

# Easter Coronavirus Guidance

ASE AUTOMOTIVE SOLUTIONS

# CONTENTS

<b>Introduction</b> .....	<b>3</b>
<b>Immediate Actions</b> .....	<b>4</b>
What dealers need to think about over Easter and implement on Tuesday? .....	4
Your Tuesday Morning Agenda.....	4
<b>ASE Automotive solutions emergency checklist</b> .....	<b>5</b>
General.....	5
Sales.....	5
Service .....	5
<b>Government Financial support</b> .....	<b>6</b>
Government Financial Support for Businesses .....	6
Business Interruption Loans .....	6
The Coronavirus Job Retention Scheme – Furloughing Staff.....	7
Business Rate Relief and Retail Dealerships.....	13
A Perspective on the Tax Implications of the Coronavirus Emergency.....	13
<b>Operational Working Practices</b> .....	<b>16</b>
Managing your business remotely.....	16
Back to Work Guide.....	16
<b>Cost Control</b> .....	<b>17</b>
The Impact on Statutory Sick Pay (SSP).....	17
<b>Companies House Matters</b> .....	<b>18</b>
Accounts Filing Extension .....	18
<b>Dealership Management Checklist</b> .....	<b>19</b>

## INTRODUCTION



**MIKE JONES**  
ASE  
CHAIRMAN

The world is now fully in the grip of the Covid19 crisis with the majority of countries in lock-down, with eyes cast towards China as they slowly ease restrictions with everyone hoping that we don't see a resultant revival of infection. 

Clearly, everyone's first priority is the safety of staff and their families, but how businesses remain operational is a huge challenge. At ASE Automotive Solutions our staff are work remotely utilising remote working technologies to continue to provide expert counsel and professional advice around all your global data services, performance improvement and assurance and risk mitigation requirements.

When the crisis initially hit we compiled a guide detailing what businesses should do to prepare for the lockdown. We are now in the middle of the crisis and have chosen to update this guide to reflect the realities of the majority of retail dealerships being closed apart from servicing work for key workers and OEM staff being placed on furlough.

The situation continues to change on a daily basis, with each government approaching the crisis in a slightly different way, albeit there are some broad similarities in approach. At ASE we do our best to stay ahead of these developments. We are issuing individual guidance in the markets in which we operate, however as an example we have included the current UK guidance within this document for reference.

In the following pages we look to address the six key areas you should be focusing on: immediate actions for after Easter, accessing government support, operational working practices, cost savings, companies house matters and a dealership management checklist.

However, if you have burning questions or require immediate support, please pick up the phone and speak to your account manager or call our Coronavirus hotline. We will be on standby to help you manage the impact on your business.

Best regards,  
Mike Jones

## IMMEDIATE ACTIONS

### What dealers need to think about over Easter and implement on Tuesday?

#### The Non-Negotiables

Firstly, we all must accept that there is no guarantee how long this will last. Therefore, you must do everything you can to survive and be in a strong position when we come out of this situation. The key will be ensuring you are not carrying a heavier debt burden when we do emerge.

Secondly, ensure the business is working as well as it can during the crisis, keeping in contact with both staff and customers to provide support and to try and build a pipeline of business to give us as fast a start as possible when we come out of the lockdown.

Finally, we need to start to think about preparations for coming out of the lockdown. Whilst it is too early to put in place detailed measures, at ASE we are busy putting together a “back to work” guide which will be published in due course. We are gathering insights from our operational and financial specialists, in addition to early learnings from China and there are details later in this guide how to ensure you receive a copy of this guide.

#### Your Tuesday Morning Agenda

The following are 5 key areas to concentrate on during Tuesday morning:

- **Ensure you have everything in place to apply for the government’s furlough support**  
New guidance has been issued which details what the government will require and by when. Ensure that you have everything in place to make your claim for support. Produce a detailed calculation of the amount you are going to claim, with supporting documentation
- **Ensure your cashflow forecast is up to date**  
Review the cashflow forecast you prepared, flexing as required for subsequent changes
- **Speak to your bank, if required, to ensure you can make the April payroll**  
Despite best efforts there is a chance the furlough cash may not arrive in time to meet the April payroll. Prepare a contingency for this, giving the bank security over the furlough debtor if required
- **Revisit your current volunteers and furloughed staff**  
People furloughed at the start of the lockdown will have reached their 3 week minimum as we return from work after Easter. Revisit all staff to check whether some of your current volunteers want to furlough or whether people who initially did not want to work, now wish to volunteer. Flex staffing levels based on current and forecast demand
- **Ensure you are responding to customer enquiries**  
Review the marketing metrics to ensure you are responding to customer interest and are building the pipeline for when we return to work. Check response times and plan for a general uptick in consumer activity as people start to predict an end to the lockdown. Ensure you are aware of the physical location of all new car orders and manage customer expectations over when they will receive their vehicles post-lockdown

## ASE AUTOMOTIVE SOLUTIONS EMERGENCY CHECKLIST



Clearly the situation is changing by the day, if not by the hour so this advice will be updated regularly on our Covid19 LinkedIn platform, but based on what we know today the below is a summary of the main areas where we believe automotive manufacturers and dealers need to focus.

### General

- Communicate with all staff the current guidance on keeping safe
- Review current debtor situation and chase for payment
- Dispose of all non-retail used cars to generate cash
- Review of all supplier agreements and terms
- Review and understand Government support
- Carry out cash flow modelling to look at scenarios from minimum downturn (10%) to extreme (60%)
- Ensure the model runs through April, May and June
- Work through staff reduction scenarios and skill sharing
- Review need to change furloughed workers where some people have been working (i.e. reduced workshop team)
- Check funding partners flexibility

### Sales

- Online marketing-is it effective and engaging
- Clarity of offers online including finance
- Back to basics on managing every enquiry and following the sales process
- Forecourt cleaning-Given the external vehicles are currently displayed without regular cleaning this may affect the paintwork particularly with the harmful effects of Bird lime

### Service

- Prioritisation of all Essential workers vehicles
- Ensure BDC operational to handle service bookings and queries
- Contact all service customers 48 hours prior to booking to confirm attendance
- Offer Collection and delivery on any customers concerned with coming to the dealership
- Agree communication strategy to keep the customer updated with the progress of the job
- Carry out EVHC on vehicle as soon as the vehicle enters the workshop
- Offer air conditioning refresh and sanitisation on necessary vehicles
- Confirm parts supply with OEM partners
- Carry out PDI and Used Vehicle prep during lockdown

## GOVERNMENT FINANCIAL SUPPORT

### Government Financial Support for Businesses

Ever since the start of the crisis the government has been announcing additional support, some of which the retail motor sector qualifies for. This represents the current status, as at 9<sup>th</sup> April, however we update the guidance on our linked in page on a daily basis as new measures are announced.

### Business Interruption Loans

On 2<sup>nd</sup> April the Chancellor revamped the Coronavirus Business Interruption Loan, in addition to introducing a new scheme for larger businesses. This is very welcome for the automotive retail industry, significantly increasing the number of businesses who will be able to access the funding, albeit there are still some hurdles to overcome.

In this note we set out the basics of the two schemes, alongside the changes to the original scheme, to help guide people through the complexities of accessing this support.

### The Coronavirus Business Interruption Loan Scheme (CBILS)

This was the original scheme and has the following features

- A facility of up to £5 million
- Repayment terms of up to six years
- 80% backed by a government guarantee for the lender
- The government will pay to cover the first 12 months interest and any lender-levied fees
- The business must be:
  - > UK based
  - > Have a turnover under £45 million
  - > Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic
  - > Self-certify that it has been adversely impacted

What has changed?

- The previous requirement to explore other funding options first has been removed. As a result, businesses who would have qualified for a bank's normal loans no longer have to explore this option first
- Insufficient security is no longer a condition to access the scheme
- Lenders will now take no personal guarantees for facilities below £250,000. Above that level, PGs are at the lenders discretion but must exclude principal private residences, albeit recoveries are now capped at 20% of the outstanding balance of the facility, rather than the previous 100%
- These changes should be retrospectively applied to loans taken out since the start of the scheme

These changes should hopefully see acceptances speed up, with the banks no longer having to try and put applicants into their standard products before applying for the CBILS. It should also reduce security requirements for directors. Both of these are clearly to be welcomed to assist smaller businesses get access to the much-needed funds faster.

### The new **Coronavirus Large Business Interruption Loan Scheme (CLBILS)**

The features of this new scheme are:

- Facilities of up to £25 million
- Available for companies with annual turnovers £45 million and £500 million
- The government will provide lenders with an 80% guarantee on individual loans
- CLBILS will be offered “at commercial rates of interest”
- Be supported by a borrowing proposal which the lender
  - > Would consider viable, were it not for the pandemic
  - > Believes will enable you to trade out of any short-term to medium-term difficulty

There are some potential issues mirroring problems with the early CBILS, which could see businesses struggle to access funds. Lenders are still expected to conduct their usual credit checks and the business must “be unable to secure regular commercial funding.” The scheme “will launch later this month” so we will have to wait to see whether there are any additional hurdles and whether the funds will arrive fast enough to support businesses.

In preparation for the scheme launch we would encourage businesses to prepare the full borrowing proposal so they are ready to go and at ASE we are standing by to help. We would always encourage businesses to cut costs and manage working capital prior to taking on additional debt, however these loans could well provide vital bridging support for retailers.

There is currently pressure from business to expand the upper turnover limit, making it available to the larger retail groups and we would expect movement on this over the coming weeks.

### **The Coronavirus Job Retention Scheme – Furloughing Staff**

On 4<sup>th</sup> April, the Government published an update on the Coronavirus Job Retention Scheme. The full details of the changes are set out below.

[Guidance - Claim for your employee's wages through the Coronavirus Job Retention Scheme](#)

[Guidance - Check if your employer can use the Coronavirus Job Retention Scheme](#)

The most recent updates include clarification of the following points;

1. To be eligible for the “furlough payments” an employee must not work. This is now clearly defined as;
  - Not make money for the organisation
  - Not provide services for the organisation

Where this occurs, even if the individual does so even if the employee is not a full-time employee, no furlough payments will be possible.

2. Training / Apprenticeships

These are not considered activities that breach the rules that define working such that as far as possible these activities, in so far that they can continue, are encouraged.

3. Company directors, salaried partners of LLP's and Agency Workers (including those who are employed by umbrella companies) are eligible to be furloughed.
4. Most importantly, salary is now redefined to include overtime, fees and contractual commission / bonus payments (as opposed to discretionary bonus payments) but exclude the cost of non-monetary benefits such as benefits in kind.
5. In order to be eligible for the grant employers must confirm in writing to their employee confirming that they have been furloughed.

A record of this communication must be kept for five years.

6. To enable the furlough system to operate, an employer must be enrolled for PAYE on line. If this is not the case, employers must do so using the link below; it can take up to 10 days for this to become active.

<https://www.gov.uk/payee-online/enrol>

These clarifications are extremely helpful and will provide relief for many employees and employers alike. In particular, the confirmation about the nature of salary that can be furloughed, to include contractual payments that form the essential ingredient of the sales workforce, is very welcome as it was by far and away the most problematic issue for dealerships.

On 8<sup>th</sup> April, HMRC published the letter below setting out further details about the furlough payment system.

The letter has been sent to agents who operate payrolls on behalf of organisations.

The key details are very scarce but what is new is as follows;

- If you use a payroll bureau on a file only basis and not a PAYE agent, they will not be able access the service portal. Please check with your payroll bureau to find to ensure that they can operate the service.  
  
If they cannot, they will be required to assist you in providing the necessary data that you will need in order to enable the business to calculate the salary, NIC and pension amounts in order to submit a claim.
- The scheme will launch on 20<sup>th</sup> April. HMRC will contact businesses advising them what they need to do.

The service is self-service on line; they will be no telephone support.

The nature of furlough payments has touched on a raw nerve with the debate centring upon Premier League Football Clubs and their intention to furlough non-playing staff whilst maintaining the salaries of footballers.

It raised the question of ethics and doing the right thing with regard to furlough payments.

Many dealerships will be able to ride out the financial implications of the COVID 19 crisis because they were cash rich at the time it started. Many will do so because they have not paid the current VAT liability or have deferred payments to the manufacturer or to their landlord.

Other businesses will not be so fortunate; perhaps they paid these liabilities just before the crisis began. It is now abundantly clear to everyone that the furlough scheme is trying to solve an enormous task. It is trying to preserve businesses, jobs and the economy and this is far more complex issue than we could have ever imagined.

Anomalies and questions of doing the right or the wrong thing are not questions for now because there will be plenty of time in future to reflect upon and address issues.

However, businesses should take care and reflect accordingly. The nature of the multiple audiences watching a business and their decisions makes corporate life that much more complicated. It makes the decision as to furloughing staff very important because great damage can be done before a business has a chance to explain what they have done and why. Public opinion, even if it is based upon inaccurate information (false news?) can be very powerful and difficult to reverse.

Notwithstanding, what is important is to achieve the original aim; to protect businesses and jobs.

ASE published on its website a series of answers to questions raised by dealers following a Q & A session hosted by Autotrader. The questions and answers are set out below.

**1. If directors pay themselves small salaries through PAYE and receive the balance of their income by way of dividends, are they eligible for financial help?**

Directors who are paid a salary are eligible to receive income under the furlough scheme just like any other employee.

Dividends are a share of profits and are not earnings.

Furlough payments will be paid only in relation to earnings.

**2. Where an employee has received a letter indicating they are to stay at home as they are at risk / vulnerable for 12 weeks, do they qualify for furlough or SSP?**

Unless they are actually ill, they qualify for furlough payments.

**3. The Job retention scheme has been announced; how does one apply for it?**

No details have been published but employers will be required to submit details to HMRC in due course in order to receive employee furlough funds to meet the payments required.

#### **4. What is the criteria for directors concerning 80% pay?**

Directors qualify for furlough payments if they receive earned income from the company.

#### **5. Is the £2500 net or gross?**

The payment is gross and in addition, the furlough payment will include employers NIC and the employer's stakeholder pension payment of 3%.

PAYE, NIC, and the pension payment will be paid to HMRC and the pension provider in the normal manner from the funds received.

#### **6. Is an employee covered by the scheme?**

The rules are;

- An employer and employee must agree for the employee to be furloughed
- To be eligible the employee must have been on the employer's payroll on 28 February 2020
- Normal sick leave and maternity leave rules apply
- If an employee was made redundant after 28 February, the employer can reinstate the employee and furlough the employee instead
- If you have more than one employment, the employee is eligible to receive separate payments from each employer

#### **7. Do we know if the 80% contribution to salaries include commission payment?**

We do.

The Government published further guidelines on 4<sup>th</sup> April.

The text stated...

"You can claim for any regular payments you are obliged to pay your employees. This includes wages, past overtime, fees and compulsory commission payments. However, discretionary bonuses (including tips) and commission payments and non-cash payments should be excluded".

#### **8. If you have a new employee due to start who was not on the payroll on 28 February, are we allowed to claim a furlough for that person?**

The answer is no.

#### **9. When will the HMRC portal go live and when will we be expected to pay & claim back**

The current anecdotal information says that the portal might be up and running by 20 April with payments released at the end of May.

Accordingly, we understand that the Government and banks are in discussions which will enable banks to "extend finance" to companies to pay furloughed wages and then recover the money from companies when HMRC process the payments.

Watch this space for further news.

## 10. How do you make a claim?

In order to make a claim, an employer must;

- Provide HMRC with the employer ePAYE reference number
- The number of employees furloughed
- The specific claim period
- The amount to be claimed
- The employer bank account details
- Contact name and phone number

Claims can be submitted every three weeks and make the claim in accordance with actual payroll amounts at the time when the payroll is run or is imminent

Employers must pay the employee the entire grant received subject to the PAYE and pension deductions.

HMRC will retain full rights to retrospectively audit all aspects of a claim.

Finally, Coronavirus Job Retention Payments are a grant, not a loan. They should be recorded as additional income of the accounts and CT 600 of the business.

## 11. Can I furlough all staff

You can furlough all, some or none.

Most dealers have furloughed the majority of staff keeping only a skeleton office staff to manage finance and web profiling, the latter to keep in contact with customers as opposed to selling cars or services.

## 12. If we ask the employee to work two of their normal five days, are we able to claim the remaining three under furlough?

No, it is all or nothing.

If you need people to work you should organise for employees to work full time and pay them accordingly.

## 13. Can you defer PAYE?

You cannot defer furlough payment PAYE but you can apply to defer the PAYE due in April following payment of March's payroll.

You must contact HMRC to do so, either on the HMRC coronavirus helpline or in writing if you are unable to get through.

**14. Do employees still accrue holiday pay when furloughed?**

Employee employment rights are unaffected by being furloughed.

**15. Is a limited company director classed as employed or self-employed?**

A director of a company is employed.

**16. Do we have to furlough now?**

No.

The decision to furlough people is entirely up to the company.

Most dealerships have already closed, very few are open and where they are, it is service departments only and many of these are closing.

**17. If employees are ill and on SSP, can they be transferred to furloughed staff?**

Yes.

Once a person is fit and able to work, he or she is then eligible to be furloughed.

**18. What would happen if an employee is furloughed and goes off and finds temporary work?**

They will have broken the terms of their employment and the employer could terminate their employment and remove them as furloughed staff.

However, I am sure that exceptions will be made if staff volunteer to carry out work to assist charities, NHS or similar during this crisis even if they receive a small reward for their efforts.

**19. Who will be eligible to apply for furlough support from the Government?**

All motor dealerships are eligible for furlough payments (grants).

**20. Concerning the furlough scheme and the limit of 80% of up to £2500 salary, what happens with the employees on higher salaries?**

There is no requirement to pay the additional sum.

Some employers will, some will not because they choose not to do so or because they cannot.

**21. If I work from home and just handle sales enquiries can I still claim 80% pay.**

No, it is all or nothing.

**22. If staff have been made furloughed, are they still allowed to communicate with potential customers via email or phone?**

No, it is all or nothing.

Dealerships should retain a limited skeleton staff to handle enquiries.

### **23. Can an employee still do training under furlough?**

To be furloughed an employee cannot take part in the delivery of a service or generate an income.

Accordingly, continue to train, where possible, is not considered to be a reason for furlough payments to be withheld; indeed it would seem a very good use of available time.

### **24. Can someone do 3 weeks furlough, then 1 week back in, then back onto furlough?**

The rules allow furlough claims every three weeks so there would appear to be no reason why this is not possible.

## **Business Rate Relief and Retail Dealerships**

The Government has confirmed it is extending the 12-month business rate exemption to all occupied retail properties and parts sales operation. The retail business rate relief applies to showrooms only and not to non-retail premises or parts thereof.

The announcement said that where a business occupies a property in the retail sector with a rateable value of £51,000 or more, or if a business occupies a property in the leisure or hospitality sectors, the business may be eligible for the 100% discount on its business rates bill.

If your business is in the retail, hospitality or leisure sector in England, then you may also be entitled to a cash grant. If you have a property with a rateable value of less than £15,000 then you will be entitled to a grant of £10,000, whether or not you are entitled to small business rate relief or rural rate relief. If you have a property with a rateable value of between £14,999 and £51,000 then you will be entitled to a cash grant of £25,000.

The Department for Business, Energy and Industrial Strategy (BEIS) will provide guidance for Local Authorities on how to administer these grants shortly.

Your Local Authority will then be in touch in the coming weeks to provide details of how to claim this money, albeit you should watch the local authority websites as we have seen cases of authorities requiring businesses to apply for relief.

## **A Perspective on the Tax Implications of the Coronavirus Emergency**

Companies have three principal taxes to consider.

**Corporation Tax** for the accounting period recently closed (for example 31 December 2019) is payable 9 months and 1 day after the end of the accounting period. If it is clear that the company is trading at a loss in the following period, it is possible to utilise the loss from that period to offset the profits chargeable to tax in the earlier period by way of a carry back process.

The key to this is to make sure that the loss carry back is both genuine and known when the tax is due for the previous year.

Accordingly, I have asked my colleagues to contact you in July 2020 to investigate how the business has performed at the 6th month period. Subject to this review, and in order to eliminate all or part of the liability based upon the previous year results, a further review will be scheduled for late September.

When tax is not paid but where it otherwise would be due, HMRC will charge interest for late payment adding to the overall burden. Accordingly, working with you, we hope we can give you the best possible advice to determine whether the tax can be legitimately set aside.

The other two taxes that face a company are **PAYE** and **VAT**.

HMRC have offered considerable flexibility with regard to the collection of these taxes.

Specifically, Taxes, VAT and self-employed Income Tax, are effectively frozen.

1. No business should pay VAT to HMRC during the period 20 March 2020 to 30 June 2020.
2. VAT refunds and reclaims remain subject to normal provisions.
3. Recovery of the VAT will be deferred until late 2020 and extended to 2021.
4. No deferral of PAYE is offered.

Businesses will have to apply to HMRC to secure a deferral of PAYE.

How this might interact with the relief offered to furloughed workers is unclear today.

5. Self-employed Income Tax, due 31 July 2020, will be deferred until 31 January 2021.

Importantly, both taxes are capable and are very often settled on “time to pay” terms but equally it is also true to state that HMRC tend to regard non-payment of VAT as a more serious issue because VAT is tax paid by a customer in which the company acts a collector of taxes.

If either of these taxes are likely to cause you difficulty please do not hesitate to contact us in order that we can assist you in arranging a time to pay arrangement.



### What steps should your business be taking?

**Individuals** who own businesses have three issues to consider in tax terms.

Firstly, dividends which are undoubtedly more tax efficient than salary, are subject to repayment by the shareholder if the company has insufficient funds to meet its obligations.

Dividends paid within the last 24 months are subject to recovery.

I would expect HMRC to require shareholders to consider the statutory requirements of dividend legislation alongside any “time to pay arrangements” that might be authorised.

Secondly, overdrawn directors loan accounts, whether or not s455 tax has been paid or otherwise, are also subject to repayment by the shareholder if the company has insufficient funds to meet its obligations.

I would also expect HMRC to require shareholders to consider the full repayment of overdrawn loan accounts alongside any “time to pay arrangements” that might be authorised.

Thirdly, on 31 July 2020, the second instalment of self-assessment tax will be due. Between the submission of the 2018/19 tax return and this date many things may have changed such that income expectations for the tax year to 5 April 2020 may be substantially revised.

Taxpayers are able to contact HMRC to reduce payments on account due on 31 July 2020 to reflect changes in circumstances.

Where tax is not paid where a taxpayer has self-assessed a revised liability, HMRC will charge interest and penalties if the self-assessed adjustment is incorrect. Accordingly, if this might be an issue for you to consider, we can work with you to give you the best possible advice to determine whether the tax can be legitimately set aside.

## OPERATIONAL WORKING PRACTICES

### Managing your business remotely

Everyone is now becoming used to the “new normal” of working from home.

The expertise in the ASE Global Data Services team means that we have the ability to help you to continue to manage your business via helping you setup remote connections for your staff; enabling them to work from home either with your own equipment or utilising equipment that is currently owned by your employees.

If you need extra help to manage your business then we have automotive accountants with DMS experience to lend a hand via remotely connecting to your systems and helping with the general management and financial reporting commitments. E.g. VAT submissions, Composite submissions

---

*“If you are struggling with managing your business remotely ASE Automotive Solutions can advise on how you can implement the processes and procedures required.”*

---

### Back to Work Guide

ASE is currently in the processing of developing a back-to-work guide providing detailed hints and tips on how businesses can best prepare for the reopening of the doors, ensuring they have a fast start and can maximise on any opportunities out there. The guide includes input from ASE’s operational specialists in addition to initial learnings we have gathered from the markets which are currently in the process of restarting their retail operations.

If you would like to register for a copy of this guide as soon as it is available then please email [mark.junner@ase-global.com](mailto:mark.junner@ase-global.com) with “back to work guide” as the subject.

## COST CONTROL

### The Impact on Statutory Sick Pay (SSP)

On March 11, Chancellor Rishi Sunak [delivered a new £12 billion plan](#) to combat the Coronavirus. This includes temporary changes to SSP legislation and support for employers. Here's what employers and employees need to know.

#### What's changing?

Under the current legislation, employees must wait three days before they are eligible to start receiving SSP. Under the new changes, this is what we can expect.

- Employees will be able to receive SSP from day 1 (meaning no waiting period).
- Employees will receive an extra £40, on top of the standard rate of £94.25 per week, up to a maximum of 28 weeks.

#### Support for employers

The government will be supporting small and medium-sized businesses to cope with the extra costs of paying early SSP due to COVID-19.

- The government will be working with employers to set up repayment schemes as soon as possible.
- The refund will be limited to two weeks per employee.
- Employers with fewer than 250 employees will be eligible.
- The eligible period for the scheme will commence from the day the temporary SSP changes come into effect.

#### What's the government asking from employers?

- The government is asking employers to use their discretion and not require a GP fit note for COVID-19 related absences. Instead, the government and NHS have announced plans to bring forward a temporary alternative to the fit note in the coming weeks which can be used for the duration of the COVID-19 outbreak.
- Employers should maintain records of staff absences, but should not require employees to provide a GP fit note.
- 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.

#### Advice for all employees subject to Coronavirus

The Government has published guidelines on 23 March 2020 – see attached link below;

[https://www.gov.uk/government/publications/covid-19-stay-at-home-guidance?utm\\_source=5bf19292-920e-4eba-8c3f-9676b5c7192e&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/covid-19-stay-at-home-guidance?utm_source=5bf19292-920e-4eba-8c3f-9676b5c7192e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## COMPANIES HOUSE MATTERS

### Accounts Filing Extension

Companies House have just announced that they are willing to grant a 30 day extension to the yearend accounts filing deadline due to any inability to file on time due to CoVid-19. The application can be made online or by post and they are committing to decide on all applications within 5 days. The application must include the company number, information why you are seeking an extension, and any supporting documents (e.g. a sick note).

More details can be found via the link below:

[https://www.gov.uk/government/news/coronavirus-if-your-company-cannot-file-accounts-with-companies-house-on-time?utm\\_source=c2ba96c8-8dc3-4ec4-a459-79a056d29160](https://www.gov.uk/government/news/coronavirus-if-your-company-cannot-file-accounts-with-companies-house-on-time?utm_source=c2ba96c8-8dc3-4ec4-a459-79a056d29160)

## DEALERSHIP MANAGEMENT CHECKLIST

As an industry we have constantly shown resilience through every 'crisis' that has affected the world, from wars to recessions and financial system crashes.

The reality is that Good operators who keep a tight control of the cash and communicate effectively with their staff and customers will weather the storm.

We would recommend that every client reviews these basics as a matter of urgency to enable us all to get through this challenging time and say 'Whilst it was hard work, we made it and are better for it to benefit from the inevitable upswing the market will bring'

General	Status	Responsible	Comment	Measure
Communicate with all staff the current guidance on keeping safe				
Make sure all employees know how to communicate with customers and how to overcome their objections (i.e. what part of processes can be done remotely, what are our safety procedures). Create bullet points and train each customer facing staff				
Prepare a detailed list of debtors, introduce a chasing process with two times a day update on progress				
Dispose of all non-retail used machines to generate cash				
Follow up on any client orders for collection / payment / courier delivery of parts				
Be up to date with any government support / reporting deadlines / tax payment deadlines and other legal obligations with daily updates from responsible person				
Carry out cash flow modelling to look at scenarios from minimum downturn (10%) to extreme (60%) for April, May and June				
Agree with staff holidays / unpaid leaves / part time working for next few weeks to save money. Proper communication from the board / owners / management is vital				
Review budgets for March, April and May to agree savings				
Asses the necessity to introduce 4 day working week for all staff. Continue the model for April/May and June as a contingency				
Negotiate "loans holidays" from each funding partner				

Sales Department	Status	Responsible	Comment	Measure
Review all open sales process and have contact plan and communication strategy of every lead with daily reporting and sales manager controlling every enquiry				
Offer customers online meetings and Virtual test-drives through video presentations of all available stock (new and used).				
Prepare a list of all new and used stock that need preparation/service work in order to keep workshop teams busy during Essential worker support period				
Clarity of offers online including finance for all new and used stock. Use argument that there might be shortage of cars availability in nearest future due to factories closure				

Service Department	Status	Responsible	Comment	Measure
Contact all service customers 48 hours prior to booking to confirm attendance, explain that essential workers get priority in work processing Make sure that your staff are properly prepared for these calls.				
Offer Collection and delivery on any customers concerned with coming to the dealership, video the Drivers using PPE such as gloves, masks, steering wheel covers. Move majority of the process online				
Carry out Visual Health Check for all customers who visit the workshop				
Offer air conditioning refresh and sanitisation on necessary vehicles				
Confirm parts supply with OEM partners				
Review all work in progress. Close and invoice where possible				

If you would like to discuss any of the above points in more detail, please call your ASE contact or the following:

Trevor Jones



**Trevor.Jones@ase-global.com**



**+44 (0) 7836 598 102**

Robert Jones



**Robert.Jones@ase-global.com**



**+44 (0) 7796 362 861**

Mike Jones



**Mike.Jones@ase-global.com**



**+44 (0) 7818 412 195**

Mike Fazal



**Mike.Fazal@ase-global.com**



**+44 (0) 7710 523 664**

Mark Fennelly



**Mark.Fennelly@ase-global.com**



**+44 (0) 7879 446 376**



*To see all the updates about the Covid19 from ASE automotive solutions, please visit [www.linkedin.com/company/ase-plc/](http://www.linkedin.com/company/ase-plc/)*

# Located Around The World



**14**

offices spanning  
the globe

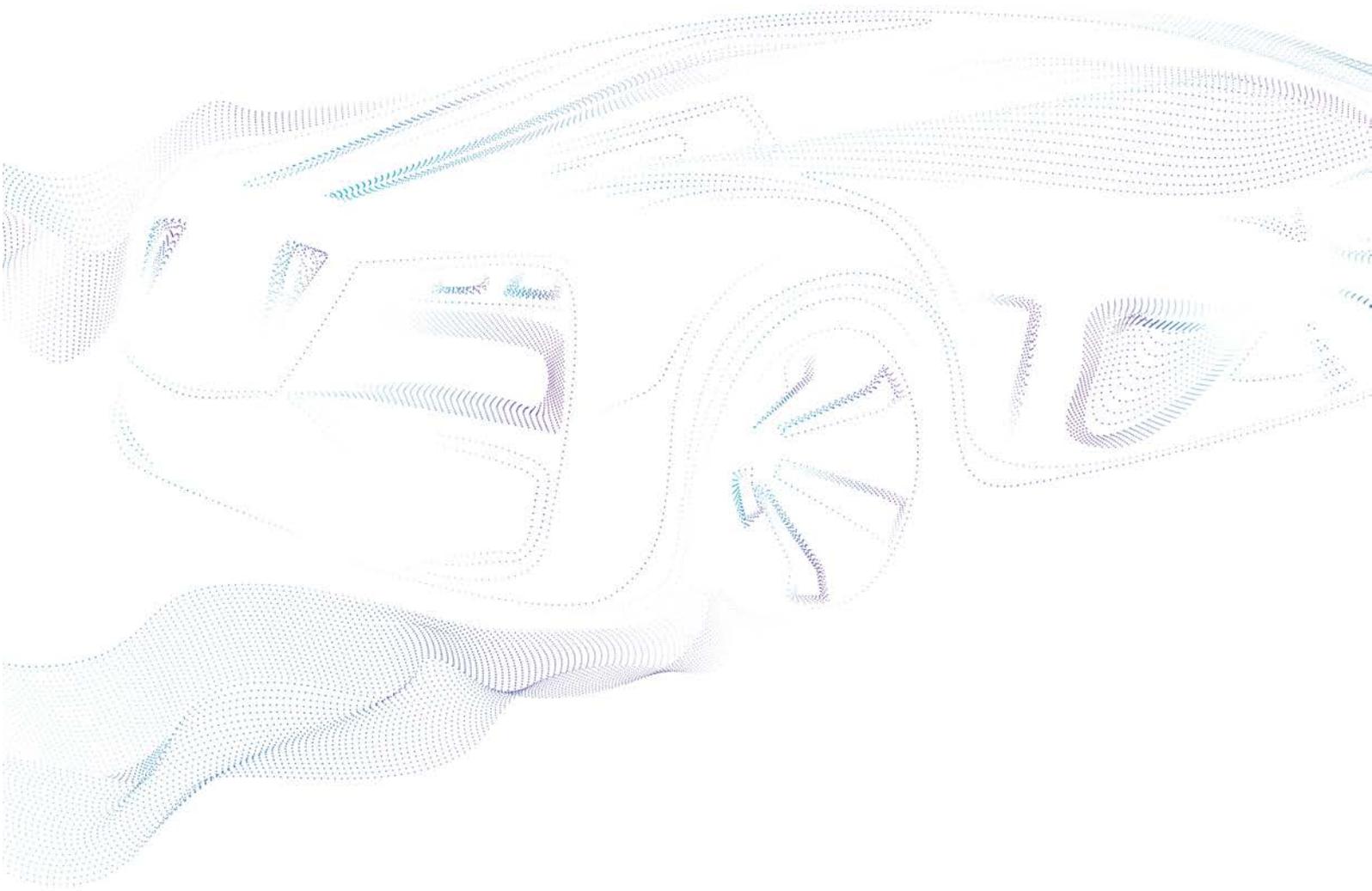
**45**

years in the  
industry

**66**

countries in which  
ASE operates

Africa | Asia Pacific | Europe | Latin America  
Middle East | North America | Australia



**ASE plc, Rowan Court  
Concord Business Park,  
Manchester, M22 0RR**



**info@ase-global.com**



**+44 (0) 161 493 1930**



**www.ase-global.com**



**www.linkedin.com/company/ase-plc/**

