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Written 22 March 2021

## **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.

### Vaccine rollout continues

Last week the UK learnt more about the vaccine supply chain problems, EU states suspending and then resuming the AstraZeneca vaccine rollout and more posturing from politicians on vaccine availability. Despite the news rollercoaster, more than 27.6 million people (more than half of the adult population) have now had the jab and the government says it remains on track for its phase 1 target of 32million first vaccine doses by the 15 April. It also appears we are still on target for the relaxation of restrictions by the summer even if the EU restrict supply.

This is good news for all sectors of the economy and particularly the high street, hospitality and entertainment which have been hardest hit.



Please talk to us about your future plans, we can help with cash flow planning and point you in the right direction for obtaining finance so you can get on with making your business a success!

### Coronavirus: a year like no other

The Office for National Statistics (ONS) has published “Coronavirus: a year like no other”. A year on from the first government instructions to significantly limit social contact because of the coronavirus (COVID-19) pandemic, ONS look at what the data tells us about these extraordinary 12 months and the way our lives have changed. The data shows the stark reality of deaths and hospitalisations resulting from the pandemic.

The figures also show annual average hours worked dropped significantly in lockdown which, when you consider up to 8.9 million people on furlough and many businesses unable to trade as normal during lockdown, was unsurprising. The average number of hours worked

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in the UK per person per week fell to 25.9 in April to June 2020, compared with 32.3 in the same three months of 2019. This was the lowest since January to March 2008, when average weekly working hours were 30.9 per person.

The report continues to highlight that for many industries, the fall in job vacancies during 2020 was bigger than the 2008 economic downturn. These figures are expected, given the country was in lockdown for considerable parts of the year, but interestingly, it highlights average house prices increased whilst the economy shrank. Estate agents, Rightmove, recently highlighted that the pandemic has changed the type of property and location many of us want to live in. Cornwall has overtaken London this year as the most searched for location, Devon is third, and Dorset has risen to 10th.

Whether the search patterns in property are a short term escape from the pandemic or a longer term trend, only time will tell. What is clear is we must all be patient, continue to observe the lockdown rules and hope the vaccination programme leads us out of the current situation and into a better future.

#### Finishing tax year 2020-21 and preparing for 2021-22

As we head towards April now is the time to think about pre-tax year planning, doing the year end administration and filing the necessary forms to HMRC.



Time is running out to make the most of your tax allowances this year. The first step to making the most of your tax allowances can mean looking closely at your pension. UK residents under 75 can add money to a pension and receive tax relief on it. You'll automatically get basic rate tax relief (currently 20%) paid into your pension by the government.

If you pay tax at a higher rate you could get up to a further 25%, but you will need to claim it by declaring any pension contributions you have made on your tax return.

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The annual allowance is the maximum you can invest in your pension each year that would be eligible for tax relief. It is currently £40,000, or your entire income, whichever is the smaller and there are lifetime allowances to consider.

If you run a limited company then there are some actions you could consider such as dividend and salary planning, purchasing capital items to maximise capital allowances, research and development tax credits and a range of other matters.

### Payroll administration

If you run your own payroll, it is time to look at the end of year payroll tasks for the current year and key changes affecting payroll for 2021-22.

HMRC have updated their webpage on annual reporting and tasks needed before 5 April 2021. This covers sending your final payroll report, updating employee payroll records, updating payroll software, issuing P60s and reporting expenses and benefits.

See: <https://www.gov.uk/payroll-annual-reporting>

HMRC have issued their guidance on P9X: Tax codes, to assist in understanding which PAYE tax codes to change, how to change them and which codes to carry forward ready for the new tax year.

See: <https://www.gov.uk/government/publications/p9x-tax-codes>

For the 2021-22 rates and thresholds for employers when you operate your payroll or provide expenses and benefits to your employees see: <https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2021-to-2022>

**If we prepare your payroll we will of course file the necessary tax year end forms for you and keep you informed of any changes.**

### Prepare for tax changes if you engage or supply contractors – Off-payroll working rules (IR35)

If you are a medium or large sized non-public sector organisation and you engage contractors, you should now be taking action to prepare for changes to the off-payroll working rules (IR35) coming into effect on 6 April 2021.

For all contractors working through their own limited company, you will need to:

- identify contractors who work in this way
  - decide if they are inside or outside the rules
  - inform your contractors of their status determination, and any agencies you engage with
  - be ready to add them to payroll if needed
  - be ready to deal with any disputes
  - maintain an audit trail, and test your processes, systems and controls
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If you are an employment agency which supplies contractors who work through their own limited company or other intermediary, you need to understand the changes and may also need to take action. You need to:

- identify contractors who work in this way
- be ready to pass on the status determination statement to any agencies you engage with down the supply chain or be ready to put contractors onto payroll
- maintain an audit trail, and test your processes, systems and controls

You can find more information about the actions you need to take to prepare here:

<https://www.gov.uk/guidance/prepare-for-changes-to-the-off-payroll-working-rules-ir35>

**Please talk to us about pre-tax year end planning for your business - we are here to support you in preparing for the new tax year and beyond!**

## **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.

### **HMRC Update - financial support schemes available**

HMRC have published their latest information about financial support schemes available, including the VAT deferral new payment scheme and the Coronavirus Job Retention Scheme (CJRS).

#### VAT deferral – apply now to spread your payments

The VAT deferral new payment scheme is open for all businesses who deferred VAT due between 20 March and 30 June 2020 and still have payments to make, or who are unable to pay in full by 31 March 2021. This includes those on Payment on Account and Annual Accounting schemes.

Apply now to spread these payments over a number of months – the later you join the fewer instalments are available to you. Join from 19 March 2021 to benefit from the maximum number of 11 instalments.

You can join the scheme online without the need to call HMRC. To find out more information, including the things you need to do before joining, go to GOV.UK and search 'VAT deferral'.

#### CJRS claims for March

You can now submit your CJRS claims for periods in March 2021. These must be made by Wednesday 14 April.

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You can claim before, during or after you process your payroll. If you can, it's best to make a claim once you're sure of the exact number of hours your employees will work so you don't have to amend your claim later. Check if you and your employees are eligible and work out how much you can claim using our CJRS calculator and examples, by searching 'Job Retention Scheme' on GOV.UK.

What you need to do now

1. If you haven't submitted your claim for February but believe that you have a reasonable excuse for missing the deadline, check if you can make a late claim by searching 'claim for wages' on GOV.UK.
2. Submit any claims for March no later than Wednesday 14 April.
3. Keep records that support the amount of CJRS grants you claim, in case HMRC needs to check them.

### Extension to the CJRS

As announced in the 2021 Spring Budget, the CJRS has been extended until the end of September 2021.

For periods from 1 May 2021 onwards, you will be able to claim for eligible employees who were on your PAYE payroll on 2 March 2021. This means you must have made a PAYE Real Time Information (RTI) submission between 20 March 2020 and 2 March 2021, notifying HMRC of earnings for that employee.

The government will continue to pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month, up to the end of June 2021.

For periods in July, CJRS grants will cover 70% of employees' usual wages for the hours not worked, up to a cap of £2,187.50. In August and September, this will then reduce to 60% of employees' usual wages up to a cap of £1,875.

You will need to continue to pay your furloughed employees at least 80% of their usual wages for the hours they do not work during this time, up to a cap of £2,500 per month. This means, for periods between July and September, you will need to fund the difference between this and the CJRS grants yourself. You can also top up wages above the 80% if you wish, but you are not required to do so.

You must continue to pay Employer National Insurance contributions and pension contributions on subsidised furlough pay from your own funds.

See: <https://content.govdelivery.com/accounts/UKHMRCED/bulletins/2c7619c>

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## UK government announces partnership with British rapid test manufacturers

As businesses prepare for “The New Normal” (probably by the end of June) of vaccinated employees, regular workplace testing and continued social distancing it is interesting to note more suppliers of lateral flow tests are emerging.



Supply of tests will support the government’s plan to ease restrictions by helping to stop the spread of the virus and new contracts will create more than 500 jobs across the UK.

Two British companies have secured contracts with the government to supply rapid lateral flow tests, which will help prevent the virus from spreading and stop outbreaks from taking hold as restrictions are lifted. The Department of Health and Social Care (DHSC) has agreed contracts with Omega Diagnostics, headquartered in Alva in Scotland and Global Access Diagnostics, based in Thurleigh. They will provide manufacturing capacity for up to 200 million COVID-19 lateral flow antigen tests, which detect positive cases quickly – in under 30 minutes – meaning positive cases can isolate immediately, breaking chains of transmission. We can expect to see more suppliers entering the market in the next few weeks.

See: [https://www.gov.uk/government/news/uk-government-announces-partnership-with-british-rapid-test-manufacturers?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=2f3c95b3-eb54-46ce-aa5a-d9c9edadce81&utm\\_content=daily](https://www.gov.uk/government/news/uk-government-announces-partnership-with-british-rapid-test-manufacturers?utm_medium=email&utm_campaign=govuk-notifications&utm_source=2f3c95b3-eb54-46ce-aa5a-d9c9edadce81&utm_content=daily)

## Private providers of coronavirus testing

The Lists of and information about approved suppliers of private testing kits for coronavirus (COVID-19) has been updated recently.

The Department of Health and Social Care is aware of the private-sector (non-NHS) providers published on this webpage who have declared that they meet the government’s minimum standards for domestic COVID-19 testing and Test to Release for international travel. The list is regularly updated.

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See: [https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=9380290d-080d-44f3-b3cf-2b0ebcb12ccc&utm\\_content=daily](https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing?utm_medium=email&utm_campaign=govuk-notifications&utm_source=9380290d-080d-44f3-b3cf-2b0ebcb12ccc&utm_content=daily)

### **Government asks for views on Covid-19 certification**

The Government is reviewing whether COVID-status certification could play a role in reopening the economy, reducing restrictions on social contact and improving safety.

The Government is seeking views on the role of Covid-status certification particularly from organisations and individuals with relevant expertise as well as those it would impact.

As set out last month in the Prime Minister's Covid-19 Roadmap, the Government is looking at whether certification could help to reopen the economy, reduce restrictions on social contact and improve safety.



Covid-19 status certification involves using testing or vaccination data to confirm in different settings that people have a lower risk of transmitting Covid-19 to others.

The Government has committed to concluding its review into Covid-status certification ahead of Step Four of the four-stage lockdown easing plan, which will happen no earlier than 21 June.

The review - which is being led by the Chancellor of the Duchy of Lancaster - is considering the ethical, equalities, privacy, legal and operational aspects of a possible certification scheme, and what limits, if any, should be placed on organisations using certification.

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See: [https://www.gov.uk/government/news/government-asks-for-views-on-covid-19-certification?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=71c68eff-12b0-447e-adce-33c3be985baf&utm\\_content=daily](https://www.gov.uk/government/news/government-asks-for-views-on-covid-19-certification?utm_medium=email&utm_campaign=govuk-notifications&utm_source=71c68eff-12b0-447e-adce-33c3be985baf&utm_content=daily)

### **Competition law exclusion orders relating to coronavirus**

Under competition law, the Secretary of State for Business, Energy and Industrial Strategy can make legislation to relax UK competition rules for certain agreements which might normally be considered anti-competitive. This is known as a 'public policy exclusion order'. The Secretary of State has made a number of exclusion orders to enable a rapid and coordinated response to coronavirus (COVID-19).

In order to qualify for the exclusions under the orders, agreements must be notified to the Secretary of State. The orders require the Secretary of State to maintain and publish a register of notified agreements. This page contains links to each exclusion order and the agreements notified to the Secretary of State.

See: [https://www.gov.uk/guidance/competition-law-exclusion-orders-relating-to-coronavirus-covid-19?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=f1051953-746d-4329-b02a-eeff316a0165&utm\\_content=daily](https://www.gov.uk/guidance/competition-law-exclusion-orders-relating-to-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=f1051953-746d-4329-b02a-eeff316a0165&utm_content=daily)

### **Providing apprenticeships during the coronavirus (COVID-19) outbreak**

The Department of education (DoE) has updated its guidance to reflect the extension of the Coronavirus Job Retention Scheme and remove advice relating to pre-March 8 2021.

This guidance is for apprenticeship training providers (providers), employers, end-point assessment organisations (EPAOs) and apprentices. It describes how and when apprentices can safely train and undertake assessment in the workplace, education and assessment settings and the temporary flexibilities which apply during the coronavirus (COVID-19) outbreak.

The DoE aim is to help employers and apprentices start, continue and complete their apprenticeships wherever possible. Some of this guidance can be found on the apprenticeship service help page for employers, providers and assessment organisations, as well as in articles for apprentices.

See: <https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response/providing-apprenticeships-during-the-coronavirus-covid-19-outbreak>

### **One-off £500 payment for working households receiving tax credits**

The coronavirus support scheme for working households receiving tax credits has been updated to clarify that the payment is non-taxable and will not affect benefits. It does not need to be declared as income for Income Tax Self-Assessment or for tax credit claims and renewals. If you want to change your bank details, you must do this by 8 April.

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See: [https://www.gov.uk/guidance/new-one-off-500-payment-for-working-households-receiving-tax-credits?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=e168d072-5143-4595-b609-9c78887aad5f&utm\\_content=daily](https://www.gov.uk/guidance/new-one-off-500-payment-for-working-households-receiving-tax-credits?utm_medium=email&utm_campaign=govuk-notifications&utm_source=e168d072-5143-4595-b609-9c78887aad5f&utm_content=daily)

### **Tell HMRC about an option to tax land and buildings**

The temporary changes on the rules on notifying HMRC of an option to tax land and property during coronavirus (COVID-19) have been extended to 30 June 2021. Use form VAT1614A to tell HMRC of an option to tax land or buildings.

See: [https://www.gov.uk/government/publications/vat-notification-of-an-option-to-tax-land-and-or-buildings-vat1614a?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=6975cbdf-21cc-4563-883a-e61b8dc06cd0&utm\\_content=daily](https://www.gov.uk/government/publications/vat-notification-of-an-option-to-tax-land-and-or-buildings-vat1614a?utm_medium=email&utm_campaign=govuk-notifications&utm_source=6975cbdf-21cc-4563-883a-e61b8dc06cd0&utm_content=daily)

### **Red list travel ban countries**

Countries from which entry to the UK is banned - 'red list' countries has been updated.

Portugal (including Madeira and the Azores) and Mauritius removed from the list Friday 19 March. Ethiopia, Oman, Qatar and Somalia added to the list Friday 19 March.

See: [https://www.gov.uk/guidance/transport-measures-to-protect-the-uk-from-variant-strains-of-covid-19?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=03643097-33ba-4bf4-b1a0-95db793fb22a&utm\\_content=daily](https://www.gov.uk/guidance/transport-measures-to-protect-the-uk-from-variant-strains-of-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=03643097-33ba-4bf4-b1a0-95db793fb22a&utm_content=daily)

### **Jobs that qualify for travel exemptions**

Aviation and maritime crew are exempted from red list country quarantine measures. Portugal (including Madeira and the Azores) is no longer on the red list.

See: [https://www.gov.uk/government/publications/coronavirus-covid-19-travellers-exempt-from-uk-border-rules?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=8ff2d5a5-0e95-4ef4-bdb3-b77e0c49f3d1&utm\\_content=daily](https://www.gov.uk/government/publications/coronavirus-covid-19-travellers-exempt-from-uk-border-rules?utm_medium=email&utm_campaign=govuk-notifications&utm_source=8ff2d5a5-0e95-4ef4-bdb3-b77e0c49f3d1&utm_content=daily)

### **Coronavirus Restart Grant - England**

The Restart Grant scheme supports businesses in reopening safely as COVID-19 restrictions are lifted. Grants will be available from 1 April 2021, but you can submit applications in advance.

Eligible businesses in the non-essential retail, hospitality, accommodation, leisure, personal care and gym sectors may be entitled to a one-off cash grant of up to £6,000 from their local council

Your business may be eligible if it is:

- based in England
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- rate-paying
  - in the non-essential retail, hospitality, accommodation, leisure, personal care or gym sectors
  - trading on 1 April 2021

Local councils will use their discretion to determine whether businesses meet the eligibility criteria for this grant scheme.

Eligible businesses will be paid:

- a one-off grant of up to £6,000 in the non-essential retail sector
- a one-off grant of up to £18,000 in the hospitality, accommodation, leisure, personal care and gym sectors

See: [https://www.gov.uk/guidance/check-if-youre-eligible-for-a-coronavirus-restart-grant?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=010a36f9-4213-4052-90b1-9de86ca87a6c&utm\\_content=daily](https://www.gov.uk/guidance/check-if-youre-eligible-for-a-coronavirus-restart-grant?utm_medium=email&utm_campaign=govuk-notifications&utm_source=010a36f9-4213-4052-90b1-9de86ca87a6c&utm_content=daily)

### **Local transport update: national bus strategy for England published**

The government has published “Bus Back Better: a national bus strategy for England”, which outlines ambitious reform of how bus services are planned and delivered.

The strategy states: “COVID-19 has had a significant impact on buses, as with all transport. It gives urgency to the strategy, but also an opportunity. Dealing with the emergency fostered greater cooperation between bus operators and local authorities, which we can build on. We know that wherever and whenever bus patronage grows, there are bus operators and local government working together to deliver improvements for passengers. We want this for all passengers, and the strategy sets out that we want every local transport authority and bus operator in England to be in a statutory enhanced partnership or a franchising arrangement, using existing powers in the Bus Services Act 2017. We will make £25 million available straight away to develop these.”

The developing partnerships will be asked to produce Bus Service Improvement Plans by the end of October 2021. The government expects the plans to set out a roadmap to better services for passengers and communities, urban and rural, and be fully informed by local needs.

See: [https://www.gov.uk/government/speeches/local-transport-update-national-bus-strategy-for-england-published?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=33f13426-a5bc-47bc-b2ce-748ed9d2ea8b&utm\\_content=daily](https://www.gov.uk/government/speeches/local-transport-update-national-bus-strategy-for-england-published?utm_medium=email&utm_campaign=govuk-notifications&utm_source=33f13426-a5bc-47bc-b2ce-748ed9d2ea8b&utm_content=daily)

### **Working safely during coronavirus – England**

Changes have been made on the guidance about how to make your workplace COVID-secure. Specifically - The visitor economy. There is a shorter format focussing on actions to make your workplace COVID-Secure, as well as updated guidance covering Step 1 of the

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roadmap out of lockdown.

See: [https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=dff0480a-b9f9-4c6f-a7dd-47119fde78f7&utm\\_content=daily](https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=dff0480a-b9f9-4c6f-a7dd-47119fde78f7&utm_content=daily)

### **Local Restrictions Support Grants (LRSG), Additional Restrictions Grant (ARG), Christmas Support Payment (CSP) for wet-led pubs: guidance for local authorities – England.**

This is guidance for local authorities on paying grants to support businesses during national lockdown periods and periods of local restrictions.

The documents may be worth a read if your business is applying for any of the grants noted above.

See: [https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=61fe2765-10e4-4089-9d57-a2e946d00283&utm\\_content=daily](https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities?utm_medium=email&utm_campaign=govuk-notifications&utm_source=61fe2765-10e4-4089-9d57-a2e946d00283&utm_content=daily)

### **Funding announced for light rail and trams in the North and the Midlands - England**

The government has announced additional funding to support tram and light rail operators during the coronavirus pandemic.

A further £33 million of emergency coronavirus (COVID-19) funding has been announced to support light rail and tram operators during the pandemic.

Operators will receive emergency funding of up to £33 million over the next 11 weeks, building on over £160 million in funding that has already been announced by the UK government for light rail and trams during the pandemic – and taking the total support so far to nearly £200 million.

The funding will support operators as they continue to face reduced revenues caused by low passenger numbers. It will ensure these vital services remain viable for the future, as the country prepares to ease lockdown restrictions and people start travelling more frequently.

See: [https://www.gov.uk/government/news/further-33-million-covid-19-support-funding-announced-for-light-rail-and-trams-in-the-north-and-the-midlands?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=9898cec9-d74a-4eaa-a54f-ccd9251cd033&utm\\_content=daily](https://www.gov.uk/government/news/further-33-million-covid-19-support-funding-announced-for-light-rail-and-trams-in-the-north-and-the-midlands?utm_medium=email&utm_campaign=govuk-notifications&utm_source=9898cec9-d74a-4eaa-a54f-ccd9251cd033&utm_content=daily)

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## **Funding boost for construction skills bootcamps - England**

Over half a million pounds awarded to expand work programmes to help more people gain in demand sector-specific skills has been announced.

Two regions will benefit to expand the delivery of the construction skills bootcamps, helping more people to gain vital skills in demand from employers.

The funding will focus on developing test models that can be scaled to other areas.

Skills bootcamps offer free, flexible courses lasting up to 16 weeks covering areas including construction, digital and technical. The courses are open to adults aged 19 and over and provide a chance to learn sector-specific skills and offer a fast-track to an interview with a local employer at the end.

The West Midlands Combined Authority will receive £475,000 to train people for green jobs in the construction industry. While Devon County Council will receive £40,645 to expand their successful brickwork bootcamps to help deliver the skills pipeline needed by employers in the Heart of the South West. Both areas have also been running successful digital skills bootcamps including in software development, cyber security, data analytics and digital healthcare.

Skills bootcamps are currently running in six areas across England, with over 2,700 learners participating so far.

See: [https://www.gov.uk/government/news/funding-boost-for-construction-skills-bootcamps?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=3098d82e-4920-4da5-a2dd-5dcac013d7b6&utm\\_content=daily](https://www.gov.uk/government/news/funding-boost-for-construction-skills-bootcamps?utm_medium=email&utm_campaign=govuk-notifications&utm_source=3098d82e-4920-4da5-a2dd-5dcac013d7b6&utm_content=daily)

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