

Welcome to Our Latest Newsletter

A Year Like No Other



The Office for National Statistics (ONS) has published “Coronavirus: a year like no other”. A year on from the first government instructions to significantly limit social contact because of the coronavirus (COVID-19) pandemic, ONS look at what the data tells us about these extraordinary 12 months and the way our lives have changed. The data shows the stark reality of deaths and hospitalisations resulting from the pandemic.

The report continues to highlight that for many industries, the fall in job vacancies during 2020 was bigger than the 2008 economic downturn. These figures are expected, given the country was in lockdown for considerable parts of the year, but interestingly, it highlights average house prices increased whilst the economy shrank. Estate agents, Rightmove, recently highlighted that the pandemic has changed the type of property and location many of us want to live in. Cornwall has overtaken London this year as the most searched for location, Devon is third, and Dorset has risen to 10th.

Whether the search patterns in property are a short term escape from the pandemic or a longer term trend, only time will tell. What is clear is we must all be patient, continue to observe the lockdown rules and hope the vaccination programme leads us out of the current situation and into a better future.

Please talk to us about your future plans, we can help with cash flow planning and point you in the right direction for obtaining finance so you can get on with making your business a success!

Please see our roundup of the latest business and COVID-19 news:

- [Finishing Tax Year 2020-21 and Preparing for 2021-22](#)
- [Payroll Administration](#)
- [Prepare for Tax Changes if you Engage or Supply Contractors – Off-Payroll Working Rules \(IR35\)](#)
- [‘Help to Grow’ Scheme](#)
- [COVID-19 Government Support News](#)



Finally, are you spending too much time on your bookkeeping or monthly accounts? Do you want information that can help make your business more profitable?

If so, consider a move to cloud. See our recent case study for more information. [Click here](#)

Finishing Tax Year 2020-21 and Preparing for 2021-22

Time is running out to make the most of your tax allowances this year. The first step to making the most of your tax allowances can mean looking closely at your pension. UK residents under 75 can add money to a pension and receive tax relief on it. You'll automatically get basic rate tax relief (currently 20%) paid into your pension by the government.

If you pay tax at a higher rate you could get up to a further 25%, but you will need to claim it by declaring any pension contributions you have made on your tax return.

The annual allowance is the maximum you can invest in your pension each year that would be eligible for tax relief. It is currently £40,000, or your entire income, whichever is the smaller and there are lifetime allowances to consider.

If you run a limited company then there are some actions you could consider such as dividend and salary planning, purchasing capital items to maximise capital allowances, research and development tax credits and a range of other matters.

Payroll Administration

If you run your own payroll, it is time to look at the end of year payroll tasks for the current year and key changes affecting payroll for 2021-22.

HMRC have updated their webpage on annual reporting and tasks needed before 5 April 2021. This covers sending your final payroll report, updating employee payroll records, updating payroll software, issuing P60s and reporting expenses and benefits.

See: <https://www.gov.uk/payroll-annual-reporting>

HMRC have issued their guidance on P9X: Tax codes, to assist in understanding which PAYE tax codes to change, how to change them and which codes to carry forward ready for the new tax year.

See: <https://www.gov.uk/government/publications/p9x-tax-codes>

For the 2021-22 rates and thresholds for employers when you operate your payroll or provide expenses and benefits to your employees see: <https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2021-to-2022>

If we prepare your payroll we will of course file the necessary tax year end forms for you and keep you informed of any changes.

Prepare for Tax Changes if you Engage or Supply Contractors – Off-Payroll Working Rules (IR35)

If you are a medium or large sized non-public sector organisation and you engage contractors, you should now be taking action to prepare for changes to the off-payroll working rules (IR35) coming into effect on 6 April 2021.

For all contractors working through their own limited company, you will need to:

- identify contractors who work in this way
- decide if they are inside or outside the rules
- inform your contractors of their status determination, and any agencies you engage with
- be ready to add them to payroll if needed
- be ready to deal with any disputes
- maintain an audit trail, and test your processes, systems and controls

If you are an employment agency which supplies contractors who work through their own limited company or other intermediary, you need to understand the changes and may also need to take action. You need to:

- identify contractors who work in this way
- be ready to pass on the status determination statement to any agencies you engage with down the supply chain or be ready to put contractors onto payroll
- maintain an audit trail, and test your processes, systems and controls

You can find more information about the actions you need to take to prepare here: <https://www.gov.uk/guidance/prepare-for-changes-to-the-off-payroll-working-rules-ir35>

Please talk to us about pre-tax year end planning for your business - we are here to support you in preparing for the new tax year and beyond!

'Help to Grow' Scheme

Applications for the government's 'Help to Grow' scheme announced in Budget 2021 have opened.

The scheme is divided between:

- Help to Grow: Management: an executive development programme to help improve business performance and growth potential.
- Help to Grow: Digital: free online advice

Help to Grow: Management

What is it?

- Starting in June, small businesses will be able to access a 12-week training programme delivered by business schools across the UK.
- The programme is 90% subsidised by government. Participants will be charged £750.

Which companies are eligible?

- Eligible companies can be UK businesses from any sector that have been operating for more than one year, with between 5 to 249 employees.
- The participant should be a decision-maker or member of the senior management team within the business e.g. Chief Executive, Finance Director etc.
- Charities are not eligible.

Help to Grow: Digital

What is it?

- Starting this Autumn, small businesses will be able to get free impartial advice on how technology can boost their performance through a new online platform.
- Eligible businesses will also be able to get a discount of up to 50% on the costs of approved software, worth up to £5,000. Vouchers are initially expected to be available for software that helps businesses:
 - Build customer relationships and increase sales.
 - Make the most of selling online.
 - Manage their accounts and finances digitally.

Who is it for?

- All businesses will be able to benefit from free online advice on the platform.
- The voucher is expected to be available to UK business that:
 - Employ between 5 and 249 employees and are registered at Companies House.
 - Have been trading for more than 12 months.
 - Are purchasing the discounted software for the first time.
- Full details on the businesses and software eligible for the voucher will be published this summer.

For more details see <https://helptogrow.campaign.gov.uk/>

COVID-19 Government Support News

Below is a roundup of changes to government support information generally and for businesses, employers and the self-employed. Please contact us if you need help.

VAT deferral – apply now to spread your payments

The VAT deferral new payment scheme is open for all businesses who deferred VAT due between 20 March and 30 June 2020 and still have payments to make, or who are unable to pay in full by 31 March 2021. This includes those on Payment on Account and Annual Accounting schemes.

Apply now to spread these payments over a number of months – the later you join the fewer instalments are available to you. Join from 19 March 2021 to benefit from the maximum number of 11 instalments.

You can join the scheme online without the need to call HMRC. To find out more information, including the things you need to do before joining, go to GOV.UK and search 'VAT deferral'.

CJRS claims for March

You can now submit your CJRS claims for periods in March 2021. These must be made by Wednesday 14 April.

You can claim before, during or after you process your payroll. If you can, it's best to make a claim once you're sure of the exact number of hours your employees will work so you don't have to amend your claim later. Check if you and your employees are eligible and work out how much you can claim using our CJRS calculator and examples, by searching 'Job Retention Scheme' on GOV.UK.

What you need to do now

1. If you haven't submitted your claim for February but believe that you have a reasonable excuse for missing the deadline, check if you can make a late claim by searching 'claim for wages' on GOV.UK.
2. Submit any claims for March no later than Wednesday 14 April.
3. Keep records that support the amount of CJRS grants you claim, in case HMRC needs to check them.

Extension to the CJRS

As announced in the 2021 Spring Budget, the CJRS has been extended until the end of September 2021.

For periods from 1 May 2021 onwards, you will be able to claim for eligible employees who were on your PAYE payroll on 2 March 2021. This means you must have made a PAYE Real Time Information (RTI) submission between 20 March 2020 and 2 March 2021, notifying HMRC of earnings for that employee.

The government will continue to pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month, up to the end of June 2021.

For periods in July, CJRS grants will cover 70% of employees' usual wages for the hours not worked, up to a cap of £2,187.50. In August and September, this will then reduce to 60% of employees' usual wages up to a cap of £1,875.

You will need to continue to pay your furloughed employees at least 80% of their usual wages for the hours they do not work during this time, up to a cap of £2,500 per month. This means, for periods between July and September, you will need to fund the difference between this and the CJRS grants yourself. You can also top up wages above the 80% if you wish, but you are not required to do so.

You must continue to pay Employer National Insurance contributions and pension contributions on subsidised furlough pay from your own funds.

See: <https://content.govdelivery.com/accounts/UKHMRCED/bulletins/2c7619c>

Closed Businesses Lockdown Payment - England

The Closed Businesses Lockdown Payment (CBLP) supports businesses that have been required to close due to the national lockdown that began 5 January 2021. Eligible businesses may be entitled to a one-off cash grant of up to £9,000 from their local council. Local councils will pay the same businesses that are eligible to receive the Local Restrictions Support Grant (Closed) Addendum for the national lockdown period that began on 5 January.

The deadline to apply is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-your-business-is-eligible-for-the-coronavirus-closed-businesses-lockdown-payment?utm_medium=email&utm_campaign=govuk-notifications&utm_source=9b90baf3-e0d6-4440-bf97-987de304993f&utm_content=daily

Local Restrictions Support Grant (for closed businesses) – England

The Local Restrictions Support Grants (LRSG (Closed) and LRSG (Closed) Addendum: Tier 4) support businesses that have been required to close due to temporary local restrictions.

The deadline to apply is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-closed-businesses?utm_medium=email&utm_campaign=govuk-notifications&utm_source=3e0039af-99fc-4f8c-8cef-c237d64fd6b6&utm_content=daily

Local Restrictions Support Grant (for open businesses) – England

The Local Restrictions Support Grant (LRSG (Open)) supports businesses that have been severely impacted due to temporary local restrictions.

The deadline to apply is 31 March 2021.

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-local-restrictions-support-grant-for-open-businesses?utm_medium=email&utm_campaign=govuk-notifications&utm_source=70429f8a-a454-4662-92a6-be8c18d10cc0&utm_content=daily

Free rapid tests for all businesses for regular workplace testing and Income Tax exemption for employer-reimbursed coronavirus antigen tests for tax year 2020-21 and 2021-22



Workplace testing is now available to all businesses, including those with fewer than 50 employees. Businesses are encouraged to register interest by 31 March to access free workplace testing.

As part of the government's roadmap to cautiously lift restrictions, businesses of all sizes, including those with fewer than 50 employees, can register to order free lateral flow tests for their employees. Around 1 in 3 people with coronavirus don't have symptoms, which means they could be spreading the virus in workplaces without knowing. Rapid testing detects cases quickly – in under 30 minutes – meaning positive cases can isolate immediately, breaking chains of transmission.

Businesses have until 31 March to register for the government's workplace testing scheme, which will remain free until the end of June. All those who can work from home should continue to do so.

HMRC have stated they will continue the Income Tax exemption for payments that an employer makes to an employee to reimburse for the cost of a relevant coronavirus antigen. There will be no Income Tax liability for the employee or employer.

See: https://www.gov.uk/government/news/free-rapid-tests-for-all-businesses-for-regular-workplace-testing?utm_medium=email&utm_campaign=govuk-notifications&utm_source=135195f0-f461-46f3-968f-6ff88f466765&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 recently.

The Department of Health and Social Care is aware of the private-sector (non-NHS) providers published on this webpage who have declared that they meet the government's minimum standards for domestic COVID-19 testing and Test to Release for international travel. The list is regularly updated.

See: https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing?utm_medium=email&utm_campaign=govuk-notifications&utm_source=9380290d-080d-44f3-b3cf-2b0ebcb12ccc&utm_content=daily

Providing apprenticeships during the coronavirus (COVID-19) outbreak

The Department of education (DoE) has updated its guidance to reflect the extension of the Coronavirus Job Retention Scheme and remove advice relating to pre-March 8 2021.

This guidance is for apprenticeship training providers (providers), employers, end-point assessment organisations (EPAOs) and apprentices. It describes how and when apprentices can safely train and undertake assessment in the workplace, education and assessment settings and the temporary flexibilities which apply during the coronavirus (COVID-19) outbreak.

The DoE aim is to help employers and apprentices start, continue and complete their apprenticeships wherever possible. Some of this guidance can be found on the apprenticeship service help page for employers, providers and assessment organisations, as well as in articles for apprentices.

See: <https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response/providing-apprenticeships-during-the-coronavirus-covid-19-outbreak>

One-off £500 payment for working households receiving tax credits

The coronavirus support scheme for working households receiving tax credits has been updated to clarify that the payment is non-taxable and will not affect benefits. It does not need to be declared as income for Income Tax Self-Assessment or for tax credit claims and renewals. If you want to change your bank details, you must do this by 8 April.

See: https://www.gov.uk/guidance/new-one-off-500-payment-for-working-households-receiving-tax-credits?utm_medium=email&utm_campaign=govuk-notifications&utm_source=e168d072-5143-4595-b609-9c78887aad5f&utm_content=daily

Tell HMRC about an option to tax land and buildings

The temporary changes on the rules on notifying HMRC of an option to tax land and property during coronavirus (COVID-19) have been extended to 30 June 2021. Use form VAT1614A to tell HMRC of an option to tax land or buildings.

See: https://www.gov.uk/government/publications/vat-notification-of-an-option-to-tax-land-and-or-buildings-vat1614a?utm_medium=email&utm_campaign=govuk-notifications&utm_source=6975cbdf-21cc-4563-883a-e61b8dc06cd0&utm_content=daily

Coronavirus Restart Grant - England

The Restart Grant scheme supports businesses in reopening safely as COVID-19 restrictions are lifted. Grants will be available from 1 April 2021, but you can submit applications in advance.

Eligible businesses in the non-essential retail, hospitality, accommodation, leisure, personal care and gym sectors may be entitled to a one-off cash grant of up to £6,000 from their local council

Your business may be eligible if it is:

- based in England
- rate-paying
- in the non-essential retail, hospitality, accommodation, leisure, personal care or gym sectors
- trading on 1 April 2021

Local councils will use their discretion to determine whether businesses meet the eligibility criteria for this grant scheme.

Eligible businesses will be paid:

- a one-off grant of up to £6,000 in the non-essential retail sector
- a one-off grant of up to £18,000 in the hospitality, accommodation, leisure, personal care and gym sectors

See: https://www.gov.uk/guidance/check-if-youre-eligible-for-a-coronavirus-restart-grant?utm_medium=email&utm_campaign=govuk-notifications&utm_source=010a36f9-4213-4052-90b1-9de86ca87a6c&utm_content=daily

Working safely during coronavirus – England

Changes have been made on the guidance about how to make your workplace COVID-secure. Specifically - The visitor economy. There is a shorter format focussing on actions to make your workplace COVID-Secure, as well as updated guidance covering Step 1 of the roadmap out of lockdown.

See: https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?utm_medium=email&utm_campaign=govuk-notifications&utm_source=dff0480a-b9f9-4c6f-a7dd-47119fde78f7&utm_content=daily

Further support for commercial and residential tenants

The Ban on commercial evictions extended to 30 June and bailiff enforced eviction ban extended to 31 May to protect residential tenants.

Many business owners have had to cease trading entirely during lockdown and they are being given extra support after the government extended the ban on commercial evictions for a further 3 months.

The decision will help those worst affected by the pandemic, such as bars and restaurants, get back to business in May when doors fully reopen for hospitality no earlier than 17 May.

Residential tenants will also be supported as the ban on bailiff-enforced evictions in all but the most serious circumstances – such as incidents of fraud or domestic abuse – and the requirement for landlords to provide 6-month notice periods to tenants before they evict will also be extended until at least 31 May.

This will ensure residents in both the private and social sector can stay in their homes and have enough time to find alternative accommodation or support as we move through the roadmap.

With around 49% of hospitality workers and 36% of retail workers currently renting, the new measures will hopefully help protect jobs as businesses reopen and many more renters can return to work.

See: https://www.gov.uk/government/news/further-support-for-commercial-and-residential-tenants?utm_medium=email&utm_campaign=govuk-notifications&utm_source=36cd14b4-4369-4ede-b7d4-b1afb862673f&utm_content=daily