

Written 22 November 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!

Inflation: UK prices increase at fastest rate for almost ten years

The cost of living has surged at its fastest pace in almost 10 years, with the Consumer Prices Index (CPI) reaching 4.2% in the year to October. It is primarily due to higher fuel and energy prices but the cost of second-hand cars and eating out also increased, the Office for National Statistics (ONS) have said.



Inflation is up since Covid restrictions ended this year and the economy reopened. The Bank of England says it may have to raise interest rates in the "coming months" to tackle rising prices. October's reading is far higher than the 3.1% rise recorded in the year to September and more than double the Bank's target of 2%.

The latest report from the ONS shows the Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.8% in the 12 months to October 2021, up from 2.9% in the 12 months to September.

The largest upward contribution to the October 2021 CPIH 12-month inflation rate came from housing and household services (1.23 percentage points), with further large upward contributions from transport (1.08 percentage points) and restaurants and hotels (0.43 percentage points).

What does this mean for businesses?

Rapidly rising inflation can mean consumers are more cautious about making discretionary purchases and it's a good idea to avoid sudden price rises that encourage consumers to look around for cheaper alternatives. A gradual plan for price increases is probably a more sensible option for businesses.

Inflation will also affect the prices you pay for stock and other expenses, so now is a good time to reflect on your stock levels and consider alternative sources of supply and review the profitability of your products, goods and services to ensure they are and will remain profitable.

Clearly, in these uncertain times, it is a good time to plan ahead and here are a few ideas to help with remaining resilient:

- Review your Budgets and set realistic and achievable targets for the remainder of 2021 and 2022;
- Get rid of Won't pay customers;
- Review debtors list and chase up overdue invoices (if appropriate);
- Make sure your terms of business contain explicit payment terms;
- Assign responsibility to one individual for invoicing and collections;
- Agree extended payment terms with all suppliers in advance;
- If appropriate, review banking facilities and discuss future needs;
- Put extra effort into making sure your relationships with your better customers are solid;
- 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;
- Encourage your staff to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction);
- Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have control – target a 10% cost saving;
- Review your staffing needs over the next few months;
- Get your members of staff involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues;
- Review your list of products and services and eliminate those that are unprofitable or not core products/services;
- Establish your key performance indicators (KPI's) and measure them on a daily basis e.g.:
- Sales Leads generated
 - Orders Supplied/Fulfilled
 - Cash Balance
 - Stock Turnover
 - Debtor Days
 - Gross Profit
 - Net Profit; and
- Pull everyone together and explain the business strategy and get their buy-in.

Please talk to us about planning ahead because we have considerable experience with helping our clients with their strategy and sustainability in turbulent times.

Guidance for employers on RTI reporting obligations for payments made early at Christmas

Some employers pay their employees earlier than usual over the Christmas period, for example the business may close for Christmas and New Year. If you do pay early, please report your normal payment date on your Full Payment Submission (FPS).

For example: if you pay on 17 December 2021 but your normal payment date is 31 December 2021, please report the payment date as '31 December 2021'. In this example the FPS would need to be sent on or before the 31 December 2021.

See: [Employer Bulletin: October 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/employer-bulletin-october-2021)

Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus (COVID-19)

The guidance on the Coronavirus Statutory Sick Pay Rebate Scheme to claim back employees' coronavirus-related Statutory Sick Pay (SSP) has been updated.

The state aid limits section has been updated and since 1 January 2021 EU state aid rules no longer apply in the UK, except for aid in-scope of the Northern Ireland Protocol and Structural Funds.

See: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/check-if-you-can-claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19)

Report CJRS Furlough grants and overpayments on Corporation Tax Return CT600

The latest version of the CT600 Corporation Tax Return updated on 15 November 2021 requires companies to report CJRS furlough payments received and the amounts that the company was entitled to during the period in boxes 471 and 472. Where any overpayments have already been disclosed to HMRC that amount should be reported in box 473. If the company has overclaimed "Eat Out to Help Out" grants that amount should be reported in box 474.

The total amount overclaimed should then be entered in box 526. This amount will be assessed for income tax. HMRC will write to companies with the reference number and payment details. This is not corporation tax so you must not pay this with your main corporation tax liability.

For full details see: [Guidance overview: How to complete a Company Tax Return - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/guidance-overview-how-to-complete-a-company-tax-return)

Post Office card accounts – Time is running out

Around 24,000 HM Revenue and Customs (HMRC) customers with a Post Office card account have just 1 week left to update the department with new payment details before the 30 November 2021 deadline, or risk having payments paused.



From 1 December 2021, HMRC will stop making tax credits, Child Benefit and Guardian's Allowance payments to Post Office card accounts. HMRC is urging account holders to contact them to update their bank account details to continue receiving payments without disruption.

Customers can choose to receive their benefits and credits payments to a bank, building society or credit union account. If they already have an alternative account, they can contact HMRC now to update their details.

See: [Time is running out for customers with Post Office card accounts - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/time-is-running-out-for-customers-with-post-office-card-accounts)

Finding and choosing a private coronavirus (COVID-19) test provider

The lists of and information about private test providers, to help you get the private COVID-19 tests you need have been updated.

See: [Guidance overview: Finding and choosing a private coronavirus \(COVID-19\) test provider - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-overview-finding-and-choosing-a-private-coronavirus-covid-19-test-provider)

Hardship arrangements for those unable to pay for managed quarantine or testing

The details of financial support if you can't afford the managed quarantine and testing fees associated with travel has been updated.

There is added information on getting your application for hardship arrangements reviewed if you are found not to be eligible but think there are exceptional circumstances that mean you would suffer severe financial hardship as a result of the cost of managed quarantine or testing. See final section, 'Exceptional circumstances and reviews'.

See: [Hardship arrangements for those unable to pay for managed quarantine or testing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/hardship-arrangements-for-those-unable-to-pay-for-managed-quarantine-or-testing)

Entrepreneur Accelerator Programme

If you are a high growth business with ambitions to expand, the NatWest Accelerator programme could help. You may be looking to build your team, venture into new markets or seeking further investment.

The programme could help you gain the knowledge and skills to excel in a range of business areas including:

- Accessing new markets
- Attracting talent and building an effective team
- Access to growth funding
- Leadership development
- Developing a scalable infrastructure

The current Accelerator programmes are open to all business owners, you do not have to be a NatWest customer.

See: [Entrepreneur Accelerator | NatWest](#)

Industrial Energy Transformation Fund Phase 2 Autumn 2021

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.

The competition will provide grant funding towards the costs of:

- **Studies** - feasibility and engineering studies to investigate identified energy efficiency and decarbonisation projects prior to an investment decision.
- **Energy Efficiency projects** - deployment of technologies to reduce industrial energy consumption.
- **Deep Decarbonisation projects** - deployment of technologies to achieve industrial emissions savings.

See: [Industrial Energy Transformation Fund \(IETF\) Phase 2: Autumn 2021 - how to apply - GOV.UK \(www.gov.uk\)](#)

Stay at home: guidance for households with possible or confirmed coronavirus (COVID-19) infection

This guidance is for people with symptoms that may be caused by COVID-19, including those who are waiting for a test, people who have received a positive COVID-19 test result

(whether or not they have symptoms), people who currently live in the same household as someone with COVID-19 symptoms, or with someone who has tested positive for COVID-19.

See: [Stay at home: guidance for households with possible or confirmed coronavirus \(COVID-19\) infection - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/stay-at-home-guidance-for-households-with-possible-or-confirmed-coronavirus-covid-19-infection)

Coronavirus: how to stay safe and help prevent the spread

The guidance has been updated to reflect the move from recommending twice-weekly lateral flow testing to a risk-based approach.

See: [Coronavirus: how to stay safe and help prevent the spread - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/coronavirus-how-to-stay-safe-and-help-prevent-the-spread)

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

The guidance has now removed information about MP Biomedicals rapid nose-only test. On this webpage you can find out how to do a rapid lateral flow test for COVID-19 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)

COVID-19 vaccination: booster dose resources

The Information on the booster dose for eligible individuals has been updated on the eligible age cohort to 40 years and over.

See: [COVID-19 vaccination: booster dose resources - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/covid-19-vaccination-booster-dose-resources)