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## **BUSINESS NEWS ENGLAND**

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!

### **Covid-19 update**

The latest data from the ONS shows that 8 in 10 adults have the COVID-19 antibodies helping their bodies fight the disease and for people over 50 that figure rises to over 9 in 10. Last week we saw further government announcements regarding the easing of lockdown restrictions, and they announced that from 16 August, fully vaccinated individuals and under 18s will no longer need to self-isolate if they are identified as a close contact of someone with Covid-19 or returning from an amber listed country.

Today the government will make its final decision on moving to step 4 in England on the 19 July.

### **The Economy**

Monthly gross domestic product (GDP) grew by 0.8% between April and May 2021 but remained 3.1% below its level in February 2020, which was the most recent month not affected by the Pandemic. The rise in GDP was led by a month-on-month rise of 0.9% in services, although this sector remained 3.4% below its February 2020 level.



The accommodation and food service activities sector contributed 0.87 percentage points to the month-on-month growth in services, with output growing by 37.1% from April; this was driven by growth in food and beverage service activities, which grew by 34.0%, as coronavirus restrictions were eased.

Monthly production grew by 0.8% between April and May 2021 leaving it 2.6% below its February 2020 level; the monthly growth was led by the electricity, gas, steam and air

conditioning supply sector, as cold weather and low wind speeds contributed to high demand for gas production in May.

Monthly construction declined by 0.8% between April and May 2021 leaving it 0.3% above its February 2020 level.

Overall it seems the UK is now starting to “bounce-back” and as restrictions ease further we expect this growth to continue.

### **More details on New Company Loss Carry Back Rules**

HMRC have updated their guidance on claiming relief for company trading losses to take account of the extended carry back announced in the Spring Budget and now legislated in the Finance Act 2021. The guidance sets out the details required by HMRC where a company is making a claim for loss relief in advance of submitting its CT600 corporation tax return, where the loss is no more than £200,000.

#### Temporary extension to carry back of trade losses

In the Budget 2021, the Chancellor announced a temporary extension to the carry back of trading losses from one year to 3 years, for losses up to £2,000,000 for accounting periods ending between 1 April 2020 and 31 March 2022. Losses must be set against profits of most recent years first before carry back to earlier years.

There is no change to the current one-year unlimited carry back of trade losses, however, for the extended relief, the amount of loss that can be carried back to the earlier 2 years of the extended period is capped for each of those 2 years. This is a cap of £2,000,000 of losses for all relevant accounting periods ending in the period 1 April 2020 to 31 March 2021 (financial year 2020).

Groups will be subject to a group cap of £2,000,000 for each relevant period.

Extended loss carry back claims will need to be made in a return, however, claims below a de minimis limit of £200,000 may be made outside a return. This means that any stand-alone or group company with losses capable of providing relief up to a maximum of £200,000 may make a claim in respect of a relevant accounting period without having to wait to submit its company tax return.

#### Make a de minimis claim

If you want to make a de minimis claim outside the company tax return, you can [send a claim submission to HMRC](#).

You will need to give relevant information such as:

- UTR
- company name
- agent code (if applicable)
- start and end dates of loss making accounting period

- amount of loss
- dates of accounting periods to carry the loss back to and the relevant amounts
- management accounts as a PDF if a tax return has not been completed for the loss-making accounting period

More information about the changes can be found in the [Extended Loss Carry Back for Businesses](#).

See: [Work out and claim relief from Corporation Tax trading losses - GOV.UK \(www.gov.uk\)](#)

## **UK Transition – Keep your business moving**

New rules apply to things like travel and doing business with Europe. Use the Brexit checker to get a personalised list of actions for you, your business and your family.

Check what you need to do differently if you are:

- [importing goods from the EU](#)
- [exporting goods to the EU](#)
- [moving goods to or from Northern Ireland](#)
- [providing services to EU countries](#)
- [travelling to the EU](#)

See: [What nationality are you? - How to get ready for new rules in 2021 - GOV.UK \(www.gov.uk\)](#)

## **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.

### **HMRC publish details of the Fifth SEISS grant claim**

Full details of the fifth Self-Employed Income Support Scheme (SEISS) grant, including a new turnover test which determines the level of the grant, were published by HMRC on 6<sup>th</sup> July.

Unlike the CJRS Furlough Grants to support employees' wages, Tax Agents are not allowed to make SEISS grant claims on their client's behalf. This seems unreasonable as most self-employed traders will find the HMRC guidance inexplicable and will need their accountant/tax agent's assistance in determining how much they are entitled to!

Although the eligibility for the fifth grant is the same as the fourth grant, the amount of the fifth grant will be determined by how much the turnover of the business(es) have reduced compared to the turnover in the reference year.

See: [Check if you can claim a grant through the Self-Employment Income Support Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/check-if-you-can-claim-a-grant-through-the-self-employment-income-support-scheme)

The fifth grant is 80% of three months' average trading profits capped at £7,500 for those whose turnover has reduced by 30% or more. Those with a turnover reduction of less than 30% will receive a grant based on 30% of three months' average trading profits, capped at £2,850.

We have been waiting for the precise rules for determining turnover, but HMRC guidance provides more questions than answers and further clarification is still required.

See: [Work out your turnover so you can claim the fifth SEISS grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/work-out-your-turnover-so-you-can-claim-the-fifth-seiss-grant)

The turnover figure required is for a 12-month period starting on any date between 1 and 6 April 2020. Those who prepare accounts on a tax year basis will be able to use the same figure that will appear on the 2020/21 tax return.

That turnover figure is then compared to the turnover in the "reference period" which for most individuals will be the turnover figure from their 2019/20 tax return and there is an option to use 2018/19 if 2019/20 was not a normal year for the business.

The turnover figure will be the sum of all of the taxpayer's businesses but should exclude coronavirus support payments (for example previous SEISS grants, eat out to help out payments and local authority grants).

The rules for partners seem particularly illogical, especially where they are also involved in another business. We will keep you updated if and when further clarification is published.

Please contact us if you need help with making the claim.

### **Income Tax and National Insurance contributions exemption for employer-provided coronavirus antigen tests**

This tax information and impact note is about a temporary exemption from Income Tax benefit in kind charge for employees who get a coronavirus antigen test from their employer.

Information about the extension to the Income Tax and National Insurance contributions exemption for coronavirus antigen tests has been added. The extension means that the exemptions and disregards will apply to any coronavirus antigen test provided by an employer, for the tax year 2020 to 2021 and 2021 to 2022. They will also apply to any reimbursement to an employee for a coronavirus antigen test for the tax years 2020 to 2021 and 2021 to 2022.

See: [Income Tax and National Insurance contributions exemption for employer-provided coronavirus antigen tests - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/income-tax-and-national-insurance-contributions-exemption-for-employer-provided-coronavirus-antigen-tests)

### **Private providers of coronavirus (COVID-19) testing**

The lists of and information about private providers who have self-declared that they meet the government's minimum standards for the type of commercial COVID-19 testing service they offer has been updated.

See: [Private providers of coronavirus \(COVID-19\) testing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/private-providers-of-coronavirus-testing)

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

Guidance has been updated to reflect the change in the return to the workplace which will apply to apprentices as part of Step 4 of the roadmap; updated links and references to the redundancy support service for apprentices; updated to reflect ending of flexibility permitting end-point assessment prior to functional skills qualification achievement; and updated to reflect an extension of the temporary policy on suspending the requirement for Level 2 apprentices to attempt Level 2 functional skills assessment.

See: [Providing apprenticeships during the coronavirus \(COVID-19\) pandemic - GOV.UK \(www.gov.uk\)](https://www.gov.uk/providing-apprenticeships-during-the-coronavirus-pandemic)

### **COVID Local Support Grant extension 21 June to 30 September 2021: guidance for local councils**

The COVID Local Support Grant (CLSG), previously the COVID Winter Grant Scheme (CWGS), is a temporary scheme set up by the Department for Work and Pensions (DWP). It funds county councils and unitary authorities (including metropolitan councils and London boroughs) to provide direct assistance to support families with children, other vulnerable households and individuals most in need.

The grant enables local authorities across England to support those who are struggling with the cost of food, energy and water bills and other associated costs as a result of the COVID-19 pandemic. There is updated information for local councils on the COVID Local Support Grant funding extension from 21 June to 30 September 2021.

See: [COVID Local Support Grant extension 21 June to 30 September 2021: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/covid-local-support-grant-extension-21-june-to-30-september-2021)

### **Bus service support grant**

The COVID-19 bus service support grant (CBSSG Restart) is now closed to new applicants.

See: [Apply for the COVID-19 bus service support grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/apply-for-the-covid-19-bus-service-support-grant)

## **Checks to make sure you are following quarantine rules after international travel**

NHS Test and Trace carry out checks by phone and in person on people who have a legal duty to quarantine at home after travelling abroad.

There is added information on how contact tracers from NHS Test and Trace will contact you to check you are following quarantine rules. Previously this information was published on GOV.UK as part of 'Quarantine and testing if you've been in an amber list country'.

See: [Checks to make sure you're following quarantine rules after international travel - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/checks-to-make-sure-youre-following-quarantine-rules-after-international-travel)

## **International travel from amber list countries and territories**

The guidance on travel to and from amber list countries to England will change 19 July 2021.

From 19 July, UK residents who are fully vaccinated through the UK vaccine rollout will no longer have to self-isolate when they return to England. They will still be required to take a test 3 days before returning, the [pre-departure test](#), demonstrating they are negative before they travel and a [PCR](#) test on or before day 2, but they will no longer be required to take a day 8 test.

In essence this means that for fully vaccinated travellers the requirements for green and amber list countries are the same. A full vaccination means 14 days have passed since THE final dose of the vaccine.

See: [Quarantine-free travel to resume on 19 July for fully vaccinated passengers returning from amber list countries - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/quarantine-free-travel-to-resume-on-19-july-for-fully-vaccinated-passengers-returning-from-amber-list-countries)

## **How to do a coronavirus (COVID-19) rapid lateral flow test at home**

Find out how to do a COVID-19 rapid lateral flow test at home for yourself (or a child) and report the results. Rapid tests are only for people who do not have symptoms of COVID-19.

See: [How to do a coronavirus \(COVID-19\) rapid lateral flow test at home - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/how-to-do-a-coronavirus-covid-19-rapid-lateral-flow-test-at-home)

## **Red, amber and green list rules for entering England**

Countries rated as red, amber or green for Coronavirus (COVID-19) and the rules you must follow to enter England.

- See: [Red, amber and green list rules for entering England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/red-amber-and-green-list-rules-for-entering-england)