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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!

Covid-19 update

Every mainland health board continues to offer daily drop-in clinics where people can attend for their first dose or – if eight weeks have passed - their second dose. Anyone who would prefer a scheduled appointment can continue to self-register with NHS Inform if for any reason they have not yet had their first inoculation.

The Economy

A 10 year National Strategy to drive Scotland's economic transformation as the country recovers from the Coronavirus (COVID-19) pandemic and transitions to a net zero economy has been announced. Working to unleash entrepreneurial potential and grow Scotland's competitive business base, this strategy will prioritise investment in the industries of the future and deliver new, good and green jobs.



Business leaders, academics and economists have been appointed to a new Advisory Council to help shape this strategy, which is expected to publish late autumn. Drawing on their extensive experience and contacts, members will use their insight to bring forward bold ideas that will transform the economy. People across Scotland are also being encouraged to share their views on how the country can work together to deliver greater, greener and fairer prosperity. See: [Delivering economic transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/delivering-economic-transformation/pages/introduction.aspx)

The UK 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.

Brexit 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're:

- [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 \(www.gov.uk\)](#)

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 \(www.gov.uk\)](#)

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 6th 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)

Finding the future of tourism and hospitality

A campaign has launched encouraging people to choose a career in Scotland's valued tourism and hospitality industry.

The advertising campaign launched Monday 5 July, will promote the range of roles within the industry and help people find a job that suits different skill sets. It will support businesses fill staff shortages that have occurred as a result of Brexit and encourage those aged 18-30 to play their part in helping businesses recover from the Coronavirus (COVID-19) pandemic by applying their skills to the diverse job opportunities available now.

The campaign has been developed in conjunction with the sector, and lead partner, the Scottish Tourism Alliance, and is supported by £100,000 funding.

See: [Finding the future of tourism and hospitality - gov.scot \(www.gov.scot\)](https://www.gov.scot/government/campaigns/finding-the-future-of-tourism-and-hospitality)

Funding to restore nature and tackle biodiversity loss

Projects that restore nature, safeguard wildlife and tackle the causes of biodiversity loss and climate change, will get a share of £10 million through a new Scottish Government fund.

The Nature Restoration Fund will support a mix of urban and rural-focused projects, such as improving greenspace for outdoor learning, green active travel routes, planting of wildlife corridors and natural flood management.

Half of the funding will go to local authorities to develop new or existing projects which help address the twin crises of biodiversity loss and climate change, but which also aim to promote the health and wellbeing of local communities and reduce inequalities.

The remaining £5 million will include a small project competitive fund of £1 million to be distributed by NatureScot, and the balance will go directly to established nature restoration projects across Scotland, including native-tree planting, nature restoration in rivers, lochs and coasts, and improving and connecting habitats.

See: [Funding to restore nature and tackle biodiversity loss - gov.scot \(www.gov.scot\)](https://www.gov.scot/government/funding-to-restore-nature-and-tackle-biodiversity-loss)