
Written 17 May 2021

BUSINESS NEWS SCOTLAND

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.

More than 20 million UK adults receive both doses of COVID-19 vaccine

More than 36 million people in the UK have been vaccinated with 1 dose and 20 million have received 2 doses. The country's most vulnerable are to be offered their second COVID-19 vaccine earlier, the UK government has announced, as part of plans to tackle rising cases of the B1.617.2 variant of concern first identified in India.

Appointments for a second dose of a vaccine will be brought forward from 12 to 8 weeks for the remaining people in the top 9 priority groups who have yet to receive their second dose. This is to ensure people across the UK have the strongest possible protection from the virus at an earlier opportunity.

New [analysis shows for the first time](#) that individuals who receive a single dose of the AstraZeneca vaccine have approximately 80% lower risk of death with COVID-19 compared with unvaccinated individuals.



The report also shows protection against death from the Pfizer-BioNTech vaccine rises from approximately 80% after one dose to 97% after 2 doses.

Separate [new PHE analysis](#) also confirms the Pfizer-BioNTech vaccine is highly effective in reducing the risk of hospitalisation, especially in older ages.

Easing of lockdown restrictions continues

Most of mainland Scotland, except Glasgow and Moray, is moving to level 2 restrictions. This means that from today people can meet socially in groups of up to:

- 6 people from 3 households in your home or theirs – and can stay overnight
- 6 people from 3 households in an indoor public place like a café, pub or restaurant
- 8 people from 8 households outdoors
- under 12s do not count towards the total number of people or households meeting outside but do count towards household numbers indoors
- you do not need to physically distance from family and friends in a private home
- you can travel anywhere in Scotland in Levels 0, 1 or 2 but must not enter a Level 3 or 4 area unless for a permitted reason
- you can travel to England, Wales, Northern Ireland, the Isle of Man or the Channel Islands - before you travel you must check the travel rules in those countries
- you can provide informal childcare, for example to look after a grandchild
- up to 50 people can attend weddings and funerals
- tradespeople can carry out any work in your home such as painting, decorating or repairing
- you should work from home where possible

What can open at Level 2

Places and business that can open at Level 2 include:

- cafés, pubs and restaurants
- all shops and stores
- all close contact services including hairdressers, barbers and beauty salons
- gyms, leisure centres and swimming pools
- tourist accommodation
- visitor attractions
- public buildings like libraries and community centres
- cinemas, theatres, concert halls, amusement arcades, casinos, bingo halls, bowling alleys and snooker/pool halls
- stadiums and events – with maximum numbers

What must close at Level 2

Places and business that must close at Level 2 include:

- soft play, funfairs, nightclubs and adult entertainment

This is not a full list. You can get more information in the link below.

See: [Coronavirus \(COVID-19\) protection levels: what you can do - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/12/Coronavirus_COVID-19_protection_levels_what_you_can_do.pdf)

ONS confirms economy growing

The Office for National Statistics (ONS) have published their latest figures on the economy showing that:

- Monthly gross domestic product (GDP) grew by 2.1% in March 2021, but remained 5.9% below its level in February 2020, which was the most recent month not affected by the coronavirus (COVID-19) pandemic.
- The rise in GDP was led by a month-on-month rise of 1.9% in services in March 2021, but this sector remained 7.2% below its February 2020 level; the monthly rise in services was led by the education sector (contributing 0.54 percentage points of the growth).
- Monthly production grew by 1.8% between February 2021 and March 2021 but remained 1.8% below its February 2020 level; the monthly rise in production was led by manufacturing (contributing 1.51 percentage points of the growth).
- Monthly manufacturing grew by 2.1% between February 2021 and March 2021 but remained 2.2% below its February 2020 level; the monthly rise was led by manufacturing of machinery and equipment not elsewhere classified.
- Monthly construction grew by 5.8% between February 2021 and March 2021, meaning it was 2.4% above its February 2020 level.

We expect these positive figures to continue as we go through the summer, lock down restrictions are eased and if you need any help in planning for growth with your business and the incentives and finance available please call us.

HMRC urge businesses to carry out due diligence into their labour supply chain

HMRC is warning organisations about the use of mini umbrella companies in the labour supply chain and the need to carry out due diligence to protect the organisation from financial and reputational damage.

Without a careful review of their labour supply chain the end user could find themselves liable for tax, national insurance and VAT avoided by entities inserted in the labour supply chain between them as end user and the workers engaged via the umbrella structure. This was highlighted in a recent BBC programme which identified 48,000 umbrella companies set up to exploit the £4,000 employment allowance. These companies were set up to supply workers to the NHS Covid testing programme outsourced to G4S. Similar arrangements continue to be marketed to allegedly sidestep the new “off-payroll” working rules.

If you use agency or temporary workers or are an agency providing workers, you or one of the other parties in the labour supply chain may need to operate PAYE on the workers’ earnings – you should check who needs to do this. HMRC have provided the following advice on due diligence procedures:

See: [Advice on applying supply chain due diligence principles to assure your labour supply chains - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/advice-on-applying-supply-chain-due-diligence-principles-to-assure-your-labour-supply-chains)

What are the risks?

HMRC can ask you to account for unpaid tax and National Insurance contributions. For example, if an offshore agency supplies you with workers and they do not account for tax and National Insurance contributions payable through the PAYE system, then you may have to.

To increase compliance with the off-payroll working rules in the private and voluntary sectors, organisations receiving an individual's services (where the individual works through their own intermediary, most commonly their own limited company) are now responsible for assessing that individual's employment status and determining whether the rules apply from April 2021. This reform already applies in the public sector where an individual works through their own intermediary.

The off-payroll working reform from April 2021 will also provide HMRC with the power to recover unpaid tax and National Insurance contributions from you, or the agency you contract with in some circumstances – if for example a UK-based agency lower down in your labour supply chain fails to account for tax and National Insurance contributions payable through the PAYE system under the off-payroll working rules and there is no realistic prospect of recovering the tax and National Insurance contributions from them. This change will apply to the public, private and voluntary sectors.

See: [10 things about due diligence: supply chain assurance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/10-things-about-due-diligence-supply-chain-assurance)

Employers' NICs Relief for employees working in Freeport tax areas

The government have announced a new zero rate of secondary Class 1 National Insurance contributions (NICs) for eligible employers on the earnings of eligible employees working in a Freeport tax site.



In Great Britain (England, Scotland and Wales), this measure will provide those employers with physical premises in a Freeport tax site (Freeport employers) with a zero rate of secondary Class 1 National Insurance contributions on the earnings of new employees who spend 60% or more of their working time within Freeport tax site. This rate can be applied on the earnings of all new hires up to £25,000 per annum from 6 April 2022 for 36 months per employee. Legislation to introduce the relief is included in the National Insurance Contributions Bill 2021.

See: [Zero-rate of secondary NICs for Freeport employees - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/zero-rate-of-secondary-nics-for-freeport-employees)

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.

Coronavirus and changing young people's labour market outcomes in the UK: March 2021

The Office for National Statistics (ONS) have performed an analysis of labour market outcomes for young people (aged 16 to 24 years), how the young people were impacted by the coronavirus (COVID-19) pandemic.

Their findings are unsurprising in many ways and optimistic for the future employment prospects of the younger workforce. The main points are:

- Young people's employment rate saw a large decline in 2020 compared with 2019, while their unemployment and economic inactivity rates increased.
- After an initial fall in young people in full-time education in the first few months of the pandemic, the proportion of young people in full-time education increased in the second half of 2020, reaching a new high of 46.8% in Quarter 3 (July to Sept) 2020.
- The number of young people employed in the accommodation and food services industry who moved to unemployment or economic inactivity increased by more than 50% in Quarter 2 (April to June) 2020 compared with Quarter 2 2019.
- Young people who worked part-time moved from employment to economic inactivity at a faster rate than they moved to unemployment in 2020.
- Young people's labour mobility (job-to-job moves) declined more during the pandemic than for older age groups.

See: [Coronavirus and changing young people's labour market outcomes in the UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/news-and-analysis/news-releases/2021/03/coronavirus-and-changing-young-people-s-labour-market-outcomes-in-the-uk)

Self-Employment Income Support Scheme (SEISS) - Help and support if your business is affected by coronavirus

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. A catch up webinar for the SEISS – fourth grant has been added. This webinar takes you through the aim of the scheme, who can apply, how much you may be entitled to, how to claim the fourth grant, and what happens after you have claimed.

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

Help to Grow your business

The government's new Help to Grow programme is now open for registrations and will launch in June. The programme will help small and medium sized businesses across the UK learn new skills, reach new customers and improve profits.

The Help to Grow Management scheme offers small businesses a 12 week programme delivered by leading business schools across the UK, accredited by the Small Business Charter. The programme will combine a practical curriculum, with 1:1 support from a business mentor, peer-learning sessions and an alumni network. Designed to be manageable alongside full-time work, this programme will support small business leaders to develop their strategic skills with key modules covering financial management, innovation and digital adoption. By the end of the programme participants will develop a tailored business growth plan to lead their business to its full potential.

30,000 places will be available over 3 years. The programme is 90% subsidised by government – participants will be charged £750.

Who is it for?

UK businesses from any sector that have been operating for more than 1 year, with between 5 to 249 employees are eligible. The participant should be a decision maker or member of the senior management team within the business e.g. Chief Executive, Finance Director etc. Charities are not eligible.

Register your interest here: [Help to Grow - Management - Small Business Charter](#)

The Help to Grow Digital Scheme will enable small businesses to get free impartial advice on how technology can boost their performance through a new online platform. The scheme starts this Autumn.

Eligible businesses will also be able to get a discount of up to 50% on the costs of approved software, worth up to £5,000. Vouchers are initially expected to be available for software that helps businesses:

- build customer relationships and increase sales
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- make the most of selling online
 - manage their accounts and finances digitally

Who is it for?

All businesses will be able to benefit from free online advice on the platform.

The voucher is expected to be available to UK business that:

- employ between 5 and 249 employees and are registered at Companies House
- have been trading for more than 12 months
- are purchasing the discounted software for the first time

Full details on the businesses and software eligible for the voucher will be published this summer.

Register your interest here: [Company registration number - Help to Grow: Digital - GOV.UK \(register-help-to-grow-scheme.service.gov.uk\)](https://www.service.gov.uk/register-help-to-grow-scheme)

This may be useful to help businesses preparing for Making Tax Digital (MTD) for income tax self-assessment and MTD for corporation tax. Please contact us if you would like to discuss digital accounting.

New 'We Offer Testing to our Staff' scheme launched

A new sticker scheme will allow businesses to easily show they are testing their staff regularly has been launched.

A new scheme for businesses offering workplace testing for staff through NHS Test and Trace has been launched across the UK. It will show customers, employees and the wider public the businesses that are going the extra mile to keep their staff and the public safe.

In addition to workplace testing, business owners and staff should all follow essential behaviours such as 'Hands, Face, Space, Fresh Air' and, where applicable, checking customers and visitors in using the [NHS COVID-19 app](#).

Businesses that offer rapid workplace testing to staff, either through on-site testing or workplace test collection, will be able to download posters and stickers to demonstrate their offer for free, regular testing to their employees keeping people safe.

More than 122,000 businesses have signed up for free workplace testing already, using free government-supplied rapid test kits from NHS Test and Trace. All organisations that registered before 12 April and self-declared their involvement are eligible for the scheme.

Participating firms will be able to access digital assets including stickers and posters from Tuesday 11 May and can be accessed by participating firms online via the online ordering platform.

The aim is by prominently displaying the stickers on their websites or on their premises, alongside existing materials which promote checking customers and visitors in, businesses will be able to demonstrate to their customers that the health of staff, customers and their local communities is a key priority.

See: [New 'We Offer Testing to our Staff' scheme launched - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Guidance for the tourism and hospitality sectors

Areas in level 2 venues including cinemas, theatres, concert halls, music venues, comedy clubs, amusement arcades, casinos, snooker halls and bingo halls will be able to reopen.

- Outdoor premises: alcohol permitted – local licensing laws apply (maximum of 8 people from 8 households can meet in outdoor premises)
- Indoor premises: alcohol permitted in 2-hour time slots - must close 10:30pm (maximum of 6 people from 3 households can meet in indoor premises)

See: [Coronavirus guidance for the tourism and hospitality sectors \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Guidance for the events sector

Each area in Scotland has been assigned a local protection level. [Check your local protection level](#) to see what is currently permitted in your area.

For the events sector, the following rules apply:

- most events not permitted or closed to spectators
- drive-in or drive-thru events are permitted
- live events premises closed, including theatres, music venues, conference centres, and sports stadia
- stadia closed to spectators

See: [Coronavirus guidance for the events sector \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Guidance for sport and leisure facilities

The guidance is primarily intended for owners and operators of sports facilities, but it can be adapted to support other sports, clubs and community organisations. It is applicable to indoor and outdoor sport and can be either used in whole or in part depending on individual circumstances.

Levels 1 and 2 guidance:

What's allowed:

- all organised outdoor sports, personal training and coaching
- organised indoor exercise (such as exercise classes and non-contact sports)
- all organised sports and activities for under 18s

What's **not** allowed:

- indoor contact sports, except for professional sport

See: [Coronavirus guidance for sport and leisure facilities \(findbusinesssupport.gov.scot\)](https://www.findbusinesssupport.gov.scot/coronavirus-guidance-for-sport-and-leisure-facilities)
