

Written 4 October 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!

### Fuel pump crisis and the looming “challenging” winter

With panic buying at the pumps, the shortage of HGV drivers, and a looming winter energy crisis many of us are running our businesses in an ever increasing level of uncertainty.



If you are concerned about the future of your business then take some time to reflect on where you are and what could happen in the next few months. It is now vitally important for all businesses to plan ahead for a range of scenarios. Cash flow and business planning in these uncertain times may appear difficult but there are some practical steps you can take to minimise potential disruption to your business.

- Review your Budgets and set realistic and achievable targets for the remainder of 2021.
- Get your employees involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- Review and flow chart the main processes in your business (e.g. Sales processing, order fulfilment, shipping etc.) and challenge the need for each step.
- Put extra effort into making sure your relationships with your customers are solid.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- Pull everyone together and explain the business strategy and get their buy-in.

**Six-month cash flow template**

If you receive cash or card for sales at the point of sale, this could help with estimating cash surplus / deficit for the next 3-6 months' time.

	Cash estimates					
	March	April	May	June	July	August
	€	€	€	€	€	€
A Cash from sales	2500	3250	3800	2500	3000	3000
B Cash out to suppliers	500	750	800	100	1200	750
C Employee / owner costs	400	400	400	400	400	400
D Distribution and Marketing costs	100	120	120	120	120	120
E Heat light and other Costs	75	75	75	75	75	75
F Bank and other	700	750	750	750	700	700
G Other	100	50	10	25	25	25
<b>H TOTAL COSTS (Add B to G)</b>	<b>1900</b>	<b>2200</b>	<b>2310</b>	<b>1670</b>	<b>2670</b>	<b>2170</b>
<b>Net Cash surplus or deficit (sales less costs) A less H</b>	<b>700</b>	<b>-950</b>	<b>-1510</b>	<b>830</b>	<b>330</b>	<b>-170</b>
<b>NET CASH SURPLUS OR DEFICIT (DEFICIT) BPT F/W</b>						
Start Balance brought forward	0	700	100	1000	270	2000
Surplus (deficit)	700	-950	-1510	830	230	-570
Balance C/F	700	100	-1200	-370	2000	870

Please talk to us about cash flow planning for the next few months, we can help with a template so you can do this yourself or work together to produce estimates for a variety of scenarios.

### House price review - Office for National Statistics (ONS) latest survey released

The ONS have released their latest analysis identifying the types of areas that are seeing the fastest house price growth during the coronavirus pandemic, and who could be at risk of being priced out.

Rising house prices and private rents mean that some workers are at risk of being priced out of living in rural and coastal areas, contributing to skill shortages in the tourism and hospitality industries that their local economies rely on. Young and low paid workers in tourist hotspots are increasingly facing the prospect of being unable to afford to live there.



Despite falling from a record high in June, the average UK house price (£256,000) increased by 8.0% in July 2021 compared with the previous year.

House prices were rising at three times the national rate in some rural and coastal areas in July, such as Conwy in North Wales (25.0%), North Devon (22.5%) and Richmondshire in the Yorkshire Dales (21.4%), continuing a trend seen during the coronavirus (COVID-19) pandemic.

Meanwhile, the seven areas that recorded house price falls in July were all London boroughs.

House prices are increasing partly because of temporary changes to taxes paid on property purchases (including Stamp Duty in England and Northern Ireland), but they also reflect a shift in consumer preferences with growth being driven by rural and coastal areas.

Prospective home buyers are seeking more space, with prices for detached houses (9.0% growth in July) consistently rising faster than terraced houses (7.7%) or flats (6.1%).

As a result, people living in rural and coastal areas – particularly the young and those on lower incomes – are at risk of being priced out of the housing market.

This could be contributing to hospitality businesses being unable to fill vacancies, with the industry being predominant in tourist areas and containing a high proportion of young and low paid workers.

See: [Coronavirus and house price growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/coronavirus-and-house-price-growth)

### **HMRC Publish Guidance on New Penalty Regime for Late Returns**

Finance Act 2021 introduced a new regime for late VAT returns that will apply to VAT periods commencing on or after 1 April 2022 and to other returns at a later date.

HMRC have now published detailed guidance on the new rules. The reforms come into effect:

- for VAT taxpayers from periods starting on or after 1 April 2022
- for taxpayers within MTD for Income Tax Self-Assessment (ITSA), from the tax year beginning 6 April 2024
- for all other ITSA taxpayers, from the tax year beginning 6 April 2025

The new regime will be a points-based system and will operate in a similar way to motoring penalties in that the points will elapse after a period of time depending on the regularity of the returns.

For details see: [Penalties for late submission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/penalties-for-late-submission)

### **Deadline for Covid-19 sick pay**

The UK Government has updated its guidance for claims made under the Coronavirus Statutory Sick Pay Rebate Scheme. Employers can only claim back statutory sick pay paid to employees due to Covid-19 who were off work on or before 30 September 2021.

The Coronavirus Statutory Sick Pay Rebate Scheme will repay employers the Statutory Sick Pay paid to current or former employees. You must submit or amend claims on or before 31 December 2021.

See: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](#)

### **UK Stickers have now replaced GB stickers**

The guidance on what UK goods vehicle operators need to do to carry out international road haulage has changed to refer to the change from GB stickers to UK stickers as UK stickers have now replaced GB stickers.

There will be new rules for transporting goods to or through Europe from 2022. These will affect you if you use vans or heavy goods vehicles (HGVs).

See: [Carry out international road haulage - GOV.UK \(www.gov.uk\)](#)

### **Tips and Gratuities should go to staff not the employer**

The Government is to make it illegal for companies not to pass on tips to their employees. This comes after some major restaurant chains were accused of keeping 10% of tips given to staff.

The Department for Business Energy and Industrial Strategy (BEIS) have announced that new legislation, to be introduced within a year, would help about two million people in the hospitality industry. An updated consultation response was published on 24 September:

See: [Tipping, gratuities, cover and service charges consultation: government response \(publishing.service.gov.uk\)](#)

The current rules for taxing tips, gratuities and service charges are complex and, whilst all tips are taxable, national insurance does not currently apply where the payment is given directly to the staff member.

For current HMRC guidance on the taxation of tips, gratuities and service charges:

See: [Tips at work: Tips and tax - GOV.UK \(www.gov.uk\)](#)

### **Government seeks views on contingency proposals for mandatory Covid-19 certification**

A policy proposal has been published for mandatory vaccine certification as a contingency measure under the government's Autumn and Winter Plan.

The government states it remains confident 'Plan A' will prevent the NHS from facing unsustainable pressure and certification will not be required but mandatory vaccine-only certification could potentially be introduced in certain settings as part of 'Plan B'.

The proposal for mandatory COVID certification in a Plan B scenario fulfils the commitment, set out in the Autumn and Winter Plan, to provide organisations with more detail about the proposed certification regime that would be introduced as part of Plan B.

The government invites feedback on these proposals. A call for evidence runs until 11 October.

See: [Government seeks views on contingency proposals for certification - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-seeks-views-on-contingency-proposals-for-certification)

### **Gift Aid Awareness Day 2021**

Gift Aid is a tax relief for individuals which enables them to give the income tax or capital gains tax that they pay directly to a charity on top of their donation. In effect it adds 25p for every £1 donated to a charity. Gift Aid is an important tax relief worth £1.3 billion to the charity sector. This year's Gift Aid Awareness Day is taking place on Thursday 7 October 2021. Charity Finance Group (CFG) are asking UK-based charities, small, medium and large, to spread the "#TickTheBox" message far and wide on 7 October 2021. CFG have produced a 2021 campaign pack for use, which includes logos, posters, infographics and a banner.

See: [Charity Finance Group | Gift Aid Awareness \(cfg.org.uk\)](https://www.cfg.org.uk/gift-aid-awareness)

### **Allergen Labelling Changes For Prepacked For Direct Sale (PPDS) Food**

On 1 October 2021, the law on allergen labelling for pre-packed for direct sale (PPDS) foods changed. This means that any food business selling PPDS foods must include full ingredients on the product label with allergenic ingredients emphasised within that list.



To help support food businesses, the Food Standards Agency (FSA) has launched a PPDS Hub featuring useful information including new labelling guidance for PPDS foods and guides that will be helpful to specific sectors including bakery, butchers, fast food and takeaways, mobile sellers, restaurants, cafes and pubs, and schools. The guides give practical information on PPDS and how these changes could impact a food business.

See: [Allergen labelling changes for prepacked for direct sale \(PPDS\) food | Food Standards Agency](https://www.food.gov.uk/allergen-labelling-changes-for-prepacked-for-direct-sale-ppds-food)

### **Industrial Energy Transformation Fund Phase 2 Autumn 2021**

IETF Phase 2 provides grant funding for feasibility and engineering studies, industrial energy efficiency and deep decarbonisation projects.

The Department for Business, Energy and Industrial Strategy (BEIS) has opened the new Industrial Energy Transformation Fund (IETF) Phase 2: Autumn 2021 competition window.

Businesses in England, Wales and Northern Ireland can bid for a share of up to £60 million in grant funding through the new competition window, which is open for applications until 6 December 2021.

See: [Industrial Energy Transformation Fund \(IETF\) Phase 2: Autumn 2021 - how to apply - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/industrial-energy-transformation-fund-iETF-phase-2-autumn-2021-how-to-apply)

### **Pump priming grants for Horizon Europe proposals**

Grants of up to £5,000 are now available to help UK businesses collaborate with partners in other countries to develop bids for Pillar 2 of Horizon Europe.

The funding, provided by the UK's Department for Business, Energy & Industrial Strategy, aims to develop collaborative activity between UK and EU/associated countries' entities. This activity should focus on Pillar 2 of Horizon Europe, which is Global Challenges and European Industrial Competitiveness.

The purpose of this call is not to implement the proposed projects that will be submitted to Horizon Europe, but to give the UK-based partners the resources needed to collaborate with EU organisations and stakeholders to further develop the idea and the market opportunities.

The funding can be used in a variety of ways, including feasibility studies, application advice and training, partnership building, and dedicated time to take forward an application.

Proposals are welcome:

- in all disciplines - engineering, natural sciences, medical sciences, humanities, and social sciences
- from research institutes and universities based in the UK and any other type of organisations eligible for Horizon Europe funding, including SMEs, charities and companies

The first wave of this call closes for submissions on 13 October 2021 at 17:00.

See: [Horizon Europe Pump Priming Collaboration between UK and EU Partners | The British Academy](https://www.britishecology.ac.uk/news/horizon-europe-pump-priming-collaboration-between-uk-and-eu-partners)

### **Local authority powers to impose restrictions: Health Protection (Coronavirus, Restrictions) (England) (No 3) Regulations 2020**

The regulations grant powers to local authorities to make directions which respond to a serious and imminent threat to public health. Any direction must be necessary and

proportionate in order to manage the transmission of coronavirus in the local authority's area. The regulations contain powers for local authorities to give directions which:

- restrict access to, or close, individual premises
- prohibit or restrict certain events (or types of event)
- restrict access to, or close, public outdoor places (or types of outdoor public places)

This guidance seeks to provide clarity to local authorities on how to exercise the powers in the regulations and to support those impacted by any direction made under them.

See: [Local authority powers to impose restrictions: Health Protection \(Coronavirus, Restrictions\) \(England\) \(No 3\) Regulations 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/local-authority-powers-to-impose-restrictions-health-protection-coronavirus-restrictions-england-no-3-regulations-2020)

### **Red, amber, green lists: check the rules for travel to England from abroad change today**

From 4 October 2021, the rules for international travel to England will change from the red, amber, green traffic light system to a single red list of countries and simplified travel measures for arrivals from the rest of the world. The rules for travel from countries and territories not on the red list will depend on your vaccination status.

From 4 October, you will qualify as fully vaccinated if you are vaccinated either:

- under an [approved vaccination programme in the UK, Europe, USA or UK vaccine programme overseas](https://www.gov.uk/guidance/approved-vaccination-programme-in-the-uk-europe-usa-or-uk-vaccine-programme-overseas)
- with a full course of the Oxford/AstraZeneca, Pfizer BioNTech, Moderna or Janssen vaccines from a relevant public health body in Australia, Antigua and Barbuda, Barbados, Bahrain, Brunei, Canada, Dominica, Israel, Japan, Kuwait, Malaysia, New Zealand, Qatar, Saudi Arabia, Singapore, South Korea, Taiwan or the United Arab Emirates (UAE)

Formulations of the 4 listed vaccines, such as AstraZeneca Covishield, AstraZeneca Vaxzevria and Moderna Takeda, qualify as approved vaccines. You must have had a complete course of an approved vaccine at least 14 days before you arrive in England. Where 2 doses of a vaccine are required for a full course, you will be able to:

- mix 2 different types of vaccine, for example Oxford/AstraZeneca and Moderna
- have the 2 vaccinations under 2 different approved programmes, for example Australia and Japan, UK and USA, EU and Canada

See: [Red, amber, green lists: check the rules for travel to England from abroad - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/red-amber-green-lists-check-the-rules-for-travel-to-england-from-abroad)

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

The UK government has updated 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.

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