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BUSINESS NEWS

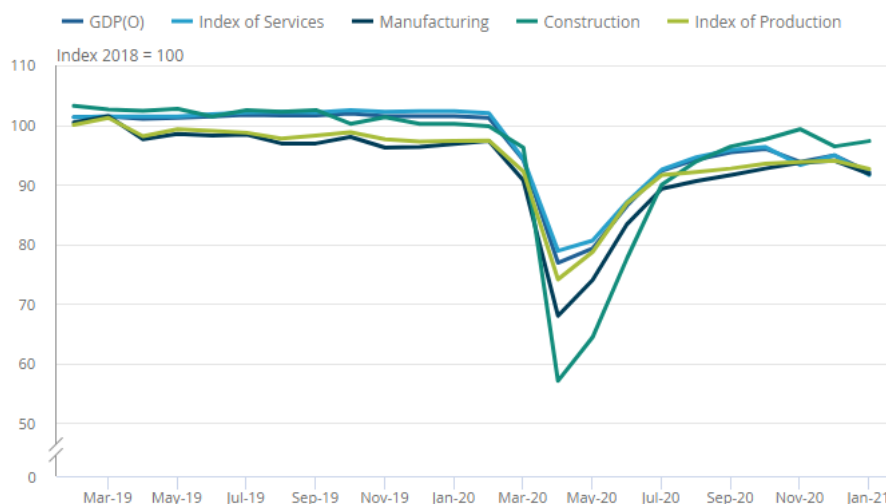
Welcome to our round up of the latest business and Covid-19 news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you through these tough times.

The economy will recover!

The latest figures from the Office for National Statistics (ONS) show that the UK Gross Domestic Product in February 2021 was 9% down on the 2020 figures. This is similar to what has been reported in the press and monthly production in February was down 5% and manufacturing 5.7% lower than the equivalent figures for 2020.

Figure 1: Monthly gross domestic product remained 9.0% below the February 2020 level

Monthly gross domestic product and components index, seasonally adjusted, UK, February 2019 to January 2021



Source: <https://www.ons.gov.uk/>

Given we are still in lockdown and have been for much of the last year, these figures are not unexpected. On the positive side, The Bank of England (BoE) chief economist Andrew Haldane has commented that the UK economy is like a “coiled spring” and that consumer confidence would surge back thanks to the vaccine programme. We do hope so and most clients we speak to are getting ready to a return to some kind of normality and have been planning ahead.

Today, BoE Governor Andrew Bailey stated the UK economy will recover to its pre-Covid level by the end of this year, albeit with a cautionary note on the level of uncertainty still surrounding the virus.

As the UK vaccination programme proceeds at pace, the government has said it is still too early to book a foreign summer holiday despite plans to end the lockdown by the end of June. The earliest people from England will be able to travel abroad for a holiday is 17 May, when the government hopes to move to step three of its lockdown exit plan. This date is dependent on the four tests being met, which are infection rates do not result in a rise in hospital admissions, the vaccination programme staying on track, new variants do not change the Governments risk assessment and vaccinations prove effective in reducing hospitalisations and deaths.

As we wait for the lockdown to end, the high street may be very different this year. Retailer John Lewis has warned of “painful” store closures and other high street shops have closed their doors for now and will not be reopening. The government is mindful of this and further support for commercial tenants has been announced with the ban on commercial evictions extended to 30 June. The grants and supports may help some but expect to see gaps on the high street when lockdown ends. In the medium term there is brighter news ahead as online sellers like Amazon and others look to establish a high street presence, albeit without tills!

Last week we saw the Government announce its vision to boost connectivity across the UK through improved transport infrastructure. A consultation will launch this spring on reforming Air Passenger Duty tax in a further step to boost transport connecting the whole of the UK. This was followed by the announcement of funding to support Derry to London flights. Loganair is set to continue operating 13 return flights a week.



Previous announcements include the Slots waiver, extended to provide the aviation sector with flexibility and protects environment as airlines will not have to operate carbon-inefficient 'ghost flights' to retain their slots and in January the government announced funding for airports and ground handlers. A new recruitment website for the aviation sector – The

Aviation Skills Retention Platform launched. The platform is an 'online skills and recruitment centre' and is specially tailored to find jobs for candidates who currently may be unable to work as a result of the pandemic, or similar roles that match their existing skillset. The government has partnered with several leading employers, including the Civil Aviation Association, BAE Systems and Rolls Royce to offer an initial 2,185 vacancies, with more added every day.

As the UK opens up after almost a year of lockdowns we can expect more announcements on rebuilding and improving infrastructure as part of the Government's policy to reduce unemployment and to "Build back better".

Is your business prepared for the new normal?

As businesses prepare for the "The New Normal" (probably by the end of June) of vaccinated employees, regular workplace testing and continued social distancing - we have prepared guidance to help you implement a vaccination policy and templates on:

- Vaccination policy for your business
- Covering letter to employees about the vaccination and testing policy
- Covid-19 workplace risk checklist
- Vaccine register for all staff

EMPLOYERS VACCINATION AND TESTING POLICY GUIDANCE



Please contact us for a copy.

Over 50,000 English businesses have now registered their interest for Free rapid tests for all businesses for regular workplace testing. You can order free rapid lateral flow tests to test your employees twice a week in the workplace. We expect similar schemes to roll out in all UK regions shortly. You must register on or before 31 March 2021.

See: <https://www.gov.uk/get-workplace-coronavirus-tests?priority-taxon=774cee22-d896-44c1-a611-e3109cce8eae>

In the meantime stay safe and please talk to us if you need anything, we are with you all the way!

COVID-19 GOVERNMENT SUPPORT NEWS

Below is our weekly roundup of changes to government support information generally and for businesses, employers and the self-employed. Please contact us if you need help.

The reopening of outdoor hospitality – Government support

The Secretary of State for Housing, Communities and Local Government, Robert Jenrick, has sent a letter to local authorities on government measures to support hospitality businesses to reopen safely, including the intention to extend pavement licences for a further 12 months, making it easier and cheaper for pubs, restaurants and cafes to continue to make al fresco dining a reality with outside seating, tables and street stalls to serve food and drinks.

See: https://www.gov.uk/government/publications/coronavirus-covid-19-supporting-the-reopening-of-outdoor-hospitality?utm_medium=email&utm_campaign=govuk-notifications&utm_source=4f594294-cfb6-4e87-a41a-f8488367d45b&utm_content=daily

VAT deferred due to coronavirus – Annual Accounting and Payment on Account schemes update

Businesses can pay VAT payments deferred between 20 March and 30 June 2020 now or they can join the VAT deferral new payment scheme.

HMRC updated their guidance for VAT Annual Accounting Scheme or the VAT Payment on Account Schemes. The guidance was updated on 4 March 2021. If you are on the VAT Annual Accounting Scheme or the VAT Payment on Account Scheme, you can join the scheme from 10 March 2021.

See: https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=26bacdfc-df09-4b2d-872d-77c650d18451&utm_content=daily

Further support for commercial and residential tenants

The Ban on commercial evictions extended to 30 June and bailiff enforced eviction ban extended to 31 May to protect residential tenants.

Many business owners have had to cease trading entirely during lockdown and they are being given extra support after the government extended the ban on commercial evictions for a further 3 months.

The decision will help those worst affected by the pandemic, such as bars and restaurants, get back to business in May when doors fully reopen for hospitality no earlier than 17 May.

Residential tenants will also be supported as the ban on bailiff-enforced evictions in all but the most serious circumstances – such as incidents of fraud or domestic abuse – and the requirement for landlords to provide 6-month notice periods to tenants before they evict will also be extended until at least 31 May.

This will ensure residents in both the private and social sector can stay in their homes and have enough time to find alternative accommodation or support as we move through the roadmap.

With around 49% of hospitality workers and 36% of retail workers currently renting, the new measures will hopefully help protect jobs as businesses reopen and many more renters can return to work.

See: https://www.gov.uk/government/news/further-support-for-commercial-and-residential-tenants?utm_medium=email&utm_campaign=govuk-notifications&utm_source=36cd14b4-4369-4ede-b7d4-b1afb862673f&utm_content=daily

Closed Businesses Lockdown Payment - England

The Closed Businesses Lockdown Payment (CBLP) supports businesses that have been required to close due to the national lockdown that began 5 January 2021. Eligible businesses may be entitled to a one-off cash grant of up to £9,000 from their local council. Local councils will pay the same businesses that are eligible to receive the Local Restrictions Support Grant (Closed) Addendum for the national lockdown period that began on 5 January.

Your business may be eligible if it:

- is based in England
- occupies property on which it pays business rates (and is the ratepayer)
- has been required to close because of the national lockdown from 5 January 2021 onwards
- has been unable to provide its usual in-person customer service from its premises

This could include non-essential retail, leisure, personal care, sports facilities, tourism and hospitality businesses. It could also include businesses that operate primarily as an in-person venue, but which have been forced to close those services and provide a takeaway-only service instead.

Eligible businesses can get one grant for each non-domestic property.

The deadline to apply for the Closed Businesses Lockdown Payment is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-your-business-is-eligible-for-the-coronavirus-closed-businesses-lockdown-payment?utm_medium=email&utm_campaign=govuk-notifications&utm_source=9b90baf3-e0d6-4440-bf97-987de304993f&utm_content=daily

Local Restrictions Support Grant (for closed businesses) – England

The Local Restrictions Support Grants (LRSG (Closed) and LRSG (Closed) Addendum: Tier 4) support businesses that have been required to close due to temporary local restrictions.

You can apply for a grant if your business is either:

- in an area of local Tier 2 or Tier 3 restrictions and has been required to close because of local restrictions that resulted in a first full day of closure on or after 9 September
- in an area of local Tier 4 restrictions and has been required to close because of local restrictions that resulted in a first full day of closure on or after 19 December

You will need to show that your business:

- is based in England
- occupies property on which it pays business rates (and is the ratepayer)
- has been required to close for at least 14 days because of the restrictions
- has been unable to provide its usual in-person customer service from its premises

For example, this could include pubs and restaurants that operate primarily as an in-person venue, but which have been forced to close those services and provide a takeaway-only service instead.

Eligible businesses can get one grant for each non-domestic property within the restriction area.

Application deadlines

The deadlines to apply for the national lockdown LRSG (Closed) Addendum schemes are:

<u>Scheme</u>	<u>End date</u>
<u>National lockdown, 5 November 2020</u>	<u>31 March 2021</u>
<u>National lockdown, 5 January 2021: first payment cycle, 5 January to 15 February</u>	<u>31 March 2021</u>
<u>National lockdown, 5 January 2021: second payment cycle, 16 February to 31 March</u>	<u>31 May 2021</u>

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-closed-businesses?utm_medium=email&utm_campaign=govuk-notifications&utm_source=3e0039af-99fc-4f8c-8cef-c237d64fd6b6&utm_content=daily

Local Restrictions Support Grant (for open businesses) – England

The Local Restrictions Support Grant (LRSG (Open)) supports businesses that have been severely impacted due to temporary local restrictions.

Businesses that have not had to close but which have been severely impacted due to local Tier 2 or Tier 3 restrictions may be eligible for LRSG (Open).

Eligible businesses may be entitled to a cash grant from their local council for each 14 day period under local restrictions.

Local councils have the discretion to provide grant funding for businesses under this scheme. They will use their discretion in identifying the right businesses to receive this funding, based on their application process.

Your business may be eligible if it:

- is based in England
- is in an area subject to Tier 2 or Tier 3 local restrictions since 1 August 2020 and has been severely impacted because of the local restrictions
- was established before the introduction of Tier 2 or Tier 3 restrictions
- has not had to close but has been impacted by local restrictions

Local councils have the freedom to determine the precise eligibility criteria for these grants. However, we expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses.

The deadline to apply for the LRSG (Open) scheme is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-open-businesses?utm_medium=email&utm_campaign=govuk-notifications&utm_source=70429f8a-a454-4662-92a6-be8c18d10cc0&utm_content=daily

Nightclubs, dance halls or adult entertainment business eligibility for a coronavirus grant due to national restrictions – England

The Local Restrictions Support Grant (LRSG (Sector)) supports businesses that have been closed due to the national restrictions.

Businesses that have been required to close due to the national restrictions introduced in March 2020, and which have not been able to re-open, may be eligible for LRSG (Sector) funding.

Eligible businesses may be entitled to a cash grant from their local council for each 14-day period they are closed. This funding is available from 1 November 2020 and is not retrospective.

Eligible businesses include:

- nightclubs, dance halls, and discotheques
-

-
- adult entertainment venues and hostess bars

Your business may be eligible if it:

- is based in England
- occupies property on which it pays business rates (and is the ratepayer)
- has been closed since 23 March 2020 because of national restrictions

Eligible businesses can get one grant per non-domestic property.

The deadline to apply for the LRSG (Sector) scheme is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-your-nightclub-dance-hall-or-adult-entertainment-business-is-eligible-for-a-coronavirus-grant-due-to-national-restrictions?utm_medium=email&utm_campaign=govuk-notifications&utm_source=84ebf888-0c42-4b04-9a1c-9ef5b8d34d60&utm_content=daily

Additional Restrictions Grant – England

The Additional Restrictions Grant (ARG) supports businesses that are not covered by other grant schemes or where additional funding is needed.

The Additional Restrictions Grant (ARG) provides local councils with grant funding to support closed businesses that do not directly pay business rates as well as businesses that do not have to close but which are impacted. In addition, larger grants can be given than those made through LRSG (Closed).

Local councils can determine which businesses to target and determine the amount of funding from the ARG. Local councils have the freedom to determine the eligibility criteria for these grants. However, government expects the funding to help those businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions.

Find your local council here: <https://www.gov.uk/find-local-council>

This could include:

- businesses which supply the retail, hospitality, and leisure sectors
- businesses in the tourism and events sectors
- business required to close but which do not pay business rates

Businesses excluded from the fund

You cannot get funding if:

- your business is in administration, insolvent or has been struck off the Companies House register
- you have exceeded the permitted subsidy limit

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant?utm_medium=email&utm_campaign=govuk-notifications&utm_source=84be0dde-a24d-4d69-b712-8160906dd7ed&utm_content=daily

Christmas Support Payment for wet-led pubs – England

The Christmas Support Payment was for wet-led pubs supports pubs that predominantly serve alcohol rather than provide food and have been severely impacted over the festive season due to temporary local restrictions.

Eligible businesses were entitled to a one-off cash grant of £1,000 from their local council in areas under Tier 2 or Tier 3 local restrictions.

Local councils used their discretion to identify the right businesses to receive this funding.

Applications for the Christmas Support Payment closed on 28 February 2021.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-christmas-support-payment-for-wet-led-pubs?utm_medium=email&utm_campaign=govuk-notifications&utm_source=7684e775-53b6-4b04-976a-ff80e929710d&utm_content=daily
