
Written 1 March 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.

WHAT CAN WE EXPECT IN THE BUDGET?

The Budget will be on 3 March and Chancellor Rishi Sunak will make a statement to MPs in the House of Commons outlining the state of the economy and the government's plans for raising or lowering taxes. The Budget includes decisions on what the government will spend money on and forecasts for how the UK economy could perform in future.

At the upcoming Budget, we expect the government will outline further detail on economic support to help protect jobs and livelihoods across the UK. That has been their priority throughout the past year, and they state it will be the priority for the year to come. Yesterday we heard the news that the government was set to launch a £5bn fund in England to help the High Street recover from Covid.



The chancellor said the grants, worth up to £18,000 per firm, will help shops and pubs reopen as England eases lockdown. Details will follow on Wednesday and we will keep you informed and how to claim shortly.

Pre-budget news releases report the Chancellor is set to announce a £126m boost for traineeships in England. The scheme will include a new "flexi-job" apprenticeship that will enable apprentices to work with a number of different employers in one sector. The boost to existing apprenticeship and traineeship programmes will include paying up to double the current cash incentive to firms who take on an apprentice, regardless of age.

A mortgage guarantee scheme to help people with small deposits get on the property ladder is also set to be announced and the government will offer incentives to lenders, bringing back 95% mortgages.

There is also talk of the Chancellor announcing the creation of “freeports” to help boost trade and manufacturing. Freeports are areas around a port or airport, where goods can be imported without having to pay import taxes and these taxes only become payable when the goods leave the freeport and are distributed elsewhere in the UK. If goods are re-exported they do not have to pay the relevant UK taxes. The building and operation of freeports in deprived areas could help stimulate the local economy in England. The other countries of the UK have their own freeport policies.

We will send you a tax newsletter following the Chancellor’s Budget. It will be interesting to see if there are any tax increases, or will he focus on stimulating economic growth?

The Government has launched a new campaign to encourage the nation to keep going and stay at home. The new advertising reminds people everything they’re doing is helping stop the spread of the virus. As set out in the roadmap, lockdown will begin to lift but it emphasises the need for caution to keep the virus under control.



While transmission rates decline, vaccines continue to be rolled out and the roadmap out of lockdown has been published, the new campaign is encouraging people to ‘keep going’. It acknowledges how difficult lockdown has been but highlights its effectiveness with falling infection rates and successful vaccine roll-out.

See: https://www.gov.uk/government/news/new-campaign-encourages-the-nation-to-keep-going-and-stay-at-home?utm_medium=email&utm_campaign=govuk-notifications&utm_source=c83ef2d8-8065-418f-b788-5dc000a2b869&utm_content=daily

As the vaccine roll out continues, the Joint Committee on Vaccination and Immunisation (JCVI) has recommended that the following groups should be prioritised, once all at-risk groups in phase one have been offered at least one dose of the vaccine:

- all those aged 40-49 years

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- all those aged 30-39 years
 - all those aged 18-29 years

All four nations of the UK follow the recommended approach, the government says, with all those in the phase one priority groups vaccinated by mid-April, and all adults by the end of July.

If the vaccine supply continues, and the programme is effective, we can look forward to some return to normality this year. If you run a business, now is the time to plan ahead and get ready for the increase in activity that we are all expecting. Please talk to us about how we can help with forecasts and “what if scenarios”.

BREXIT NEWS

Northern Ireland

The news last week was dominated by the Northern Ireland (NI) border discussions. A meeting of the EU-UK body overseeing the NI Brexit arrangements and aimed at resolving issues with the Irish sea border has had mixed reactions amongst NI politicians. No change was reported in extending the request by the UK to extend the border grace period, due to end in April. The UK and business groups have asked the EU for an extension until 2023.

The UK will be submitting a new operational plan for supermarkets and their suppliers and investment plans for digital solutions for trade. Another meeting of the committee will take place in March.

Financial services – EU firms setting up in the UK

In our last newsletter we reported that the EU had not yet granted the UK financial services industry “Equivalence”. Equivalence is a system which can be used to grant domestic market access to foreign firms in certain areas of financial services. It’s based on the principle that the countries where they are based have regimes which are ‘equivalent’ in outcome. The EU has not yet reached a decision regarding the UK and requires more information on what the UK will be doing in the future.

As a result UK firms do not have access to EU customers and vice versa. So it is interesting to note that over 1,000 EU finance firms are looking to open UK offices to get access to the UK market. These include banks and insurance companies.



Financial services regulatory consultants Bovill report that 1,500 regulated EU firms have applied for temporary permissions to continue operating in the UK and around two thirds had no physical presence in the UK before Brexit. The highest number of applications came from companies in Ireland, France and Germany.

This report suggests London will remain a key global financial centre and this is welcome news for advisers, professional firms, other supporting businesses in the UK. See: <https://www.bovill.com/>

Our view is that regulatory equivalence decisions would benefit businesses on both sides of the channel, and we hope an agreement can be found sooner rather than later.

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.

Fund extended to help level-up all regions of United Kingdom

The Government fund to level-up opportunities is being extended so that people in every region and nation of the UK can benefit was announced last week.

The Levelling Up Fund will be extended to the whole of the UK to help boost growth in Scotland, Wales and Northern Ireland. £4.8 billion will now be invested in local projects, such as regeneration and transport, ensuring the government provides the same support to communities across the UK.

Further details on how the Fund will operate will be published in the Budget, including who can bid, the types of projects eligible for funding, and the criteria for assessing proposals.

See: https://www.gov.uk/government/news/fund-extended-to-help-level-up-every-corner-of-united-kingdom?utm_medium=email&utm_campaign=govuk-notifications&utm_source=0d7a3859-73b7-4270-8db6-33fd882a342f&utm_content=daily

The Coronavirus Job Retention Scheme (CJRS)

Guidance has been updated for the CJRS scheme which has been extended until 30 April 2021. Claims for furlough days in February 2021 must be made by 15 March 2021. You can no longer submit claims for claim periods ending on or before 31 October 2020.

There is updated information about the banded ranges and employer claim data and information about how employees can use their personal tax account to see if they were included in any December 2020 claims has also been added.

We may see some form of extension to the scheme in this week's budget. We will keep you up to date if there are any changes.

See: https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme?utm_medium=email&utm_campaign=govuk-notifications&utm_source=85e0f593-6ed6-4f39-923a-d9d19e67d5c2&utm_content=daily

Providing apprenticeships during the coronavirus (COVID-19) outbreak

Guidance has been updated to show eligible apprentices can now start their EPA before they achieve their functional skills qualifications if they have been prevented from doing so by coronavirus (COVID-19) restrictions.

See: https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response?utm_medium=email&utm_campaign=govuk-notifications&utm_source=136c252f-68cd-4852-951d-70d6801e0478&utm_content=daily

UK's space sector to receive new government support

Economic measures have been outlined to support the UK's space sector:

- New Space Sector Export Academy to upskill space-sector businesses
- Continued support for Leicester Space Park to become a High Potential Opportunity (HPO) for foreign investors

The UK space exports reached £5.5 billion in 2019, with the sector generating over a third of its income from exports. The sector, which currently employs around 42,000 people in the UK and supports approximately 15% of the UK's wider GDP through space-based services, will benefit from measures that will boost exports and investment, including:

Investment promotion:

- Continued support of the Leicester Space Park as a HPO for foreign investors, following on from its launch in Spring 2019.
- The HPO scheme identifies opportunities to attract foreign direct investment into emerging sectors and regions – creating new jobs and growth.
- Use of GREAT campaign branding to build a suite of new space-specific marketing material for external events.

Export support:

The Government will set up a new virtual Space Sector Export Academy to provide training to SME space businesses and increase international trade, investment skills and knowledge and working with other government departments and local partners to reduce trade barriers and support international partnerships to generate commercial opportunities.

See: https://www.gov.uk/government/news/uks-leading-space-sector-to-benefit-from-new-government-support?utm_medium=email&utm_campaign=govuk-notifications&utm_source=4a616c71-5ded-4d08-8db7-fb76e05def2a&utm_content=dail

Letter to businesses on workplace testing – more than 50 employees

A letter from the Secretary of State for Business, Energy and Industrial Strategy to all businesses registered in England about free COVID-19 tests for staff who cannot work from home has been published. This urges employers with 50 or more employees to utilise the free lateral flow testing kits to test their staff.

The test kits are entirely free of charge until 30 June 2021 for firms that have registered by 31 March at <https://www.gov.uk/get-workplace-coronavirus-tests>

The Department for Health and Social Care will also offer advice and guidance to support setting up testing facilities, along with a list of accredited private providers who can organise testing on your behalf if preferred. Companies with fewer than 50 employees can take advantage of community testing for their staff.

Lateral flow tests are good at detecting those who are infectious and have already been hugely successful in finding positive cases that would not otherwise be found, enabling those people to be taken out of the transmission chain. Workplaces that have introduced regular testing find they can plan with more certainty and spot individual cases before whole teams fall ill.

See:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965090/sos-workplace-testing-letter.pdf

Companies House (CH) Update

Strike off (dissolution)

Following a temporary pause, CH resume their strike off processes from 8 March 2021. They will continue to write to companies who are late filing their annual accounts or confirmation statement and help them bring their record up to date.

They state they understand that this is a difficult time and that they are committed to supporting businesses who may be struggling with their filing requirements during the coronavirus outbreak.

See: https://www.gov.uk/guidance/coronavirus-guidance-for-companies-house-customers-employees-and-suppliers?utm_medium=email&utm_campaign=govuk-notifications&utm_source=19352365-8e12-4030-a006-5a592d8e0a3a&utm_content=daily

Access coronavirus business innovation support package

Existing award holders and additional business advisory support services can access the scheme providing continuity grants and loans. The scheme has been updated to replace Enterprise Europe Network (EEN) with Innovate UK EDGE.

Continuity grants

Up to £90 million is available in continuity grants, paid upfront, to SMEs and third sector organisations who are existing Innovate UK award holders and who are at risk of abandoning their project due to a sudden shortage or even unavailability of funds directly related to COVID-19.

These grants are for eligible organisations that expect to have a funding gap (between £25,000 and £250,000) in the remaining period of their project because they are facing loss or damages, such as reduced access to capital, cancelled orders or increases to costs, and are therefore seeing cashflow disrupted as a result of the COVID-19 outbreak.

Continuity loans

Up to £210 million is available in continuity loans to SMEs and third sector organisations that have a challenge in continuing a live project for which they have an award from Innovate UK.

Loans are for organisations that find themselves facing a sudden shortage or even unavailability of funds resulting directly from the COVID-19 pandemic.

This innovation continuity loan may be suitable if you need funding of between £250,000 and £1,600,000.

Business advice and support

Business advisory support services are available to around 6,000 innovative high-growth-potential, high-growth and scaling SMEs over the next 2 years managed through Innovate UK EDGE.



**Bespoke support that grows and
scales innovative businesses**

Innovate UK EDGE is a part of the UK innovation agency's investment in the innovative businesses that drive economic growth. It complements Innovate UK project funding with specialist-led support for such businesses.

See: https://www.innovateukedge.ukri.org/?_ga=2.146406836.1075378472.1614332088-1794852922.1586417949

Each high-potential, innovative business in a portfolio benefits from the objective perspective of a dedicated innovation and growth specialist local to them. Specialists consider a business in the round and, working closely with its leadership, identifies the most productive ways to accelerate its growth.

Innovate UK EDGE brings a range of services to help ambitious, innovative SMEs scale and grow. They help businesses:

- exploit innovation, intellectual property, and connections in the UK and abroad
- enter new markets at home and abroad
- access funding and finance and getting investment ready.

How to apply

Further details are available in the guidance document.

See: https://www.gov.uk/government/publications/access-coronavirus-business-innovation-support-package?utm_medium=email&utm_campaign=govuk-notifications&utm_source=Odea0312-9d2f-4254-bcba-838ce9af5b79&utm_content=daily

Essential workers prioritised for COVID-19 testing

- Wales see: <https://gov.wales/coronavirus-critical-key-workers-test-eligibility/>

- Scotland: <https://www.gov.scot/publications/coronavirus-covid-19-getting-tested/pages/who-can-be-tested/>
- Northern Ireland: <https://www.nibusinessinfo.co.uk/content/coronavirus-guide-making-workplaces-safer-and-priority-sector-list>

The list of essential workers prioritised for PCR testing for coronavirus (COVID-19) has been updated for England.

All NHS and social care staff

This includes:

- doctors, nurses, midwives, paramedics, social workers, care workers, and other frontline health and social care staff, including community pharmacists and their staff, students on clinical placements, volunteers and unpaid carers
- the support and specialist staff required to maintain the UK's health and social care sector
- those working as part of the health and social care supply chain, including producers and distributors of medicines, and medical and personal protective equipment
- NHS Blood and Transplant frontline staff (blood donation staff, specialist nurses for organ donation, staff running therapeutic apheresis services in NHS hospitals)
- those providing ancillary support to NHS workers (such as hotel accommodation for NHS staff)
- personal care assistants

Essential public services staff

This includes:

- prisons, probation, courts and tribunals staff, judiciary
- religious staff
- charities and workers delivering critical frontline services
- those responsible for the management of the deceased
- journalists and broadcasters covering coronavirus or providing public service broadcasting
- public health and environmental staff, such as specialist community public health nursing

Public safety and national security staff

This includes:

- police and support staff
- Ministry of Defence civilians, contractors and armed forces personnel (those critical to the delivery of critical defence and national security outputs and critical to the response to the coronavirus pandemic and EU transition), including defence medical staff
- fire and rescue service employees (including support staff)
- National Crime Agency staff, those maintaining border security, prison and probation staff and other national security roles, including those overseas
- British Transport Police and the Maritime and Coastguard Agency

Transport and border workers

This includes those:

- who keep the air, water, road and rail passenger and freight transport modes operating during the coronavirus response and EU transition
- working on transport systems through which supply chains pass
- constructing or supporting the operation of critical transport and border infrastructure through which supply chains pass

Education and childcare workers

This includes:

- support and teaching staff
- social workers
- specialist education professionals

Critical personnel in the production and distribution of food, drink and essential goods

This includes:

- those involved in food production, processing, distribution, sale and delivery
- those critical to the provision of other essential goods, such as medical supply chain and distribution workers, and testing (such as PHE labs), and veterinary medicine
- workers critical to the continuity of essential movement of goods

Local and national government staff

This includes staff critical to the:

- effective delivery of the coronavirus response
- delivery of and response to EU transition, or delivering essential public services, such as the payment of benefits and the certification or checking of goods for import and export (including animal products, animals, plants and food), including in government agencies and arm's length bodies

Public and environmental health staff

This includes government agencies and arm's length bodies.

Funeral industry workers

This includes funeral directors and people responsible for the management of the deceased.

Frontline local authority staff and volunteers

This includes:

- those working with vulnerable children and adults, victims of domestic abuse, and the homeless and rough sleepers (and hotel staff supporting these groups)
- voluntary sector organisations providing substance misuse treatment

Utilities, communication and financial services staff

This includes:

- staff needed for essential financial services provision (including but not limited to workers in banks, building societies and financial market infrastructure)
- the oil, gas, electricity and water sectors (including sewerage) information technology and data infrastructure sector and primary industry supplies to continue during the coronavirus response
- essential staff working in the civil nuclear, chemicals, telecommunications (including but not limited to network operations, field engineering, call centre staff, IT and data infrastructure, 999 and 111 essential services), postal services and delivery, payments providers and waste disposal sectors.

See: <https://www.gov.uk/guidance/essential-workers-prioritised-for-covid-19-testing>