



COVID – 19 Update 21

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Welcome to 2021, our 21st Covid-19 newsletter and the 3rd national lockdown.

Amongst the other depressing news, back in November, Rishi Sunak said in his spending review that the "*economic emergency*" caused by Covid-19 had only just begun, and the virus would mean lasting damage to growth and jobs. Official forecasts now predict the biggest economic decline in 300 years.

The UK economy is expected to shrink by 11.3% this year and not return to its pre-Covid size until the end of 2022. Government borrowing will rise to its highest outside of wartime to deal with the economic impact. The Office for Budget Responsibility (OBR) expects the number of unemployed people to increase up to 2.6 million or 7.5% by the middle of next year, its highest level since the financial crisis in 2009.

The rate of recovery has slowed each month since the largest rise of 9.1% in June 2020. Across services, the monthly growth was driven by health, wholesale, retail and motor trades, and education, while accommodation and food and beverage service activities declined. Within manufacturing there was widespread growth, led by a rise of 6.8% in motor vehicle production. Monthly construction output growth slowed to 1.0% in October 2020, the sixth consecutive month of growth but the lowest rise in that time, with the level of construction output in October 2020 still 6.4% below the February 2020 level.

The figures are gradually improving although it is going to be a long haul. It is clear the hospitality, travel, arts and retail sectors are hardest hit and will take the longer to recover.

That said, the UK has regained its spot as the 4th largest economy from India although not sure what that proves!

Despite the pandemic and of course Brexit, we continue to be so impressed with the resilience of our clients and how they have energetically responded to the challenges of Covid-19, repurposing or pivoting their businesses into new areas, products and services. Please do talk to us about planning for 2021 and beyond, we have considerable experience in helping businesses project their figures forward and perform "What if" analysis to look at a range of scenarios.

Paying for It All

I don't know about you, but my daughter is already giving me enough grief about trashing her generation with Brexit (voting Remain apparently was insufficient and irrelevant) and paying for my state pension when I eventually become entitled, so this is just another stick to beat me with next time she wants something.

Clearly the situation is unprecedented in peace time. There's both the very real cost to individuals, financial and personal, which we hear about all the time, and the financial cost of Covid-19 to the country which has been huge. The Government will need to find more money from spending cuts and taxes.

So, individuals and businesses may expect to see tax rises announced in the March 2021 budget, unless Sunak judges this may imperil any recovery so kicks this particular can a little further down the line.

There is already speculation that the government could raise money from changes to Capital Gains Tax, pensions relief or self-employment taxes. However, this will not be sufficient to cover the Covid-19 costs so some anticipate that there will be some corporation tax, income tax, VAT or national insurance increases.

The big decision for the government will be to decide when to stop the support to the recovering economy - and when to start strengthening public finances by tax rises. The extreme uncertainty underlines how difficult that decision could be because they won't want to choke off growth. Politics will play a huge role in this, given the risks to the polls at the next election.

Businesses and charities should therefore do what they can to strengthen their cash flow management now ahead of the end of supports and tax changes.

The most important advice we can give is to take some time to plan ahead to look at maximising revenue and minimising or streamlining operating costs. We can provide you with templates and forecasts to do this or we can help you prepare accurate forecasts based on a number of scenarios and do a "what if" exercise on your business.

Please talk to us about how we can help you make it through the next few months and preparing for recovery. Below is our latest summary of Government information. If you need help please talk to us, we are here to listen and advise our clients - we are with you all the way.

The Lockdown

Like the first lockdown in March, we cannot leave our homes except for certain reasons such as medical, food, exercise and for those who cannot work from home. Staring wistfully at the locked-up pub doesn't count as exercise.

The rules for can be seen here:

- **England:** https://www.gov.uk/guidance/national-lockdown-stay-at-home?utm_source=8f43e68a-5e0b-44b9-a5db-9e5b5a83d680&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily
- **Scotland:** <https://www.gov.scot/publications/coronavirus-covid-19-stay-at-home-guidance/>
- **Wales:** [Alert level 4 | GOV.WALES](#)
- **Northern Ireland:** [Coronavirus \(COVID-19\) regulations guidance: what the restrictions mean for you | nidirect](#)

All we can do is hope the vaccine is rolled out efficiently to those most vulnerable and that this new lockdown slows the spread of the virus down. In the meantime, we will continue to support you throughout this troubling period, and we will be processing your payroll, accounts, tax returns and grants as usual.

Vaccinations

With over 1.3m people having received vaccinations, amongst troubling stories of patients not turning up and wasted vaccinations, and mad levels of bureaucracy, the Joint Committee of Vaccination and Immunisation (JCVI) have set out a prioritisation for persons at risk. JCVI ranked the eligible groups according to risk, largely based on prevention of COVID-19-specific mortality.

Table 2 – Priority groups for vaccination advised by the Joint Committee on Vaccination and Immunisation

Priority group	Risk group
1	Residents in a care home for older adults Staff working in care homes for older adults
2	All those 80 years of age and over Frontline Health and social care workers
3	All those 75 years of age and over
4	All those 70 years of age and over Clinically extremely vulnerable individuals (not including pregnant women and those under 16 years of age)
5	All those 65 years of age and over
6	Adults aged 16 to 65 years in an at-risk group (Table 3)
7	All those 60 years of age and over
8	All those 55 years of age and over
9	All those 50 years of age and over

Priority groups 4 and 6 also include clinical risk groups. The list can be seen here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/941450/Greenbook_chapter_14a_v2.pdf

The Government has published guidance entitled “Why you have to wait for your COVID-19 vaccine” which details age groups and eligible groups in detail. It also outlines the fact that the COVID-19 vaccines will become available as they are approved for use and as each batch is manufactured. So every dose is needed to protect those at highest risk. People will be called in as soon as there is enough vaccine available.

See: <https://www.gov.uk/government/publications/covid-19-vaccination-why-you-are-being-asked-to-wait/why-you-have-to-wait-for-your-covid-19-vaccine>

The guidance states:

“Some people who are housebound or live in a care home and who can’t get to a local vaccination centre may have to wait for supply of the right type of vaccine. This is because only some vaccines can be transported between people’s homes.

Vaccines will be offered in a range of settings. Some vaccination teams will visit people to offer the vaccine, for example in care homes, other people may have to go to the nearest centre. Because some of the vaccine has to be stored in a very low temperature freezer, you may not be able to get the vaccine in your normal GP surgery.”

By definition, many of our employees will not qualify for vaccination any time soon, so we can reasonably assume that Covid-19 will continue to weigh on all our activities for months to come yet, June or even Autumn. Anyone remember those optimistic comments that it would be all over by Christmas? We can certainly plan for a return to normality, whatever form that might now take, but at the moment, the focus has to remain on making the current situation work for us all, and continue to learn whatever lessons we can.

New lockdown grants announced

On 5th January, the Chancellor announced one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring. In addition, there is a £594m discretionary fund also made available to support other impacted businesses.

The grants will be provided on a per-property basis to support businesses through the latest restrictions, and is expected to benefit over 600,000 business properties, worth £4 billion in total across all nations of the UK.

A further £594m is also being made available for Local Authorities and the Devolved Administrations to support other businesses not eligible for the grants, that might be affected by the restrictions. Businesses should apply to their Local Authorities.

The one-off top-ups will be granted to closed businesses as follows:

- £4,000 for businesses with a rateable value of £15,000 or under
- £6,000 for businesses with a rateable value between £15,000 and £51,000
- £9,000 for businesses with a rateable value of over £51,000
- any business which is legally required to close, and which cannot operate effectively remotely, is eligible for a grant

Business support is a devolved policy and therefore the responsibility of the devolved administrations, which will receive additional funding as a result of these announcements in the usual manner:

- the Scottish Government will receive £375 million
- the Welsh Government will receive £227 million
- the Northern Ireland Executive will receive £127 million

We will keep you up to date with further details as and when the Governments release information.

See: https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs?utm_source=a170333b-b9af-49fe-9451-4c803aad4511&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

For England, the eligibility guidance can be seen at: https://www.gov.uk/guidance/check-if-your-business-is-eligible-for-a-coronavirus-grant-due-to-national-restrictions-for-closed-businesses?utm_source=91047667-9914-4b82-bf64-0a22ccd9fd94&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Coronavirus job retention scheme (CJRS)

The CJRS was extended to 31 March 2021 for all parts of the UK and HMRC has updated its guidance.

The Government is paying 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month. The government will review the terms of the scheme in January.

Remember to keep any records that support the amount of CJRS grant you claim, in case HMRC needs to check them. You can view, print or download copies of your previously submitted claims by logging onto your CJRS service on GOV.UK.

In view of the national lockdown the Government has released Information about employees unable to work because they have caring responsibilities.

See: https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme?utm_source=7e4fd844-191b-46fd-beb7-8b95c5274233&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Please talk to us about making a claim, we have helped many clients through these troubled times, and we want you to know we are here to support you!

Self-employment income support scheme (SEISS)

HMRC issued guidance on the third SEISS grant and specifically how trading conditions affect eligibility.

To be able to claim for the third grant, you must either:

- be currently trading but are impacted by reduced demand due to coronavirus
- have been trading but are temporarily unable to do so due to coronavirus

You must also: -

- intend to continue to trade
- reasonably believe there will be a significant reduction in your trading profits due to reduced demand or your inability to trade

You must also meet all other eligibility criteria to make a claim.

HMRC states that it expects SEISS claimants to make an honest assessment about whether they reasonably believe their businesses will have a significant reduction in profits.

Please talk to us about making a SEISS claim, we can work through your figures and make an accurate estimate of what you should expect.

See: <https://www.gov.uk/guidance/how-your-trading-conditions-affect-your-eligibility-for-the-self-employment-income-support-scheme>

VAT deferred due to coronavirus (COVID-19)

This is so important to many businesses, it's worth a recap ahead of further announcements. HMRC has issued guidance on paying the VAT deferred VAT between 20 March and 30 June 2020 and if you 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

You cannot opt in yet. The online opt in process will be available in early 2021. You must opt in yourself - as it currently stands, we cannot do this for you.

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
- be able to pay the deferred VAT by Direct Debit

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

Before opting in you must:

- create your own Government Gateway account if you don't already have one
- submit any outstanding VAT returns from the last 4 years. You will not be able to join the scheme if you have not done so
- correct errors on your VAT returns as soon as possible. Corrections received after 31 December 2020 may not show in your deferred VAT balance
- make sure you know how much you owe, including the amount you originally deferred and how much you may have already paid

You should also:

- pay what you can as soon as possible to allow HMRC to show the correct deferred VAT balance
- consider the number of equal instalments you will need, from 2 to 11 months

Please talk to us about helping you with your options.

See: https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_source=9431dd8a-ce55-43be-adff-aac5f169c75b&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Travel advice: Coronavirus (COVID-19)

The Government has announced guidance for British people travelling overseas during the pandemic if they are legally permitted to travel internationally.

The guidance varies for England, Scotland, Wales and Northern Ireland and links can be found on the website below.

On the Government website there is a travel planning checklist, links to individual countries rules and Consular help.

See: COVID-19 travel guidance

International travel is increasingly restricted. In the UK, different rules apply in [England](#), [Scotland](#), [Wales](#) and [Northern Ireland](#). For example, in England you must not leave home including to travel abroad, unless you have a legally permitted reason to do so, such as for essential work purposes.

If you are legally permitted to travel, [check our advice](#) for the country you are visiting. Other countries have closed borders, and may further restrict movement or bring in new rules including testing requirements with little warning. Before you return to the UK you must [provide your journey and contact details](#). Also check if you need to [self isolate](#).

If you are travelling abroad and wish to return to the UK, contact your airline or travel provider.

https://www.gov.uk/guidance/travel-advice-novel-coronavirus?utm_source=04431c9a-7dfe-4277-9980-eef9040b5ee0&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Private providers of coronavirus testing

The Department of Health and Social Care is aware of the private sector (non-NHS) providers published on this page who have declared that they meet the government's minimum standards for:

- Test to Release for international travel
- Domestic COVID-19 testing

If you have to travel abroad then this page provides a list of private providers of tests. Typically they offer a 24-hour fast test or standard service.

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

Critical workers and vulnerable children who can access schools or educational settings - England

The list of critical workers (key workers) and vulnerable children and young people who can access full-time education provision in the case of future restrictions on education during the coronavirus (COVID-19) outbreak has been updated at 5th January.

Critical workers are defined as parents whose work is critical to the Covid-19 and EU transition response including those who work in health and social care and in other key sectors outlined in the following sections. Children with at least one parent or carer who is a critical worker can go to school or college if required:

- Health and social care;
- Education and children;

- Key public services;
- Local and national government;
- Food and other necessary goods;
- Public safety and national security;
- Transport and border; and
- Utilities, communication and financial services.

See: <https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision>

Haulier advice site locations

At the Department for Transport's haulier advice sites HGV drivers can:

- Find out about the rules and documents needed to move goods between the UK and EU.
- Complete a free border readiness check to ensure they have the correct documentation to cross the EU border.
- Get help using the Check an HGV is ready to cross the border service.
- HGV drivers can also use the free live webchat function to complete a border readiness check between 8am and 8pm, 7 days a week.

See: https://www.gov.uk/guidance/haulier-advice-site-locations?utm_source=9affb16f-b6a6-48c6-b63e-65c6281e7e83&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Testing for HGV drivers using the Port of Dover or Eurotunnel

How HGV drivers get their COVID-19 test before leaving the UK for France.

See: https://www.gov.uk/government/news/covid-19-testing-for-hgv-drivers-using-the-port-of-dover-or-eurotunnel?utm_source=5cc9a101-6b8f-4b5d-8561-74a99b889190&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Worker, Temporary Worker and Student sponsors

There is updated advice for Worker, Temporary Worker and Student sponsors in the UK who are sponsoring those affected by coronavirus (COVID-19).

Contents

- If your student or employee is absent
- If you're sponsoring a student who is distance learning
- If you have issued a Certificate of Sponsorship (CoS) or a confirmation of acceptance for studies (CAS) and the sponsored employee or student has not yet applied for a visa
- If you're sponsoring a student who's waiting for their permission as a Student or Child Student application to be decided
- If you're sponsoring employees who are working from home
- If you're sponsoring an employee who's waiting for their work visa application to be decided

- If you cannot pay the salaries of sponsored employees because you've temporarily reduced or ceased trading
- Scanned documents
- If you need more information about the measures in place for students and their sponsors
- Coronavirus Immigration Help Centre

See: https://www.gov.uk/guidance/coronavirus-covid-19-advice-for-tier-2-4-and-5-sponsors?utm_source=cbf3feb1-3fb9-44f3-993d-1d6d63833858&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

BWM
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