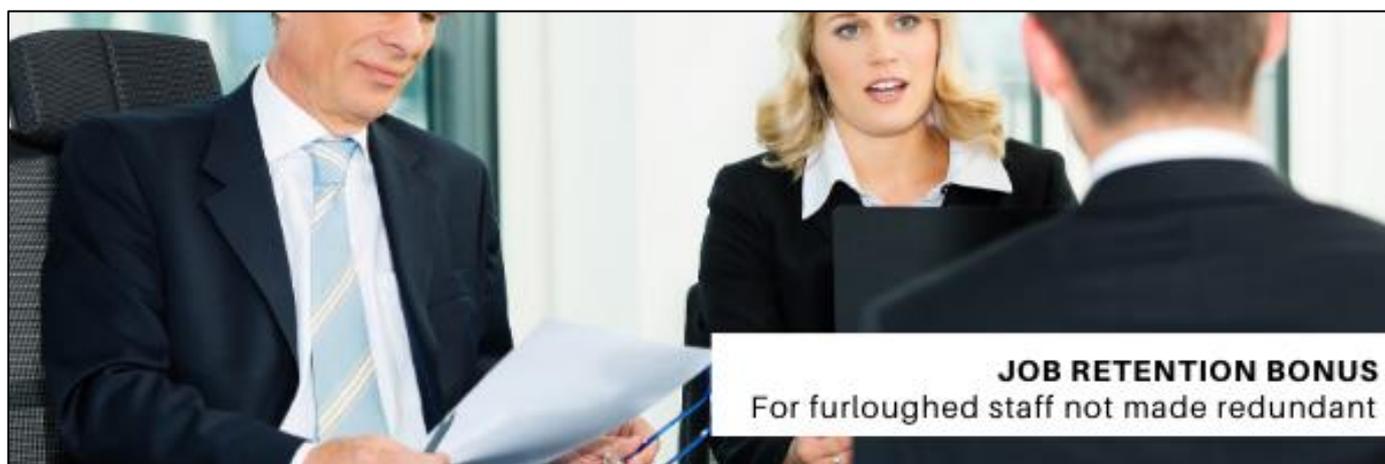




The Chancellor's Summer Statement

The chancellor says people are anxious about losing their job and unemployment rising and so the schemes introduced in the Summer Statement today are aimed at trying to reduce the impact of this. This Newsletter summarises the key announcements that the Chancellor has made today. We will report in more detail on how these initiatives will effect you once we have had chance to review the detailed guidance behind the headlines.



The government is introducing a new Job Retention Bonus to reward and incentivise employers who keep on their furloughed employees. The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. **Payments will be made from February 2021.** Further detail about the scheme will be announced by the end of July.

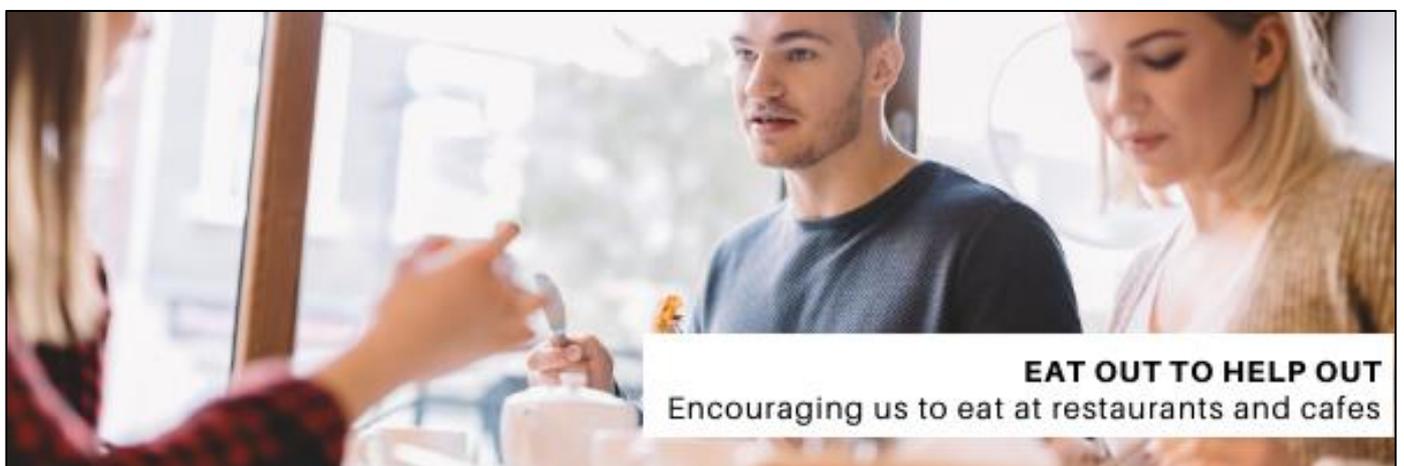


KICKSTART SCHEME
Funding 6 month work placements

The government will introduce a new Kickstart Scheme in Great Britain, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

High quality traineeships for young people – The government will provide an additional £111 million this year for traineeships in England, to fund high quality work placements and training for 16-24 year olds. This funding is enough to triple participation in traineeships. For the first time ever, the government will fund employers who provide trainees with work experience, at a rate of £1,000 per trainee. The government will improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.

Payments for employers who hire new apprentices – The government will introduce a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, **from 1st August 2020 to 31st January 2021**. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education Health and Care Plan – where that applies.



EAT OUT TO HELP OUT
Encouraging us to eat at restaurants and cafes

In order to support around 130,000 businesses and to help protect the jobs of their 1.8 million employees, the government will introduce the Eat Out to Help Out scheme to encourage people to return to eating out. This will entitle every diner to a 50% discount of up to £10 per head on their meal, at any **participating** restaurant, café, pub or other eligible food service establishment. The discount can be used

unlimited times and will be valid Monday to Wednesday on any eat-in meal (including non-alcoholic drinks) for the entire month of August 2020 across the UK. Participating establishments will be fully reimbursed for the 50% discount

A temporary VAT cut for food and non-alcoholic drinks – **From 15 July 2020 to 12 January 2021**, to support businesses and jobs in the hospitality sector, the reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises across the UK.

A temporary VAT cut for accommodation and attractions – **From 15 July 2020 to 12 January 2021**, the reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK.



The housing market has been severely affected by the pandemic, with activity and construction both slowing sharply. Estimates suggest that UK residential transactions in May 2020 were nearly 50% lower than in May 2019. According to Nationwide, UK house prices fell in the year to June 2020 for the first time in almost 8 years. The government will temporarily increase the Nil Rate Band of Residential SDLT, in England and Northern Ireland, from £125,000 to £500,000. **This will apply from 8 July 2020 until 31 March 2021** and cut the tax due for everyone who would have paid SDLT. Nearly nine out of ten people getting on or moving up the property ladder will pay no SDLT at all.



Green Homes Grant – The government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per

household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. The scheme aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills.

Summary

These are the key schemes announced today, but there are a raft of other initiatives of support for specific areas such as further education, school rebuilding, modernising the NHS, social housing, a green recovery, construction talent retention etc which although important will not directly effect most businesses. The Job Retention bonus seems a little strange to me as £1,000 is not sufficient to protect a job that cannot be afforded by the business. It therefore seems to be a reward to those businesses that are able to do so, but it might just make the difference where a business is beginning to get up and running. Now looks like a good time to buy a house if you have a secure enough income to support the purchase, with the reduction in stamp duty being a significant saving. There is also a small incentive for offering training or apprenticeship agreements if your particular business is actually benefiting from this pandemic and extra staff is something you need to consider. Will the eat out to help out initiatives reassure people that it is safe to eat in restaurants and cafes? The chance of a cheap meal may just be enough to tempt people out and as these make up a significant part of our high streets, maybe it will also encourage spending for other high street businesses.

There was little to help support industries who are currently still closed however and the beauty, travel and event industries to name just a few will see little extra hope from these initiatives. The government have said that their aim is to get these sectors open as well during the period to 31 October when the Furlough scheme is set to end. The next few months will be some of the hardest many of us have seen, and careful planning is essential to help your business be one of the survivors.



Tracey Nicholls FCCA

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HFL Accountants Limited | Chartered Certified Accountants

Web: www.hflaccounts.com | Office: 01223 929150 | Email: info@hflaccounts.com
HFL House|1 Saxon Way | Melbourn |Cambridge| SG8 6DN |

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