
Written 5 May, 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.

This week we learnt that more than 34m people have had at least one jab, while 15m have had both doses of the vaccine.



Health services across the UK administered a total of 50,089,549 million vaccines between 8 December 2020 and 2 May 2021, including 34 million people with their first dose and 15 million with their second. Data from Public Health England (PHE)'s real-world study shows the vaccines are already having a significant impact in the UK, reducing hospitalisations and saving more than 10,000 lives in England alone by the end of March. The government says it remains on track to offer a jab to all adults by the end of July and is investing more in covid-variant vaccines. The concern is about future variants that might escape this round of the vaccine. As yet no government decision has been made as to whether booster jabs will be given to everyone over 50.

Restrictions update

The next stage of the relaxation of the restrictions in England is set for 17 May, with cafes, restaurants and pubs able to serve people indoors. Currently in Scotland, pubs and restaurants are already allowed to open indoors until 8pm without alcohol which can only be

served to those seated outside. It is likely venues in Wales will be able to open indoors on 17 May and Northern Ireland hospitality could reopen on 24 May.

A reduction in the time for self-isolation?

The government has recently announced a new study led by Public Health England and NHS Test and Trace will help increase understanding of how effective daily contact testing could be for people who are contacts of positive COVID-19 cases. It is to be used as an alternative to self-isolation.

Daily coronavirus tests will be given to as many as 40,000 people who have been in contact with someone who has tested positive for COVID-19, in a new government-backed study designed to gather evidence on safe alternatives to self-isolation for people who are contacts of positive COVID-19 cases.

If successful, the study could provide evidence to help to reduce the length of time people who are contacts of positive COVID-19 cases need to self-isolate, as parts of the economy and society reopen through the Roadmap. A reduction in the period of self-isolation from 10 days could help prevent individuals having to miss work, while allowing people to continue to safely participate in society.

Latest news on the economy

The Office for National Statistics (ONS) have released their latest indicators for the UK economy and society for April which show the economy slowly returning towards its 2019 levels. The growth in the economy is expected to accelerate from May as restrictions ease. Below are some of the latest results. For the full survey see: [Coronavirus and the latest indicators for the UK economy and society - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/gross-domestic-product/gdp-reports/coronavirus-and-the-latest-indicators-for-the-uk-economy-and-society)

- According to initial results, 9% of currently trading UK businesses had started trading within the last two weeks after a pause in trading, with 83% of businesses now trading (an increase from 77% in the previous period) and a further 4% of businesses intend to restart in the next two weeks.
 - Estimates for UK seated diner reservations on Saturday 24 April 2021 were at 62% of the level seen on the equivalent Saturday of 2019; this is a slight increase of 2 percentage points from the previous week and is expected to continue.
 - In the week to 24 April 2021, overall retail footfall in the UK was at 80% of its level in the equivalent week of 2019; footfall at retail parks continues to outperform that at shopping centres and high streets relative to its level in the same period of 2019.
 - The volume of UK online job adverts was at 103% of its average February 2020 level on 23 April 2021; this is an increase of 4 percentage points from the previous week and the first time it has exceeded its February 2020 average level since 6 March 2020.
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- There were 14,292 company incorporations in the week to 23 April 2021, a 9% decrease on the previous week (15,771) and the lowest volume recorded in 2021 to date, but 21% higher than the equivalent week in 2019 (11,907).

The importance of cash flow planning

As the economy opens up there are many cases where the government support, loans and business rates holiday have kept businesses afloat but there are also significant concerns about their future viability once these end. There have been calls for the business rates holiday to be extended and we will keep you up to date over the next few months if supports change or new help becomes available.

What is important now is to remain safe and game your cash flows for a range of different scenarios for the rest of the year. This will allow you to know where you stand and what (if any) actions are needed so your business can recover and flourish as the economy grows.

Please contact us if you need help, we are here to support you and your business.

Beware Bogus HMRC Phishing Scams

HMRC is aware of a phishing campaign telling customers they can claim for the fourth Self-Employment Income Support Scheme (SEISS) grant as support during the coronavirus pandemic.

Do not reply to the email and do not open any links in the message. The email has been issued in various formats like the one below:

HMRC SEISS Tax Refund Notification

Claims for the SEISS grant have now opened for Application.
The date for submitting application for the Fourth SEISS grant start 22 April 2021.

Please "Sign in to HMRC online services" reference below and follow step 1 and 3 to have your tax refund credit to your bank account, also note you need your Passport and Driving Licence details to submit this application.

[Sign into HMRC online services self assessment.](#)

Note: For Security reason we'll record (IP Address, Time, Date) Delibrate Wrong input or flooding will be criminally pursued.

Best Regards,
HM Revenue and Customs

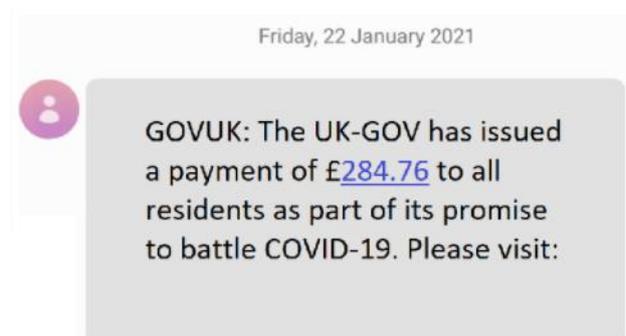
See here for an examples of the scams: [Examples of HMRC related phishing emails, suspicious phone calls and texts - GOV.UK \(www.gov.uk\)](#)

There are also text scams:

'Due to the new lockdown support plan' SMS

HMRC is aware of coronavirus text scams telling customers they are entitled to funding due to the new lockdown support plan. Do not reply to the text and do not open any links in the message.

'COVID-19 refund' SMS



Report suspicious HMRC emails, text messages and phone calls here: [Report suspicious HMRC emails, text messages and phone calls - GOV.UK \(www.gov.uk\)](https://www.gov.uk/report-suspicious-hmrc-emails-text-messages-and-phone-calls)

Research & Development (R&D) Claims - common errors

Following a number of “dodgy” R&D claims which have resulted in companies having their claims for relief refused or restricted, HMRC have issued the following guidance on common errors:

Some of the common errors made in R&D tax relief claims include:

- Project activities outside the scope of R&D for tax purposes are included in the claim.
- Expenditure outside the qualifying categories is claimed
- Staffing costs are claimed in respect of people who are not employees of the company (however, consider whether the expenditure qualifies as expenditure on externally provided workers).
- Claims are made in respect of overheads that do not qualify as consumable items or consumable stores.
- Expenditure is claimed on a particular item for a period before it was in a qualifying category.
- Special rules for connected parties are not applied.
- Companies do not recognise they are not SMEs.

For the SME scheme only:

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- A loss previously surrendered for a payable tax credit is carried forward.
 - Unconnected subcontractor expenses are not restricted to 65%.
 - A payable tax credit claim is made for expenditure that only qualifies under the large company scheme.
 - No account is taken of subsidies or Notified State Aid.

If you need assistance with R&D claims please contact us.

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.

New scheme to give people in problem debt breathing space launched

Hundreds of thousands of people struggling with debt problems will be supported through a new debt respite scheme that was announced 4 May 2021. Around 700,000 people struggling with problem debt to benefit from Breathing Space this year as the scheme will give those facing financial difficulties 60 days to get finances back on track – without debts piling up, worrying letters or enforcement action.

People will also have access to professional debt advice, with stronger protections for people in mental health crisis treatment.

Under the scheme, people will be given legal protections from their creditors for 60 days, with most interest and penalty charges frozen, and enforcement action halted. They will also receive professional debt advice to design a plan which helps to get their finances back on track.

Recognising the link between problem debt and mental health issues, these protections will be available for people in mental health crisis treatment – for the full duration of their crisis treatment plus another 30 days.

People across England and Wales who are struggling to repay their debts could be eligible, and the Government expects 700,000 people to benefit in the first year of the scheme.

See: [New scheme to give people in problem debt breathing space launched - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-scheme-to-give-people-in-problem-debt-breathing-space-launched)

HMRC have issued guidance on the three year carry back of losses

In his Spring Budget the Chancellor announced a temporary 3 year carry back of trading losses for limited companies and unincorporated traders instead of the normal one year carry back. This will potentially allow loss making businesses to obtain a refund of tax paid in those years.

The latest Finance Bill includes the legislation to implement these changes and HMRC have recently issued guidance on how the rules operate.

For unincorporated businesses, the extension applies to a maximum £2,000,000 of unused trading losses made in each of the tax years 2020/21 and 2021/22.

For corporation tax the new rules apply to accounting periods ending between 1 April 2020 and 31 March 2021. The £2,000,000 maximum applies separately to unused trading losses made by companies, after carry-back to the preceding year.

The £2,000,000 cap is subject to a group-level limit, requiring groups with companies that have capacity to carry back losses in excess of £200,000 to apportion the cap between member companies.

See: [Extended Loss Carry Back for Businesses - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/extended-loss-carry-back-for-businesses)

Private providers of coronavirus testing

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

See: [Private providers of coronavirus testing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/private-providers-of-coronavirus-testing)

Help and support if your business is affected by coronavirus (COVID-19)

You can watch videos and register for the free webinars to learn more about the support available to help you deal with the economic impacts of coronavirus here:

[Help and support if your business is affected by coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/help-and-support-if-your-business-is-affected-by-coronavirus-covid-19)

Penalties for overclaimed SEISS grants

Claims for the fourth Self Employed Income Support Scheme (SEISS) can now be made and must be claimed by 1 June 2021. At the same time, HMRC have issued updated details of penalties that may be imposed on those that have previously claimed too much.

If you have overclaimed a SEISS grant and have not repaid it, you need to notify HMRC within the notification period. The notification period ends on the latest of:

- 20 October 2020
- 90 days after you receive the SEISS grant you're not entitled to

HMRC may charge you a penalty if you do not tell them within the notification period that you're chargeable to Income Tax on an overclaimed SEISS grant.

When deciding the amount of any penalty, HMRC take account of whether you knew you were entitled to the SEISS grant:

- when you received it
- when it became repayable or chargeable to tax because your circumstances changed

If you knew you were not entitled to your grant and did not tell HMRC within the notification period, the law treats your failure as deliberate and concealed. This means HMRC can charge a penalty of up to 100% on the amount of the SEISS grant that you were not entitled to receive or keep. The penalty can be mitigated if the taxpayer assists HMRC in establishing the facts.

If you did not know you were not entitled to your grant when you received it, HMRC will only charge you a penalty if you have not repaid the grant by 31 January 2022.

See: [Penalties for not telling HMRC about Self-Employment Income Support Scheme grant overpayments - CC/FS47 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/penalties-for-not-telling-hmrc-about-self-employment-income-support-scheme-grant-overpayments)

Other Coronavirus Support Grants Overclaimed

If you have received a coronavirus support payment that you are not entitled to, you must tell HMRC about this by the end of the notification period. If you do not do this, HMRC call this a 'failure to notify'.

The notification periods are:

Eat Out to Help Out Scheme – 90 days after the date you received the amount you were not entitled to

Coronavirus Job Retention Scheme – 90 days after the date you received the amount you were not entitled to, or after you ceased to be entitled to retain the amount you were paid, which could be because

- of a change in your circumstances
 - you have not used the payment to pay the costs it was intended to reimburse, within a reasonable period of time (for example, to pay your staff)
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As with SEISS grant overclaims, the maximum penalty could be as much as 100% of the amount of grant overclaimed. See HMRC guidance:

See: [Penalties for not telling HMRC about coronavirus \(COVID-19\) support scheme overpayments - CC/FS11a - GOV.UK \(www.gov.uk\)](#)

Business Loan schemes: privacy notice

This notice is for people who have dealings with the Department for Business, Energy and Industrial Strategy (BEIS) in connection with a financial product provided under the COVID-19 loan schemes.

This privacy notice is for anyone who has dealings with the Department for Business, Energy and Industrial Strategy (BEIS) in connection with a financial product provided under the COVID-19 loan schemes. It includes the following schemes delivered by the British Business Bank (BBB):

- Coronavirus Business Interruption Loan Scheme (CBILS)
- Coronavirus Large Business Interruption Loan Scheme (CLBILS)
- Bounce Back Loan Scheme (BBLS)
- Recovery Loan Scheme (RLS)

This notice describes how BEIS collect and use personal information about you in accordance with data protection law, including the General UK Data Protection Regulation (UK GDPR) and the Data Protection Act (DPA) 2018. BEIS is a data controller. This means that they are responsible for deciding how they hold and use personal information about you.

BEIS are required under data protection legislation to notify you of the information contained in this privacy notice. This notice, together with the British Business Bank privacy notice, other BEIS privacy notices and the BEIS Personal Information Charter, explains your rights, and the reasons BEIS are using your information.

See: [COVID-19 loan schemes: privacy notice - GOV.UK \(www.gov.uk\)](#)

Understanding the possession action process: guidance for landlords and tenants

Guidance for landlords and tenants in the private and social rented sectors to explain the possession action process in the county courts in England and Wales has been updated to reflect new processes for landlords to reactivate a possession claim after 30 April.

See: [Understanding the possession action process: guidance for landlords and tenants - GOV.UK \(www.gov.uk\)](#)
