

Written 8 February 2021

Business News

Today the Government announced a new contract secured with Derby-based manufacturer for validated lateral flow antigen tests, ensuring supply for UK over coming months. Also this weekend the Government started offering all English businesses with over 50 employees' workplace Covid testing.

To register to order coronavirus tests for your employees see: <https://www.gov.uk/get-workplace-coronavirus-tests>

We can now see a picture of the “New Normal” post initial vaccination emerging, with faster and more often testing for the workplace, when travelling and possibly attending events, voluntary social distancing and regular vaccinations against the virus and its new strains. In the meantime let us have hope the vaccination roll out is successful.

The Bank of England monetary policy committee met last week and voted unanimously to keep interest rates at 0.1% and maintain its current position on government borrowing. They stated that the vaccination programmes underway have improved the economic outlook although they expect Gross domestic product (GDP) to be 4% down for the first quarter of 2021 due to the lockdown.



The good news is that they state GDP is projected to recover rapidly towards pre-Covid levels over the year, as the vaccination programme is assumed to lead to an easing of Covid-related restrictions and people's health concerns, although this depends on the evolution of the pandemic, measures taken to protect public health, and how households, businesses and financial markets respond to these developments.

For 2021 we expect government supports such as the Furlough scheme to limit any immediate increase in unemployment, however the unemployment rate is still projected to rise to 7.8% later this year as these schemes wind down.

If we focus on the positives, and the vaccination programme continues at a pace, then we should expect many restrictions to be lifted from May 2021 onwards and hopefully we can have a more normal home and business environment from there on.

BREXIT NEWS

It is well over a month since the implementation of a full border between the UK and the EU. Because of the pandemic, trade has been unusually down but what we can say is that there is a huge amount of additional red tape at the borders. This has particularly affected smaller businesses.



The French authorities in Calais are now enforcing customs and single market rules more strictly and there have already been problems with fish, meat and cheese exports. The amount of red tape has an impact on smaller businesses attitude to trade with the EU and vice versa. When the UK ends its grace period for importers on the 1 April and full customs

checks apply in July, we may see attitudes become a reality. We will have to hope new systems and practices emerge to smooth trade.

Northern Ireland Protocol.

There has been significant concerned discussion over the Northern Ireland Protocol (NIP) in the last week or so and further discussions can be expected. The UK has written the EU asking for agreement to an extension of the grace period for the Irish Sea border. At the moment supermarkets and other businesses are being allowed to operate with reduced requirements for paperwork and certification when moving goods from Great Britain to Northern Ireland. The key date for the NIP is 1 April when the initial grace period finishes.

Areas of Brexit yet to be finalised.

There are many areas where the UK and EU have not finalised agreements on their future relationship and the negotiations are ongoing. For example, as yet there is no agreement on data sharing and financial services. It is hoped that by March, agreements can be made with a possible three-month grace period ahead of implementation. If a data sharing agreement cannot be reached, then the EU will consider the UK to be a “Third country” for personal data transfers which may create new legal requirements.

The key area with financial services is called “Equivalence”. We still do not know whether the EU will recognise the UK’s regulatory system as being similar to the EU’s, which would be astonishing because up to 1 December they were the same and EU regulations were recognised into UK law before Brexit. If the EU does not recognise the UK rules as equivalence then one has to assume this to be a political decision similar to what we saw with the EU announcement (and subsequent withdrawal) of vaccination supply restrictions to Northern Ireland. We can only hope common sense prevails. If equivalence is not recognised by the EU then it will be more difficult for UK businesses to service EU customers in the future and we may see more service led businesses move outside of the UK.

Other key dates for Brexit are:

- April – the movement of goods rules for products of animal origin come into force;
- June - the settlement scheme registration process for people from the EU to remain in the UK ends;
- July – new border controls will come into force after the six-month grace period and customs declarations will become permanent.

VAT on purchases from the EU.

We continue to get asked questions about post Brexit VAT rules so here is a quick reminder of the rules if you purchase goods from the EU either privately or as a business.

Before Brexit, if anyone purchased goods from the EU on an online platform (say Amazon or E-bay), VAT was paid at the rate charged by the country you purchased the item from. VAT would have been applied at the point of purchase and customers paid the price they saw

advertised. In addition many EU businesses selling goods online were below the VAT threshold and there was no VAT charged.

Now all EU sellers have UK VAT charged automatically by online platforms that they use, and this is why some prices have increased by 20%. In addition any purchases from the EU over £135 will have VAT payable by the purchaser at the point of delivery, which could be your doorstep!

In addition because of the customs documentation required some sellers have increased their prices to cover the costs. Some have ceased selling to the UK completely.

We will continue to keep you informed of Brexit developments and please do contact us if you need any help.

COVID-19 GOVERNMENT SUPPORTS NEWS

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

Coronavirus Job Retention Scheme (CJRS).

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

HMRC has updated its examples to help calculate employee's wages, National Insurance contributions and pension contributions if you are claiming through the CJRS. A new example has been added for calculating wages for different types of pension scheme.

See: https://www.gov.uk/government/publications/find-examples-to-help-you-work-out-80-of-your-employees-wages?utm_medium=email&utm_campaign=govuk-notifications&utm_source=05cd36c7-7e90-4622-ba90-f96aa529be12&utm_content=daily

The guidance for employers on the steps to take before calculating a claim has also been updated to give more information about non-monetary benefits and employer pension contributions under salary sacrifice schemes.

See: https://www.gov.uk/guidance/steps-to-take-before-calculating-your-claim-using-the-coronavirus-job-retention-scheme?utm_medium=email&utm_campaign=govuk-notifications&utm_source=78ed8c7f-3c5e-46e8-a3ef-a8e89800c82e&utm_content=daily

Providing apprenticeships during the coronavirus (COVID-19) outbreak

There is a new version of this guidance 'Providing apprenticeships during the coronavirus (COVID-19) outbreak' with updated information on face-to-face training and when to consider a break in an apprenticeship.

This document is for providers, employers, assessment organisations and apprentices.

It describes:

- the temporary flexibilities which have been applied during the coronavirus (COVID-19) outbreak; and
- how and when apprentices can safely train and undertake an assessment in the workplace and educational and assessment settings.

See: https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response?utm_medium=email&utm_campaign=govuk-notifications&utm_source=ea8fe452-9bb3-4280-bfc5-51e027f8950f&utm_content=daily

Getting support from Business Representative Organisations and Trade Associations

Business Representative Organisations and Trade Associations are providing coronavirus related support for specific sectors. There are now added details for the Cosmetic, Toiletry & Perfumery Association and the Mineral Products Association.

On this webpage you will find a list of organisations you can speak with to get advice. Many of these organisations are also happy to respond to non-member queries related to coronavirus.

Many of these websites also include sector-specific guidance and Q&A. This list does not cover all trade associations and business representatives.

See: https://www.gov.uk/guidance/coronavirus-support-from-business-representative-organisations-and-trade-associations?utm_medium=email&utm_campaign=govuk-notifications&utm_source=c091cdf1-0d64-4432-8d5a-2a238e9df391&utm_content=daily

Film & TV Production Restart Scheme



Many film and television productions have been paused during the pandemic due to a lack of insurance against Coronavirus-related losses, such as filming delays when cast or crew members are ill. The £500 million Film and TV Production Restart Scheme, launched in

October 2020, means productions are protected against these delays, giving them the confidence to resume filming.

So far, more than 160 productions from across the UK have been approved by the scheme, supporting over £680 million of economic activity and 19,460 direct jobs on productions – from actors and directors, to hairstylists, runners and set designers. New film, *Boxing Day* and Sky's *Breeders*, are just two of the many projects which have been able to continue filming.

Productions signing up to the scheme are required to pass eligibility checks and supply evidence to show that they cannot return to work without this support, as well as adhere to the scheme rules and industry guidance on safe working:

The Film and TV Production Restart Scheme is available to compensate productions starting or restarting production and covers losses due to delays or abandonment as a result of Coronavirus.

This is a temporary measure, supporting productions which commence filming before 30 April 2021 and for coronavirus-related losses through to the end of June 2021. The deadline for claims if registered is 30 June 2021.

There will be a total cap on claims per production of £5 million, and productions will need to pay an appropriate excess when seeking to claim under the scheme, as well as an appropriate fee when joining the scheme. Productions will also need to purchase insurance to cover non-coronavirus risks to ensure their production is adequately insured.

Productions will need to provide evidence that they cannot return to work because of a lack of insurance.

See: https://www.gov.uk/government/news/almost-20000-jobs-protected-by-film-tv-production-restart-scheme?utm_medium=email&utm_campaign=govuk-notifications&utm_source=d20ca462-f3e3-4486-919e-67eba380b91b&utm_content=daily

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).

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

What to do if you're employed and cannot work – guidance for employees

The Department for Work and Pensions has updated its guidance for employees if they are employed and cannot work.

In addition to the Furlough scheme it details that employees might also be able to get:

- New Style Jobseeker's Allowance (JSA) if you're under State Pension age, you usually work less than 16 hours a week and have made enough National Insurance contributions over the last 2 to 3 years.
- Universal Credit if you or your partner are under State Pension age and you have less than £16,000 in savings – you might be able to get it at the same time as New Style JSA.
- Pension Credit if both you and your partner have reached State Pension age.

See: https://www.gov.uk/guidance/coronavirus-covid-19-what-to-do-if-youre-employed-and-cannot-work?utm_medium=email&utm_campaign=govuk-notifications&utm_source=645a11da-3bbf-4127-b366-78538af6bd47&utm_content=daily

Kickstart Scheme Grant



If you're an employer looking to create job placements for young people, you can apply for funding as part of the Kickstart Scheme. The scheme has changed, and you no longer need a minimum of 30 job placements to apply directly for a grant. You can now apply for a Kickstart Scheme grant by either:

- applying online yourself.
- getting help from a Kickstart gateway who is already working with the Kickstart Scheme.

There is a new guide for employers and this can be seen here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958223/kickstart-scheme-employer-guide.pdf

Christmas Support Payment for wet-led pubs - England

The deadline for applications for the Christmas Support Payment has been extended to 28 February 2021.

The Christmas Support Payment for wet-led pubs supports pubs that predominantly serve alcohol rather than provide food and had been severely impacted over the festive season due to temporary local restrictions. Eligible businesses may be entitled to a one-off cash grant of £1,000 from their local council in areas that were under Tier 2 or Tier 3 local restrictions.

Local councils will use their discretion to identify the right businesses to receive this funding.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-christmas-support-payment-for-wet-led-pubs?utm_medium=email&utm_campaign=govuk-notifications&utm_source=5fb0d557-15fd-4ecc-808f-3cdb5891917c&utm_content=daily

NHS Test and Trace in the workplace - England

The guidance on what to do if you or someone you employ is contacted by NHS Test and Trace, including self-isolation and financial support has been updated to include a section on when to contact your local health protection team.



Test and Trace

The employer's guidance covers sector-specific recommendations on reducing the risk of transmission, the required risk assessments employers should undertake, what to do if an employee develops symptoms and ordering a test and alerting close contacts if the test is positive, self-isolation and contacting local health protection teams.

See: https://www.gov.uk/guidance/nhs-test-and-trace-workplace-guidance?utm_medium=email&utm_campaign=govuk-notifications&utm_source=bf653fe6-374f-44f8-af9a-77eb68b4e638&utm_content=daily

Register to order coronavirus tests for your employees – England

Use this service to get the forms you need to order coronavirus (COVID-19) rapid lateral flow tests for your employees. Do not use this service if you or your employees have symptoms. Anyone with symptoms should order an individual test and stay at home.

You can register to order tests if:

- your business is registered in England
- you employ 50 people or more
- your employees cannot work from home

See: <https://www.gov.uk/get-workplace-coronavirus-tests>