
Written 24 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.

New Scottish Cabinet

Last week, we saw First Minister Nicola Sturgeon complete appointments to her new ministerial team. Consisting of 10 Cabinet Secretaries, including the First Minister, the Scottish Cabinet will be supported by 15 Junior Ministers. See: [New Scottish Cabinet - gov.scot \(www.gov.scot\)](https://www.gov.scot)

COVID-19 vaccination status scheme launches

These new measures will provide confirmation of vaccination when required for foreign travel. The service will allow people travelling abroad to access their record of vaccination status themselves. A vaccination status letter can be downloaded from the NHS Inform patient portal or - for those not online - requested in the post via a Freephone Covid Status Helpline.

While there are no countries currently requiring vaccination status to travel, international travel restrictions can change quickly requiring such measures to be in place.

As Scotland's vaccination programme progresses, vaccination status will be replaced by digital Covid Status Certificates, which will include vaccination and testing data to be used for outbound international travel.

See: [COVID-19 vaccination status scheme launches - gov.scot \(www.gov.scot\)](https://www.gov.scot)

UK economy latest



A roundup of the latest data and analysis on the UK economy, business and jobs following Brexit and during the coronavirus (COVID-19) pandemic has been published by the Office for National Statistics (ONS). Key highlights detailed in the report show:

- March 2021 saw UK house price growth at its highest level since August 2007. [The UK's average house price](#) now stands at a record level of £256,000. It has increased by 10.2% in the year to March 2021, up from 9.2% in the year to February 2021.
- Inflation returned to its pre-pandemic level. [Consumer prices rose by 1.6% in the 12 months to April 2021](#), according to the lead measure of the Consumer Prices Index including owner occupiers' housing costs (CPIH). This is up from 1.0% to March and the first time since July 2020 that inflation has been over 1%.
- There is a decrease in the unemployment rate, while the employment rate increased. Early estimates for April 2021 indicate that there were 28.3 million payrolled employees in the UK, a fall of 0.9% compared with the same period of the previous year and a decline of 257,000 people over the 12-month period. The number of payroll employees has increased for the fifth consecutive month but remains 772,000 below pre-coronavirus (COVID-19) pandemic levels.
- Output per hour, a measure of labour productivity, grew by 1.0% in Quarter 1 (Jan to Mar) 2021 compared with the same quarter in 2020, and grew by 0.8% compared with the previous quarter, Quarter 4 (Oct to Dec) 2020. The quarterly and annual increases are the result of total hours worked in the economy declining by more than gross value added (GVA), likely due to the lockdown restrictions in force across the UK during much of this period.

See: [UK economy latest - Office for National Statistics \(ons.gov.uk\)](#)

The ONS Economic activity real-time indicators: 20 May 2021 show that:

- In the week to Monday 17 May 2021, the seven-day average estimate of UK seated diners was at 73% of its level in the equivalent week of 2019, a 13 percentage point increase from the previous week; this was in part driven by a notable rise to UK seated diners on Monday 17 May 2021, the day on which indoor dining started to reopen across the UK
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- The proportion of businesses currently trading has remained stable, at 83% from mid-April to mid-May 2021, and a further 5% of businesses intend to restart trading in the next two weeks
 - The volume of online job adverts on 14 May 2021 had increased across all categories when compared with 7 May 2021 and was at 114% of its February 2020 average level
 - In the week to 15 May 2021, UK retail footfall was at 72% of its level in the equivalent week of 2019; this remains much stronger than the levels seen earlier in the year (before restrictions eased), but is still considerably lower than that seen before the coronavirus (COVID-19)

See: [Economic activity and social change in the UK, real-time indicators - Office for National Statistics \(ons.gov.uk\)](#)

All things considered the news is positive and the economy is bouncing back from lockdown. If your business needs help with planning forward and government supports please contact us we are here to help.

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.

Submit your Coronavirus Job Retention Scheme (CJRS) claims for May

CJRS claims for periods in May can be submitted now and must be made by Monday 14 June.

You can claim before, during or after you process your payroll. It is best to make a claim once you are sure of the exact number of hours your employees will work so you do not have to amend your claim later.

Check if you and your employees are eligible and work out how much you can claim by contacting us and we will be delighted to help you.

Conditions of claiming CJRS grants

You must pay the associated employee tax and National Insurance contributions to HMRC. This is a condition of applying for the grant, so not doing so will mean you will need to repay the whole of the CJRS grant and you may not be able to claim for future CJRS grants.

What you need to do now

1. If you have not submitted your claim for April but believe that you have a reasonable excuse for missing the 14 May deadline, check if you can make a late claim here: [Get help with the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
2. Submit any claims for May no later than Monday 14 June.
3. Keep records that support the amount of CJRS grants you claim, in case HMRC needs to check them.
4. Make sure you are paying employee tax and National Insurance contributions to HMRC and contact them if you are struggling to pay.

See: [Action required – submit your May claims for the Coronavirus Job Retention Scheme \(govdelivery.com\)](https://govdelivery.com)

Changes to the CJRS from July

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

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 pay the 10% difference in July (20% in August and September) so that you 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.

For the hours not worked you can continue to choose to top up your employees' wages above the 80% level or cap for each month, at your own expense.

See HMRC Covid-19 support here: [Action required – submit your May claims for the Coronavirus Job Retention Scheme \(govdelivery.com\)](https://govdelivery.com)

Tell HMRC and pay back a Self-Employment Income Support Scheme grant

Find out what to do if you need to pay back some or all of a SEISS grant.

You must tell HMRC if, when you made the claim, you were not eligible for the grant. For example:

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- for the first or second grant, your business was not adversely affected
 - for the third or fourth grant, your business had not [been impacted by reduced activity, capacity or demand](#) or inability to trade in the relevant periods
 - you did not intend to continue to trade
 - you have incorporated your business

You must also tell HMRC if you:

- received more than they said you were entitled to
- amended any of your tax returns on or after 3 March 2021 in a way which means you are no longer eligible or are entitled to a lower fourth grant than you received.

See: [Tell HMRC and pay back a Self-Employment Income Support Scheme grant - GOV.UK \(www.gov.uk\)](#)

Penalties for not telling HMRC about coronavirus (COVID-19) support scheme overpayments - CC/FS11a

If you have received a grant but were not eligible or you have been overpaid, find out about penalties you may have to pay if you do not tell HRMC.

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

VAT deferral monthly payment scheme closing soon

The VAT deferral new payment scheme is open for all businesses that deferred VAT due between 20 March 2020 and 30 June 2020 and were unable to pay in full by 31 March 2021.

Businesses can spread these payments over several months – businesses that join by 21 June 2021 will still be able to benefit from up to 8 monthly instalments.

Businesses can join the easy-to-use scheme quickly and simply without needing to call HMRC.

Before joining, businesses must:

- have their VAT registration number
 - create their own Government Gateway account (if they do not already have one)
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- submit any outstanding VAT returns from the last 4 years – otherwise they will not be able to join the scheme
 - correct errors on their VAT returns as soon as possible
 - make sure they know how much is owed, including the amount originally deferred and how much they may have already paid

Businesses may be charged a 5% penalty and interest if they do not either pay in full, sign up to the scheme online by 21 June 2021, or get in touch with HMRC to make an arrangement to pay by 30 June 2021.

For more information see: [VAT Deferral New Payment Scheme - online service opens - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/vat-deferral-new-payment-scheme-online-service-opens)

Claiming tax relief for working from home

Your employees may be able to claim tax relief for additional household costs if they have to work at home on a regular basis, either for all or part of the week. Additional costs include heating, metered water bills or business calls that have been incurred wholly, exclusively and necessarily as a direct result of working from home. They don't include costs that would stay the same whether employees are working at home or in an office.

Your employees can apply using the HMRC online service, which is now open for claims covering periods up to 5 April 2022.

Employees who have to complete a Self-Assessment tax return will need to claim working from home expenses through the employment income pages of their tax return instead of the digital service.

See: [Claim tax relief for your job expenses: Working from home - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/claim-tax-relief-for-your-job-expenses-working-from-home)

Statutory Sick Pay Rebate scheme

The UK Government's Statutory Sick Pay Rebate scheme continues to provide financial support to small and medium-sized employers.

Employers with fewer than 250 employees who have paid Statutory Sick Pay (SSP) to employees for coronavirus-related sickness absence, could be eligible for support. Agents can also make claims on their clients' behalf.

The repayment will cover up to 2 weeks of the applicable rate of SSP.

For more guidance and information on [eligibility and how to make a claim](#) see: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](#)
