



COVID – 19 Update 22

COVID 19 & Brexit

Index

Title	Page
Background	1
COVID-19 Support News	1
The March 202 VAT Deferral	1
Bounce Back Loans	2
DVLA – Driving Licenses	2
Adult Social Care	2
Help to buy Scheme	3
Seasonal Agricultural Farm Work	3
Quarantined Passengers	3
Extension of the ban on Bailiff Evictions	3
Brexit	4

COVID 19 & Brexit

Background

It seems somehow appropriate to combine our 22nd Covid-19 update with an update on Brexit, given the way the latter is now starting to impinge once more on the national news. That we have written 21 Covid updates since March 2020 is completely unbelievable, and is some indirect indication of the scale of the innovative financial support extended by HMG.

Of course, the management of the crisis by HMG is not beyond criticism and could have been managed more slickly and effectively, giving rise to fewer u-turns and less concerns about profiteering and cronyism, but hindsight with such an unprecedented crisis is always easy.

The Covid news is as anticipated continuing to become more specific and sporadic, so this probably really now is our last Covid update!

So, on the plus side, green shoots are appearing, literally, in gardens and hedgerows and the days are getting longer which should help a little with the pressures being felt in this latest lockdown.

On the downside, this week saw some gloomy economic figures as last year the economy shrank by a record 10% as coronavirus restrictions hit output, but on the positive side, The Bank of England chief economist Andrew Haldane produced an unusually colourful metaphor commenting that the UK economy is like a “*coiled spring*” and that consumer confidence would surge back thanks to the vaccine programme. Whatever he is taking, I would really appreciate some.

Seriously though it does seem clear from all the informal commentaries that the eventual lifting of restrictions will lead to a rebound of growth as people spend all their accumulated savings on feelgood factors, and even, who knows, holidays. We just do not have a timeline from the Government who are now so cautious about making announcements following many changed decisions and U-turns last year.

If the vaccination programme continues at its current level, then we can take comfort that we hope for a return to some kind of normality. But we will need to learn to live and work with this virus as further mutations appear.

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 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. Will he raise capital gains tax and inheritance tax, hitting middle England once again?

The Government could increase taxes to raise money, whilst this goes against their manifesto pledge in 2019, they might argue the pandemic changed so much that they will be forced to do so. The alternative is to reduce government spending, or rely and encourage the economy to grow and lift us out of this financial quagmire of government debt, or some combination of all of these which might be the most likely scenario.

COVID-19 Support News

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

The March 2020 VAT Deferral

This will be critical to those that deferred VAT payments due between 20 March and 30 June 2020 but cannot pay it when it falls due next month. If you deferred the VAT, you can:

- pay the deferred VAT in full, on or before 31 March 2021.

COVID 19 & Brexit

- 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

Bounce Back Loans

Businesses that took out government-backed Bounce Back Loans to get through Covid-19 will now have greater flexibility to repay their loans with 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 £45bn 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

DVLA – 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.

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

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,

COVID 19 & Brexit

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

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.

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

Seasonal Agricultural Farm Work

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

Quarantined Passengers

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.

For 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

For 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

For 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

Extension of 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.

COVID 19 & Brexit

The ban on bailiff evictions 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=1adbdbaf-b9e5-4b24-bd90-92879078eb35&utm_content=daily

Brexit

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. We will update you once we have news on either of these matters.

The UK has now arranged over 40 trade deals covering 70 countries, and has applied 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 but pales into insignificance against the trade with the EU – but perhaps critical is the scale of growth anticipated in the future from those countries.

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.

COVID 19 & Brexit

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.

BWM
February 2021