

Written 28 April 2021

## **BUSINESS NEWS**

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 through these tough times.

This week, there is more positive news on the vaccination front with more than 13 million people now having had their second jab and approximately 34 million their first.

### **UK Economy set to grow at its fastest level ever!**

The good news this week is that EY item Club has improved its estimate of the UK's economic performance in 2021 – and forecasts a rebound in growth over the next two years and predicts a return to growth for summer 2021 with GDP to rise by 5% in 2021 and 6.5% in 2022. See: [How the UK economy can stay resilient into the post-pandemic future | EY UK](#)



The bad news is that Government borrowing hits record high. The cost of dealing with Covid-19 has meant UK borrowing is at its highest level since the Second World War. Public sector borrowing reached £303 Billion in the year to March the Office for National Statistics have reported. This borrowing will need to be addressed at some point in the near future and now may be a good time to take some time and plan a business strategy to keep you and your business flexible and resilient to changes in government taxation policy. We cannot foresee the future, but we do know the best way to predict the future is to create it!

Please talk to us about our business and cash flow planning services which our most successful clients take advantage of.



### **The end of the landline?**

Last week an opinion survey of 2,001 UK adults, which was conducted in mid-March 2021 and commissioned by Uswitch, has revealed that 26% of people with a residential landline do not have a phone attached to it and 35% of respondents said they only have a landline because it's needed for their broadband connection. The number of homes with a landline has fallen by c.4 million (down 15%) since the year 2000 to about 22 million connections in 2021. The decline in landline use should at least make it easier for homes to handle the pending removal of traditional phone services, which is due to complete on Openreach's (BT) UK network by the end of December 2025. In their place operator's will be providing digital (VoIP) style solutions, which most people will be able to take as an optional extra alongside broadband (in the past, broadband was the optional extra).

### **National Insurance “Holiday” if You Hire Military Veterans**

HMRC have provided guidance on this new incentive designed to encourage employers to take on military veterans. This relief is only available for 12 consecutive months from the veteran's first day of civilian employment. This zero-rate can be applied up to the upper secondary threshold (£967 per week). This relief is available from 6 April 2021. For the 2021/22 tax year employers will need to pay the associated secondary Class 1 National Insurance contributions as normal and then claim it back retrospectively from April 2022 onwards. From April 2022 onwards, employers will be able to apply the relief in real time through PAYE.

#### Qualifying veterans

Employers will only be able to claim National Insurance contributions relief on the earnings of qualifying veterans. A person qualifies as a veteran if they have served at least one day in the regular armed forces. This includes anyone who has completed at least one day of basic training.

The relief is available to all employers of veterans regardless of when the veteran left the regular armed forces, providing they have not previously been employed in a civilian capacity.

#### Employments that qualify

Relief is available for any civilian employment. A civilian employment is one that is not part of the armed forces and includes employments with organisations that may have strong links to HM Armed Forces, such as the Ministry of Defence or NATO. Employment with a reserve

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organisation is not considered as civilian for the purpose of this relief and does not trigger the qualifying period (outlined below).

Employers can claim relief even if the employment starts before 6 April 2021 but will only be able to claim for the remaining 12 month qualifying period. The first day of employment will be the start date taken from the employment contract between the employer and the employee.

This 12 month period does not change if the employment finishes. This means that current and future employers can also claim this relief if they employ a veteran within their qualifying period. Subsequent employers must determine the first day of the veteran's first civilian employment and confirm that the veteran is employed with their business during the qualifying period.

### **Getting tested for Coronavirus**

Guidance on coronavirus testing, including who is eligible for a test and how to get tested, has been updated to help people find a pharmacy where they can collect rapid tests and find a test site where they can collect rapid tests. See: [Coronavirus \(COVID-19\): getting tested - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/coronavirus-covid-19-getting-tested)

### **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.

#### **Self-Employment Income Support Scheme (SEISS)**

The online service for the fourth grant is now available. The Self-Employed Income Support Scheme (SEISS) has been extended to September 2021 and details of claims for the fourth grant have now been released. This fourth grant covers February, March and April 2021. There will then be a fifth grant covering May to September 2021.

The latest grant allows the self-employed to claim 80% of their average profits for the period up to 2019/20 and is again limited to £2,500 a month.

Like CJRS there are lots of conditions that need to be satisfied, such as being self-employed in 2019/20 and continuing to trade in 2020/21 or would be doing so if it the business had not been impacted by coronavirus.

In order to be able to make a successful claim, the self-employed profits in 2019/20 must not exceed £50,000 and must be more than 50% of the individual's total income. If that test is not met, then the same £50,000 and 50% tests are applied to average profits and total



income over the four years (or shorter period) to 5 April 2020. This means that those who commenced trading in 2019/20 will now potentially be eligible for SEISS grants, having not previously qualified for the first three grants.

Although we cannot make the claim on your behalf, we can help you determine whether you are eligible and assist you with your claim if required.

Conditions for the fifth grant will be linked to a reduction in business turnover. Self-employed individuals whose turnover has fallen by 30% or more will continue to receive the full grant worth 80% of three months' average trading profits, capped at £7,500. People whose turnover has fallen by less than 30% will receive a 30% grant, capped at £2,850. We are still awaiting further details of the fifth grant calculation.

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)

### **Coronavirus Job Retention Scheme (CJRS) - Other types of employees you can claim for**

The guidance on contractors engaged with the public sector, or by a medium or large-sized organisation, in scope of off-payroll working (IR35) rules has been updated.

You can claim other types of employees - as long as they're paid via PAYE. These employees include:

- office holders (including company directors)
- salaried members of Limited Liability Partnerships (LLPs)
- agency workers (including those employed by umbrella companies)
- limb (b) workers
- contingent workers in the public sector
- contractors with public sector engagements in scope of IR35 off-payroll working rules (IR35)

Individuals who are paid through PAYE but not necessarily employees in employment law, can continue to be furloughed from 1 July as long as you have previously submitted a claim for them for a furlough period of at least 3 weeks between 1 March and 30 June and submitted a claim for this by 31 July.

See: [Other types of employees you can claim for - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/other-types-of-employees-you-can-claim-for)

There is also updated guidance for other types of employees you can claim for and if your employee is clinically vulnerable.

See: [Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme)



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### **Employees can continue to claim tax relief if working from home**

Employees can be paid £6 a week tax free Home Working Allowance whilst working from home. The amounts are free from income tax and Class 1 national insurance contributions ('EEs and 'ERs). The normal rule to take advantage of this exemption is that the employee is required by their employer to work from home from time to time and is normally not available where the employee works from home as a matter of choice.

£6 a week tax free for a higher rate taxpayer is equivalent to £538 gross pay (after 40% income tax and 2% employee NICs). The employer would also save 13.8% NICs.

This rule was temporarily relaxed due to the COVID-19 pandemic for 2020/21. HMRC have advised that as long as an employee has been required to work from home at some point during 2020/21 as a result of the COVID19 pandemic they will accept a claim for home-working for the whole 2020/21 tax year. This has now been extended to 2021/22 up until the end of the pandemic.

Where the employer does not pay the allowance, the employee may make a claim for a deduction of £6 a week from their earnings and this has also been extended to 2021/22. That would result in a tax refund of £124.80 for a higher rate taxpayer.

The quickest way to make a claim is to use the HMRC online claims service which requires the employee to set up a Government Gateway account. Alternatively, employees should use HMRC form P87 to make their claim.

See: [Claim tax relief for your job expenses - GOV.UK \(www.gov.uk\)](https://www.gov.uk/claim-tax-relief-for-your-job-expenses)

### **Companies House (CH) update**

You can use a same day service to electronically file a change of company name or incorporate a company (software filing only). You must apply before 11am. If you apply after 11am, your application will not be processed until the next working day. CH have suspended all other same day services until further notice.

See: [Coronavirus guidance for Companies House customers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/coronavirus-guidance-for-companies-house-customers)

### **Guidance for food businesses**

This has been updated for allowing hospitality businesses to serve food outdoors. Added information on ventilation and asymptomatic testing programmes is now also included.

This guidance is intended for all workplaces involved in the manufacturing, processing, warehousing, picking, packaging, retailing and service of food. This also includes important information about the risk of community transmission of coronavirus (COVID-19) from circumstances or activities related to the workplace such as transportation and

accommodation arrangements. This guidance is of general nature and is intended to be compatible with the relevant health and safety legislation, please note that if there appears to be a conflict between this guidance and the relevant health and safety legislation, the latter shall prevail.

See: [Guidance for food businesses on coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-for-food-businesses-on-coronavirus-covid-19)

### General Aviation Roadmap



The government's vision, strategic priorities and forward programme of work to support the General Aviation (GA) sector has been published.

The General Aviation Roadmap includes:

- the government's vision for [General Aviation \(GA\)](#)
- the strategic priorities for the sector
- a summary of the work of the [Civil Aviation Authority's General Aviation Unit](#)
- the future programme of work to support the sector

See: [General Aviation Roadmap: spring 2021 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/92124/ga-roadmap-spring-2021.pdf)

### Ventilation of indoor spaces to stop the spread of coronavirus - England

This webpage provides guidance on the ventilation of indoor spaces to stop the spread of coronavirus (COVID-19).





The page states, ventilation is the process of introducing fresh air into indoor spaces while removing stale air. Letting fresh air into indoor spaces can help remove air that contains virus particles and prevent the spread of coronavirus (COVID-19).

Guidance is outlined on ventilation in the workplace.

See: [Ventilation of indoor spaces to stop the spread of coronavirus \(COVID-19\) - GOV.UK](https://www.gov.uk/government/guidance/ventilation-of-indoor-spaces-to-stop-the-spread-of-coronavirus-covid-19)  
([www.gov.uk](https://www.gov.uk))



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### Self-isolation compliance checks after international travel – England

The government is now carrying out public health self-isolation compliance checks on individuals who have a legal duty to self-isolate (also known as quarantining) for 10 days following international travel.

This means that if you are required to self-isolate, you may receive a visit from someone employed by a company on behalf of the government to make sure you are complying with your legal duty.

#### What to expect from a self-isolation compliance check

Staff employed on behalf of the NHS Test and Trace service will come to the address listed on your [passenger locator form](#). The staff will be wearing NHS Test and Trace uniforms. They will identify themselves verbally and present an ID card with information including their name, role and employer. The staff will follow social distancing guidelines.

The staff will state your name and ask you to confirm it. They will also ask to see your driver's license or passport to confirm your identity.

They will then ask you a few questions. This will help establish whether you are following your duty to self-isolate and enable them to provide additional information or guidance where necessary. You may receive follow-up visits.

NHS Test and Trace staff do not have enforcement powers, including the power to issue fixed penalty notices or fines. This means they will never ask you for money.

If there is reason to believe you may be breaching self-isolation rules, staff may refer your case to the police. If the police have reasonable grounds to believe that you have committed a criminal offence in breach of your duty to self-isolate, they may issue you with a fine (fixed penalty notice). Fines start at £1,000 for a first offence and can increase up to £10,000 for repeat offences.

If you are not happy with the service, you can [complain to NHS Test and Trace online](#) or telephone 119.

See: [Self-isolation compliance checks after international travel - GOV.UK \(www.gov.uk\)](#)

### Transport and travel guidance - England

Information for people using transport or working in the transport sector during the coronavirus outbreak has been updated to include guidance on domestic cruise ship travel.

See: [Coronavirus \(COVID-19\): transport and travel guidance - GOV.UK \(www.gov.uk\)](#)



### **Domestic cruises - England**

Domestic cruises depart from and return to UK ports. They may operate beyond UK waters, but are currently restricted to UK port calls and carrying residents from the UK and the Common Travel Area (Jersey, Guernsey, Isle of Man and Ireland) only.

Passengers from outside England should check their local travel restrictions before making travel plans.

See: [Coronavirus \(COVID-19\): domestic cruise ship travel - GOV.UK \(www.gov.uk\)](https://www.gov.uk/coronavirus-domestic-cruise-ship-travel)

### **Welcome Back Fund - England**

Guidance has been updated to help local authorities and partners to deliver activities supported through the Welcome Back Fund announced in May 2020.

See: [Welcome Back Fund - GOV.UK \(www.gov.uk\)](https://www.gov.uk/welcome-back-fund)

Coming to the UK for seasonal agricultural work on English farms

Advice for seasonal agricultural workers coming to England to pick fruit and vegetables on farms, and their employers has been updated.

See: [Coming to the UK for seasonal agricultural work on English farms - GOV.UK \(www.gov.uk\)](https://www.gov.uk/coming-to-the-uk-for-seasonal-agricultural-work-on-english-farms)