

25 January 2021

Business Newsletter

Last week we witnessed the inauguration of a new US president with the promise of further economic stimulus and over 6 million first dose Covid-19 vaccinations administered in the UK. This continues to create a more positive short-term outlook for families and businesses.

The reality is that Government vaccination targets are dependent on the vaccine manufacturers and the safety checks that follow. Nearly 90% of vulnerable people should get their injection by mid-February. Any slip in the supply will delay vaccinations. So we still need to be patient.



On the economic front, the Office for National Statistics latest update shows debit and credit purchases are 35% down on last February and over a quarter (26%) of UK businesses currently trading said that turnover had decreased by more than 20% compared with what is normally expected for this time of year. Interestingly 48% of all workers are still travelling to a workplace.

Overall retail footfall in the UK is at 33% when compared with the same week a year ago, the lowest level since the week ending 7 June 2020. These figures are not unexpected in a national lockdown.

Regional grants are available for closed businesses so please talk to us about how we can help you apply for these.



The tireless efforts of NHS staff and others in the front line continue to inspire us every day and as we come towards the end of January let us have hope that by the end of Spring our hope becomes a reality.

Brexit news



We have heard of more stories of extra layers of administration, courier fees, VAT problems and unexpected customs invoices for both importers and exporters. Some EU specialist online retailers have said they will no longer deliver to the UK because of the new tax changes from 1 January and vice versa. VAT is now being collected at the point of sale rather than at the point of importation. This means that overseas retailers sending goods to the UK are expected to register for UK VAT and account for it to HMRC if the sale value is less than €150 (£135). Smaller EU businesses are now evaluating whether it is worth their while to export to the UK and the reverse is true.

For smaller UK businesses these changes are problematic, and they will take some time to fully understand and for simpler systems to emerge. UK businesses are innovative and adaptive and new solutions to smooth trade will emerge. It is a matter of taking a pragmatic and tentative approach just now.

HMRC have issued an employer bulletin: “UK Transition Special Edition”. This contains a roundup of information and support and you can find out about the new rules for:

- Trading with Europe
- Business travellers
- Social security coordination



Guidance

Employer Bulletin: UK Transition Special Edition

Published 22 January 2021

Trading with Europe

The bulletin contains links to the following areas of guidance:

- Customs declarations for all exports from the UK and if you are importing controlled goods.
- If you import goods that are not controlled, you may be able to delay making your declarations for up to 6 months.
- Using a customs intermediary like a freight forwarder or customs broker.
- How to classify goods, and how to evidence their origin.
- Follow safety and security requirements for goods.
- Move goods under the Northern Ireland Protocol.

Business travellers

The guidance also covers new rules for business travellers and the changes in rules you need to be aware of. For example, bringing commercial goods in accompanied baggage or in a small motor vehicle into and out of Great Britain:

“You need to complete a simple online declaration when entering or leaving Great Britain if you are carrying goods to sell or use by a business with a value not exceeding £1,500 and not:

- weighing more than 1,000kg.
- classed as excise or restricted goods.

You can do this either by an online declaration up to 5 days of arriving or leaving Great Britain or make an oral declaration to a Border Force officer at the port by going to the ‘goods to declare’ channel (red channel) or red point phone when going through customs if facilities exist.

If you are moving commercial goods exceeding £1,500 in value or weighing more than 1,000kg or if you are carrying excise or restricted goods you or your customs agent must submit a full standard customs declaration to HMRC.”

For business travellers bringing commercial goods in accompanied baggage into and out of Northern Ireland (including travelling to Northern Ireland from Great Britain) the guidance states:

“You can make an oral declaration if the goods have a value less than £873, weigh less than 1,000 kg and are not classed as excise or restricted goods. You can go to the ‘goods to declare’ red channel or the red point phone in the customs area to declare your goods to a Border Force officer if these facilities exist at the Northern Ireland port. You can also submit a declaration to HMRC using the Trader Support Service.”

For goods over £873 or that weigh more than 1,000kg or classed as excise or restricted you must submit a declaration to HMRC using the Trader Support Service.

For movements between Northern Ireland and the EU there are no changes to the rules and goods can move without a customs declaration.

Cash

The rules for cash declarations are also covered in the guidance.

“Bringing cash into and out of Northern Ireland (including travelling to Northern Ireland from Great Britain)

You need to make a declaration if you are carrying 10,000 euros or the equivalent in any other currency of cash and travelling to or from a non-EU country. You also need to make a declaration if you are carrying 10,000 euros or more of cash and travelling from Great Britain to Northern Ireland.

You can make the declaration at any time in the 72 hours before the time of travel.”

If you carry cash of 10,000 euros or more in or out of Northern Ireland, you do not need to declare if you are entering or leaving a country in the EU. You also do not need to make a declaration when you are taking cash from Northern Ireland to Great Britain.

You need to make a declaration if you are carrying £10,000 or more into or out of Great Britain from any country, including the EU. You do not need to make a declaration when you are taking cash from Northern Ireland to Great Britain.

New rules on social security coordination

If you send employees to work in the EU, Iceland, Liechtenstein, Norway and Switzerland the social security coordination rules have changed.

If you work in the EU, Norway or Switzerland, you will only have to pay into one country's social security scheme at a time. This will usually be in the country where the work takes place.

If you are only working temporarily in the EU, Norway, Iceland, Switzerland or Liechtenstein you may be able to get a certificate or document from HMRC to carry on paying National Insurance contributions in the UK. This means you will not have to pay social security contributions abroad.

Sending employees to work in the UK.

If you are an employer who sends people to work in the UK, your employee will only have to pay into one country's social security scheme at a time. This will usually be in the UK if that is where the work takes place.

If they are only working temporarily in the UK, they may be able to get a certificate or document to carry on paying social security contributions in their home country.

The full guidance and links can be seen here:

<https://www.gov.uk/government/publications/employer-bulletin-uk-transition-special-edition/employer-bulletin-uk-transition-special-edition>

Covid-19 Government supports news



Below is a weekly roundup of Government supports for businesses and individuals in the UK.

Please talk to us if you need help in applying for Government support.

Pay VAT deferred due to coronavirus (COVID-19)

The guidance on how to pay VAT payments deferred between 20 March and 30 June 2020 has been updated with an added section on 'Correcting errors on your VAT returns relating to the VAT payments deferral scheme', including information on how to defer any extra payments resulting error corrections and HMRC VAT assessments.

If you deferred VAT 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.
- opt into the VAT deferral new payment scheme when it launches in 2021.
- contact HMRC if you need more help to pay.

The online opt in process will be available in early 2021 and you must do this yourself.

Instead of paying the full amount by the end of March 2021, you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

The scheme will allow you to:

- pay your deferred VAT in instalments without adding interest.
- select the number of instalments from 2 to 11 equal monthly payments.

To use this scheme you must:

- still have deferred VAT to pay.
- be up to date with your VAT returns.
- opt in before the end of March 2021.
- pay the first instalment when you opt in

If you opt into the scheme, you can still have a time to pay arrangement for other HMRC debts and outstanding tax.

See: https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=1dea07fe-13bb-409e-8518-47e6015adde6&utm_content=daily

How to treat certain expenses and benefits provided to employees during coronavirus (COVID-19)

The guidance on taxable expenses and benefits when they are paid to employees because of coronavirus and how to report them to HMRC has been updated to confirm that if an employer is providing antigen testing kits to employees, outside of the government's national testing scheme, either directly or by purchasing tests that are carried out by a third party, no Income Tax or Class 1A National Insurance contributions will be due. Similarly, employers and their employees will not be liable to any Income Tax or National Insurance contributions, where an employee receives money from their employer for obtaining a test.

See: https://www.gov.uk/guidance/how-to-treat-certain-expenses-and-benefits-provided-to-employees-during-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=63809c59-6cfa-4203-8c3e-750bffaec261&utm_content=daily#coronavirus-covid-19-tests

Private providers of coronavirus testing

The lists of and information about approved suppliers of private testing kits for coronavirus (COVID-19) has been updated.

The Department of Health and Social Care (DHSC) is aware of these private sector (non-NHS) providers who may be able to conduct tests for the presence of coronavirus (SARS-CoV-2).

Providers are listed in alphabetical order. They have declared that they meet the government's minimum standards for providers of Test to Release for international travel or minimum standards for private sector providers of general COVID-19 testing (the Declaration).

Both lists are continually updated by DHSC as providers declare that they meet the required standards and are reviewed by UKAS.

See: <https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing/list-of-private-providers-of-coronavirus-testing>

Haulier advice site locations

The list of sites where drivers and crew of HGVs, LGVs, coaches and vans can get free COVID-19 tests and border readiness checks before transporting goods to the EU has been updated.

See: https://www.gov.uk/guidance/haulier-advice-site-locations?utm_medium=email&utm_campaign=govuk-notifications&utm_source=6c06381f-f45b-4dc5-99ed-b93fe93ab6e9&utm_content=daily

More employers sign up to rapid testing to protect workforce

Businesses and public sector organisations are joining a government scheme to test workers without symptoms who cannot work from home.

The expansion of such testing should find more positive cases, keeping workers from unknowingly passing on the virus and protecting important services.

Rapid testing in the workplace, using lateral flow tests, aims to help protect those at highest risk and provide vital information to help inform further rollout of the rapid testing technology in future. Organisations signed up to workplace testing already include: Royal Mail, Tate & Lyle Sugars, Primula, Moy Park, Octopus Energy, Apetito, and DVLA.

In addition to scaling up employer-led testing, targeted community testing is now being rolled out across all local authorities in England, with local authorities being encouraged to target testing to people who are unable to work from home. There are now 156 local authorities rolling out community testing programmes, with more than 7 million test kits delivered to participating local authorities.

Local authorities will have the decision on how to use the tests, prioritising those who cannot work from home during the national lockdown. For example these could include using them for council workers, bin collectors or shop workers.

See: https://www.gov.uk/government/news/more-employers-sign-up-to-rapid-testing-to-protect-workforce?utm_medium=email&utm_campaign=govuk-notifications&utm_source=4f0c747f-5684-4412-a67a-6aac31b936c1&utm_content=daily

Apply for the Zoo Animals Fund – England

The application deadline has been updated to the 26 February 2021.

Zoos or aquariums can apply for an animal welfare grant of up to £730,000 if affected by coronavirus (COVID-19).

You can apply to the Zoo Animals Fund if your zoo or aquarium is based in England and either:

- holds a licence (full or dispensation) under the Zoo Licensing Act 1981
- has been granted an exemption under the Zoo Licensing Act 1981 and holds a licence under the Animal Welfare (Licensing of Activities Involving Animals) Regulations 2018

Before you apply for a grant, you must take all reasonable steps to:

- reduce costs.
- generate income in other ways, including applying for COVID-19 business support schemes and commercial and philanthropic funding.

You will have to submit evidence of this when you apply.

You cannot apply if you are an individual zoo that is part of a group of zoos and/or have a parent company. You can apply on behalf of the group, or your parent company may make an application on behalf of the zoos within the group.

You can apply if you have already applied for funding under the Zoos Support Fund between May and July 2020.

You are not eligible if you have already received direct grants of more than €800,000 under the COVID-19 temporary framework once this grant is awarded.

See: <https://www.gov.uk/guidance/coronavirus-covid-19-support-for-zoos-and-aquariums#eligibility>