

Written 15 February 2021

BUSINESS NEWS

A 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.

THE ECONOMY

This week we have seen some gloomy economic figures showing that the UK suffered a record annual slump in 2020. Last year the economy shrank by nearly 10% as coronavirus restrictions hit output, stated the Office for National Statistics (ONS).

On the positive side, The Bank of England chief economist Andrew Haldane has commented that the UK economy is like a “coiled spring” and that consumer confidence would surge back thanks to the vaccine programme. It is clear to us that the eventual lifting of restrictions will lead to a rebound of growth, we just do not have a timeline from the Government who are now remaining cautious about making announcements following many changed decisions and U-turns last year. If the vaccination continues at its current level then we can all take comfort that for this year we have hope of a return to some kind of normality.



This year's budget will take place on the 3 March and we will keep all our clients up to date with any changes announced. We cannot predict exactly what the Chancellor will say but the two big questions are how the UK will pay off the Government spending to deal with the pandemic and how they will continue to support the hardest hit in our economy. The Government could increase taxes to raise money, but this goes against their manifesto pledge in 2019 and they might argue the pandemic changed so much that they will be forced to do so. The alternative is to reduce government spending, or we may see a combination which we think is the most likely scenario.

BREXIT NEWS

The UK and the EU continue to discuss the recent problems surrounding the implementation of the new trading rules for Northern Ireland. Whilst both parties declare their commitment to the Northern Ireland Protocol (NIP) it is clear the confusion at the borders surrounding the checks taking place is causing delays and uncertainty to businesses and disruption to supplies of essential items such as food. The NIP was designed to ensure an open border remained on the island of Ireland after Brexit. The UK has called for a two-year delay in implementation and there is push back from Ireland and the EU who state any pause in enforcement can only be for a matter of months.



We will keep you up to date with any new developments.

Last week Lord David Frost criticised the EU for its actions since the trade deal was announced stating the relationship was more “problematic” than he had hoped and called for a “different spirit” from Brussels going forward. If we put aside the political differences the

key issues remain on “equivalence” on regulations being accepted by the EU for the UK Financial Services sector and for data sharing between both parties. Once we have news on either of these matters we will update you.

The UK continues to arrange trade deals with other countries and this now numbers over 40 deals covering 70 countries. On the 31 January, the UK Government announced it was applying to join a free trade area for Asia and Pacific nations called the “Comprehensive and Progressive Agreement for Trans-Pacific Partnership” (CPTPP). This covers a market of around 500 million people and some of its members include Australia, Canada, Japan and New Zealand. In 2019 the countries in this bloc accounted for roughly 8% of UK exports.

More stories about customs delays, barriers and administration issues continue to emerge and the Government has been accused of putting sovereignty above the wellbeing of people by Welsh minister Jeremy Miles. His comments follow the notable reduction in usage of Welsh ports as Irish hauliers are now taking ferries directly to the EU to avoid the problems at UK ports.

We predict that at some point in the future there will be a return to negotiations between the UK Government and the EU to resolve some of these issues.

In the meantime, the Government has announced a £20 million support package for small businesses (SMEs) to mitigate some of the time and costs caused by the new rules.

Michael Gove has announced the SME Brexit Support Fund to help small and medium-sized businesses when trading with the European Union. The funding has been made available to help companies tackle new customs, rules of origin, and VAT rules when conducting business with the bloc.

SMEs that trade solely with the EU are being encouraged to apply for grants of up to £2,000 per trader to help pay for support, training, and professional advice to maintain effective trading.

Funds will be delivered through the pre-existing Customs Grant Scheme and will be open for applications from SMEs next month.

Currently you can apply for grants to help your business with customs declarations.

You can apply to get funding for:

- recruitment, training and IT to help your business to complete customs declarations.
- co-funded training project to help your business complete customs declarations.
- trader-training to understand customs.

For further information on the Customs Grant Scheme see:

<https://www.gov.uk/guidance/grants-for-businesses-that-complete-customs-declarations>

We will keep you up to date about when the application process is open.

COVID-19 GOVERNMENT SUPPORT NEWS

Below is our weekly roundup of changes to government support information for businesses.

Bounce back loan borrowers can delay repayments by extra six months.

Businesses that took out government-backed Bounce Back Loans to get through Covid-19 will now have greater flexibility to repay their loans.



Bounce Back Loan borrowers will now have the option to tailor payments according to their individual circumstances with the option to delay all repayments for a further six months. Pay as You Grow will be available to over 1.4 million businesses, which collectively took out nearly £45 billion through the Bounce Back Loan Scheme.

See: https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan?utm_medium=email&utm_campaign=govuk-notifications&utm_source=66a0a208-2e89-4f6d-b300-80283b4c9f7e&utm_content=daily

Pay VAT deferred due to coronavirus (COVID-19)

Information has been added about how to join the VAT deferral new payment scheme – the online service is open between 23 February and 21 June 2021.

Find out how to pay VAT payments deferred between 20 March and 30 June 2020. You can pay now or get ready to join the VAT deferral new payment scheme.

If you deferred VAT payments due between 20 March and 30 June 2020, and still have payments to make, you can:

- pay the deferred VAT in full, on or before 31 March 2021.
- join the VAT deferral new payment scheme – the online service is open between 23 February and 21 June 2021.
- contact HMRC on Telephone: 0800 024 1222 by 30 June if you need extra help to pay.

You may be charged interest or a penalty if you do not:

- pay the deferred VAT in full by 31 March 2021.
- opt into the new payment scheme by 21 June 2021.
- agree extra help to pay with HMRC by 30 June 2021.

See: https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=6ea4072a-eda4-409c-bcfa-3b2bd7647d25&utm_content=daily

DVLA Coronavirus (COVID-19) update – Driving licenses

DVLA online services have not been impacted by the COVID-19 pandemic and are running as normal.

They have issued an update on driving licenses renewals.

With 49 million drivers and 40 million vehicles on the road, millions of people transact with DVLA each month. They issue around 12 million driving licences and 18 million vehicle logbooks annually and answer around 1 million phone calls each month.

Their online services are the quickest, easiest and often cheapest way to deal with them. DVLA have added new online services since March 2020.

You can complete most transactions online which means you don't need to post an application or speak to their contact centre. If you apply online, you should receive your driving licence or vehicle documents within 10 days (it can take between 6-8 weeks if you post your applications to them).

For the full range of online services see: https://www.gov.uk/guidance/dvla-coronavirus-covid-19-update?utm_medium=email&utm_campaign=govuk-notifications&utm_source=07e27767-7250-48dd-b72b-fa5d05575b9c&utm_content=daily

Public urged to consider work in adult social care

The public are being called upon to apply for short-term and long-term opportunities in the adult social care sector.

Additional staff are urgently needed to support the adult social care workforce where absence rates have more than doubled in recent months due to self-isolation.

Jobseekers, volunteers and people on furlough can now register their interest for short-term opportunities including personal care – helping people to wash and dress – providing wellbeing support, simply collecting and delivering supplies, or helping out with the cooking and cleaning. Exact roles will be based on experience, local need and local authority and care provider discretion.

The 'Care for Others. Make a Difference' campaign launched this week using television, digital and radio advertising to drive awareness of long-term career opportunities, highlighting the rewarding, varied and flexible roles available across the care sector to help build a sustainable workforce now and for the future. Almost 1.5 million people work in adult social care and there are many opportunities for those looking to make a difference.

See: https://www.gov.uk/government/news/public-urged-to-consider-work-in-adult-social-care?utm_medium=email&utm_campaign=govuk-notifications&utm_source=8fb89982-0c58-47f6-b113-4331bb09a4db&utm_content=daily

Help to Buy scheme extended – England

The deadline to buy a home under the current Help to Buy scheme in England has been extended to the end of May.

Help to Buy makes new build homes available to all home buyers (not just first-time buyers) who wish to buy a new home but may be constrained in doing so – for example as a result of deposit requirements – but who could otherwise be expected to sustain a mortgage. Up to a maximum of 20% in England and up to 40% in London, of the purchase price is available to the buyer through an equity loan funded by the Government through Homes England. Help to Buy is available in England from house builders registered to offer the scheme. Help to Buy has been available since 2013.

For details of the scheme see:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/895107/Help-to-Buy-Buyers-Guide-June2020-FINAL.pdf

Coming to the UK for seasonal agricultural work on farms - England

Advice for seasonal agricultural workers coming to England to pick fruit and vegetables on farms, and their employers, has been updated with a link to the countries from which travel to the UK is banned.

See: https://www.gov.uk/guidance/coming-to-the-uk-for-seasonal-agricultural-work-on-english-farms?utm_medium=email&utm_campaign=govuk-notifications&utm_source=3b926aed-dc0b-49ac-a6fd-2a5fd160ac41&utm_content=daily

Government to introduce tougher measures and enforcement rules for quarantined passengers – England

New enforcement measures from fixed penalty notices to imprisonment came into force on Monday 15 February. The Government has released further rules and guidance on the new quarantine requirements.

Booking and staying in a quarantine hotel when you arrive in England see:

https://www.gov.uk/guidance/booking-and-staying-in-a-quarantine-hotel-when-you-arrive-in-england?utm_medium=email&utm_campaign=govuk-notifications&utm_source=49604c3d-387b-4b6a-8658-978163a91d10&utm_content=daily

How to quarantine when you arrive in England see: https://www.gov.uk/guidance/how-to-quarantine-when-you-arrive-in-england?utm_medium=email&utm_campaign=govuk-notifications&utm_source=f43d8c16-1213-43ae-b40e-6c63a6c8bdc9&utm_content=daily

Testing before you travel to England see: https://www.gov.uk/guidance/coronavirus-covid-19-testing-for-people-travelling-to-england?utm_medium=email&utm_campaign=govuk-notifications&utm_source=de1b762c-c165-426a-90ce-cffe5802ef06&utm_content=daily

Renters continue to be supported with extension to the ban on bailiff evictions

Renters will continue to be supported during the ongoing national lockdown restrictions, with an extension to the ban on bailiff evictions.

The ban on bailiff evictions - which was introduced at the start of the pandemic - has been extended for another 6 weeks - until 31 March - with measures kept under review in line with the latest public health advice.

Exemptions remain in place for the most serious circumstances that cause the greatest strain on landlords as well as other residents and neighbours, such as illegal occupation, anti-social behaviour and arrears of 6 months' rent or more.

Landlords are also required to give 6-month notice periods to tenants before starting possession proceedings, except in the most serious circumstances, meaning that most renters now served notice can stay in their homes until at least August 2021, with time to find alternative support or accommodation.

See: https://www.gov.uk/government/news/housing-secretary-extends-support-for-renters-during-pandemic?utm_medium=email&utm_campaign=govuk-notifications&utm_source=1adbdabf-b9e5-4b24-bd90-92879078eb35&utm_content=daily