

Written 20 September 2021

BUSINESS NEWS ENGLAND

Welcome to our round up of the latest business 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!

UK Autumn and Winter Covid Plan

Last week the Prime Minister set out the government's plan to manage Covid throughout autumn and winter and the government will aim to sustain this progress through building defences through pharmaceutical interventions, identifying and isolating positive cases to limit transmission, supporting the NHS and social care, advising people on how to protect themselves and others and pursuing an international approach.

Vaccines will continue to be the first line of defence. All those who were vaccinated during Phase 1 of the vaccine programme (priority groups 1 to 9) will be offered booster jabs from this month – to boost immunity amongst the most vulnerable groups during winter.



The Test, Trace and Isolate programme will continue with symptomatic PCR testing continuing throughout the autumn and winter.

Lateral flow tests will also remain free of charge but at a later stage, as the response to the virus changes, this will end, and individuals and businesses will be expected to bear the cost.

The legal obligation to self-isolate for those who have tested positive, and their unvaccinated contacts will continue, and the financial support payment for those self-isolating on certain benefits will continue in its current format until the end of March.

The coming few months could pose renewed challenges and it is difficult to predict the path of the virus so there will be a range of 'Plan B' measures kept under review to help control transmission of the virus while minimising economic and social damage.

Plan B would include:

- Introducing mandatory vaccine only Covid status certification in certain, riskier settings.
- Legally mandating face coverings in certain settings, such as public transport and shops.
- Communicating clearly and urgently to the public if the risk level increases.

The government could also consider asking people to work from home again if necessary, but a final decision on this would be made at the time, dependent on the latest data – recognising the extra disruption this causes to individuals and businesses.

See: [Prime Minister sets out autumn and winter Covid plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/prime-minister-sets-out-autumn-and-winter-covid-plan)

New system for International travel

Eight countries will move from the red list on 22 September and the rules for international travel to England will change on 4 October 2021.

The current traffic light system will be replaced by a single red list of countries and territories and simplified travel measures for arrivals from the rest of the world from Monday 4 October at 4am.

Testing requirements will also be reduced for eligible fully vaccinated travellers, who will no longer need to take a PDT when travelling to England from Monday 4 October 4am.

See: [New system for international travel - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-system-for-international-travel)

Plastic Packaging Tax Starts 1 April 2022

The legislation to introduce the new Plastic Packaging Tax is included in the Finance Act 2021. Secondary legislation will be introduced later in the year. Until the secondary legislation becomes law, the contents of the HMRC Policy Paper are subject to change. More guidance will be published later in the year. You must continue to comply with all regulatory requirements for plastic packaging in other legislation.



HMRC Guidance published on 19 September provides a high level overview of Plastic Packaging Tax.

If you are a business that manufactures or imports 10 or more tonnes of plastic packaging over a 12-month period you will need to register for the tax. This is regardless of whether you will have to pay any tax. This includes importers of packaging which already contains goods, such as plastic bottles filled with drinks. Where the packaging you import already contains other goods, the tax only applies to the plastic packaging itself.

If you are a business that needs to register for the tax, you will need to pay Plastic Packaging Tax on any packaging that contains less than 30% recycled plastic. The tax will be charged at £200 per tonne. For example, if you manufacture 10 tonnes of plastic packaging, and 1 tonne contains less than 30% recycled plastic, you will need to pay £200.

The online service to register and pay will be available on 1 April 2022 when the tax takes effect.

Find more information on [the scope of the tax, who is liable to register and pay, and other requirements](#).

End of temporary insolvency measures

Temporary insolvency restrictions protections are being lifted and new targeted measures to support small business and commercial tenants introduced. The Insolvency Service has announced that Temporary measures brought in to support businesses from insolvency during the pandemic will be phased out from 1 October.

Companies in financial distress as a result of the pandemic have been protected from creditor action since June last year, through the Corporate Insolvency and Governance Act 2020. This was to ensure that viable businesses affected by the restrictions on trading during the lockdown periods were not forced into insolvency unnecessarily. As the economy returns to normal trading conditions, the restrictions on creditor actions will be lifted.

New legislation will be made to help smaller companies get back on their feet to give them more time to trade their way back to financial health before creditors can take action to wind them up.

The new legislation will:

- Protect businesses from creditors insisting on repayment of relatively small debts by temporarily raising the current debt threshold for a winding up petition to £10,000 or more.
- Require creditors to seek proposals for payment from a debtor business, giving them 21 days for a response before they can proceed with winding up action.

These measures will be in force until 31 March 2022.

Businesses should pay contractual rents where they are able to do so. However, the existing restrictions will remain on commercial landlords from presenting winding up petitions against limited companies to repay commercial rent arrears built up during the pandemic.

Continuing the restriction on winding up, in respect of commercial rent only, supports the UK government statement that commercial tenants will continue to be protected from eviction until 31 March 2022, whilst the government implements a rent arbitration scheme to deal with commercial rent debts accrued during the pandemic.

See: [End of temporary insolvency measures - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/end-of-temporary-insolvency-measures)

No capital allowances for plant and machinery installed in Houses of Multiple Occupation

HMRC have recently confirmed their view that common areas in Houses of Multiple Occupation (HMO) are parts of a “dwelling house” and ineligible for capital allowance claims.

The capital allowance legislation specifically denies tax relief for plant and machinery installed in a dwelling house. However, plant and machinery installed in the common areas such as hallways, stairs and lift shafts, in blocks of flats would qualify as the flats themselves are the dwellings, not the building as a whole.

This would seem inconsistent with the HMRC view on HMOs and there may be a test case on the interpretation, particularly as there is no definition of “dwelling house” in the tax legislation. There is also a lack of clarity concerning the status of University Halls of residence where there is often substantial expenditure on plant and machinery in common areas.

See: [CA11520 - Capital Allowances Manual - HMRC internal manual - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/internal-manuals/capital-allowances-manual) and [CA23060 - Capital Allowances Manual - HMRC internal manual - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/internal-manuals/capital-allowances-manual)

Enterprise Nation Female Start-up of the Year 2021

The Female Start-up of the Year award celebrates the best of British female entrepreneurship in the UK. Whether you have created an incredible product, offer an amazing service or you are doing something truly different with your business, Enterprise Nation want to hear from you.

The judges are looking for a clear direction for the future of entrants' start-up with a vision, purpose and mission. In return, there are business-boosting prizes and opportunities on offer to the winner.

Applications close at 5pm on Wednesday 22 September 2021, for further information visit the [Enterprise Nation](https://www.enterprise-nation.com) website.

VAT rate reduction for hospitality, holiday accommodation and attractions.

The reduced VAT rate of 5% has been extended until 30 September 2021. Following this, an interim rate of 12.5% will be in place for a further six months with the standard rate of 20% returning in April 2022.

If you are a VAT registered business, check if you can temporarily reduce the rate of VAT on supplies relating to hospitality, accommodation, or admission to certain attractions.

Hospitality:

If you supply food and non-alcoholic beverages for consumption on your premises, for example, a restaurant, café or pub, you're currently required to charge VAT at the standard rate of 20%. However, when you make these supplies between 15 July 2020 and 31 March 2021 you will only need to charge 5%.

You will also be able to charge the reduced rate of VAT on your supplies of hot takeaway food and hot takeaway non-alcoholic drinks.

More information about how these changes apply to your business can be found in [Catering, takeaway food \(VAT Notice 709/1\)](#).

Hotel and holiday accommodation:

You will also benefit from the temporary reduced rate if you:

- supply sleeping accommodation in a hotel or similar establishment
- make certain supplies of holiday accommodation
- charge fees for caravan pitches and associated facilities
- charge fees for tent pitches or camping facilities

More information about how these changes apply to your business can be found in [Hotels and holiday accommodation \(VAT Notice 709/3\)](#).

Admission to certain attractions:

If you charge a fee for admission to certain attractions where the supplies are currently standard rated, you will only need to charge the reduced rate of VAT between 15 July 2020 and 31 March 2021.

However, if the fee you charge for admission is currently exempt, that will take precedence and your supplies will not qualify for the reduced rate.

More information about how these changes apply to your business can be found in [VAT: Admission charges to attractions](#).

For the full details including the Flat Rate Scheme, The Tour Operators Margin Scheme, Retail Schemes and Accounting for supplies that straddle the temporary reduced rate see: [VAT: reduced rate for hospitality, holiday accommodation and attractions - GOV.UK \(www.gov.uk\)](#)

Applications are now open for Rising Stars 4.0

The competition for innovative, early-stage tech companies has been designed to showcase the best the country has to offer, providing a platform for businesses from England, Scotland, Wales and Northern Ireland to shine bright.

Entrants are supported throughout the application process and given training and support at each stage of the competition to enable you to compete to ensure your business is investor ready and deliver the perfect pitch in front of leading investors, influencers and corporates.

There is a live Q&A session taking place on the 29 September, where you can find out what's required and what you can expect as part of the process. You will also have the chance to ask any specific questions you have. Applications close on 20 October 2021.

See: [Rising Stars - UK pitch competition for early-stage tech startups - Tech Nation](#)

Kickstart Scheme for employers

Employers of all sizes can apply for funding to create jobs for 16 to 24 year olds on Universal Credit. Employers can spread the job start dates up until 31 December 2021. You will get funding until 30 June 2022 if a young person starts their job on 31 December 2021.

Further funding is available to provide support so that young people on the scheme can get a job in the future. You will get £1,500 funding per job. This should be spent on setup costs and supporting the young person to develop their employability skills such as training and employability support (provided by you, a Kickstart gateway or another provider), IT equipment and software and uniform or Personal Protective Equipment.

You can apply for a Kickstart Scheme grant by either applying online yourself or applying through a Kickstart gateway who is already working with the Kickstart Scheme.

The funding covers:

- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months
- associated employer National Insurance contributions
- minimum automatic enrolment pension contributions

See: [How the Kickstart Scheme works - GOV.UK \(www.gov.uk\)](#)

Young people aged 12 to 15 to be offered a COVID-19 vaccine

People aged 12 to 15 in England will be offered one dose of the Pfizer/BioNTech COVID-19 vaccine, following advice from the four UK Chief Medical Officers (CMOs), the Health and Social Care Secretary has announced.

The government has accepted the advice of the four UK CMOs and the NHS is preparing to deliver a schools-based vaccination programme, which is the successful model used for vaccinations including for HPV and Diphtheria, Tetanus and Polio (DTP), supported by GPs and community pharmacies. Invitations for vaccination begin this week.

See: [Young people aged 12 to 15 to be offered a COVID-19 vaccine - GOV.UK \(www.gov.uk\)](#)