-to-face and on-site, we have urgently reviewed when (and if) such assessments should be necessary when we are being advised to limit social contact.

Ultimately, MCS does not wish to place anybody at risk. Please note this is an evolving situation and MCS's position may change.

We have issued guidance to our Certification Bodies who undertake assessments on behalf of the Scheme.

Guidance is summarised as follows:

- Where possible the office based element of an audit can be delivered via a completed return, replacing the need for a face to face meeting
- A virtual visit for your assessor to a site is also acceptable using a video call (via a smart phone)
- If a 'virtual visit' is not possible, care should be taken in selecting a site for assessment to avoid being in contact with occupants that may belong to any of the high-risk groups
- Ultimately we are happy for Certification Bodies to exercise a degree of flexibility at this time in terms of the timing of their assessments. Certification can be retained subject to a rearranged assessment, beyond the anniversary of your certification

If your assessment is due in the near future, we would recommend getting in contact with your Certification Body if they have not already been in contact with you.

In the meantime

- Please plan for a reduction in business and/or restrictions on movement which have already started to happen in London.
- Planning your finances is crucial, many banks are already offering mortgage “payment holidays”, a number of these allow you to reduce a repayment mortgage to ‘interest only’ but this is expected to change over the coming days and weeks to a full payment holiday.
- Keep in touch with the MCS Helpdesk Team if you need any additional support.

External references:

- i. <https://www.gov.uk/government/news/tax-helpline-to-support-businesses-affected-by-coronavirus-covid-19>
- ii. <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>
- iii. <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>
- iv. <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>
- v. <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

We have tried to ensure that the information provided is 100% accurate but given the circumstances it is important that you check its current validity and we cannot be held responsible for an errors or omissions.