



UK Policy and Legislative update (9 Jul – 3 Aug)

Workplace Guidance

On 23 July, the Government updated its guidance to help employers, employees and the self-employed understand how to work safely during the coronavirus pandemic.

There are now 14 guides to cover different types of work environments.

The Government advises businesses that they may need to use more than one of these guides when thinking through what they need to do to keep people safe. The guides can be found [here](#).

Changes to the Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme will close on 31 October 2020.

Employers can now bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked.

From 1 August 2020, the level of grant will be reduced each month. A jobs retention bonus will help to wind down the scheme: businesses will be paid £1,000 to retain furloughed staff. The timetable for changes to the scheme can be found [here](#).

Economic recovery: A Plan for Jobs

Delivering his Summer Economic Update in parliament last month, the Chancellor announced a package of measures to support jobs in every part of the country, give businesses the confidence to retain and hire, and provide people with the tools they need to get better jobs.

A plan for jobs is the second part of a three-phase plan to secure the UK's economic recovery from coronavirus.

The first stage was a £160 billion support package, which included £49 billion of extra funding for the country's vital public services including the NHS, paying the wages of nearly 12 million people and supporting over a million businesses through grants, loans and rates cuts.

In the second phase, the Chancellor introduced measures to support jobs by focusing on skills and young people, creating jobs with investment in shovel-ready projects, greening our infrastructure, protecting jobs through a VAT cut for the hospitality sector and a landmark Eat Out to Help Out discount scheme for diners.

The Chancellor said that following this second phase, there will be a third phase focusing on rebuilding, with a Budget and Spending Review in the autumn. This phase will detail further plans to invest in public services, to support innovation and growth-enhancing infrastructure with a National Infrastructure Strategy, to seize global opportunities and to level up opportunity across every region and nation of the UK.



Recovery Advice for Business scheme

The Department of Business, Energy & Industrial Strategy (BEIS) has announced the Recovery Advice for Business scheme which will give small firms access to expert business advice free of charge. The scheme, supported by the government and hosted on the [Enterprise Nation website](#), will give small firms access to free, one-to-one advice with an expert adviser to help them through the coronavirus pandemic and to prepare for long-term recovery. The platform is now live.

Advice will focus on key areas:

- accounting and finance
- people and building a team
- planning, strategy and pivoting
- marketing, PR and social media
- Technology and digital tools

Over 12,000 advisers are available to provide advice through the platform, with more new professional advisers being signed up specifically to support the scheme. The scheme is open to small businesses and expert advisers throughout the UK.

Business experts, supported by the UK's major professional and trade bodies, have rallied behind the government-backed initiative, with thousands of expert advisers already on hand and ready to do their bit to help small businesses recover and rebuild.

Apprenticeships

The Institute for Apprenticeships and Technical Education has announced that all end point assessment (EPA) flexibilities put in place due to coronavirus (COVID-19) will be extended until the end of the year. Find out more [here](#).

Redundancy Support Service for Apprentices

The Department of Education has announced a new online and telephone support service to apprentices who lost their jobs during the coronavirus pandemic. The Redundancy Support Service for Apprentices (ReSSA) will help apprentices find financial, legal, and health and wellbeing support.

Employers are also being offered £2,000 for each new apprentice aged under 25 and £1,500 for each apprentice over 25.

Gillian Keegan, Minister for Apprenticeships and Skills said: "Our new Redundancy Support Service for Apprentices will make sure apprentices who have lost their jobs can get the help and support they need to get back on track and on the path to a new career." Find out more [here](#).



Chancellor orders review of capital gains tax

The Chancellor Rishi Sunak has written a letter to the Office of Tax Simplification to commission a review of Capital Gains Tax and aspects of the taxation of chargeable gains in relation to individuals and smaller businesses.

In his letter, the Chancellor asked the review to “identify opportunities relating to administrative and technical issues as well as areas where the present rules can distort behaviour or do not meet their policy intent. In particular, I would be interested in any proposals from the OTS on the regime of allowances, exemptions, reliefs and the treatment of losses within CGT, and the interactions of how gains are taxed compared to other types of income.”

COVID-19 loan scheme statistics

HM Treasury has published the COVID-19 loan schemes figures. As of 14 July, the banking and finance industry had approved £46.3 billion to over 1.1 million businesses. A more detailed breakdown can be found [here](#).

ONS May GDP statistics

Latest GDP figures from the Office for National Statistics showed that the UK economy grew 1.8% in May but was still 24.5% below pre-COVID levels. It is believed there is likely to be a starker increase in the June and July figures, reflecting the more significant lifting of lockdown across those months.

OBR 2020 Fiscal Sustainability Report (FSR)

The Office for Budget Responsibility's (OBR) has published its 2020 Fiscal Sustainability Report (FSR). The OBR said the economy was on course to shrink by 12.4% in 2020. This would mark the biggest economic decline in 300 years. The OBR said the coronavirus pandemic had "materially altered" the outlook for the public finances and the government was on course to borrow £372bn this year to pay for the shortfall between tax revenues and public spending. This includes extra borrowing to pay for the chancellor's £30bn package unveiled earlier this month to protect jobs and boost the economy and will push the UK's total debt pile to 104.1% of gross domestic product (GDP).

The fiscal watchdog warned that without more tax rises or spending cuts, UK debt would start to dwarf the size of the economy, growing to more than 400% of GDP in 50 years' time. It also warned that the economy is unlikely to get back to its pre-crisis size until the end of 2022, while unemployment was likely to rise to a record 12% by the end of this year, falling back to 10.1% in 2021.

Travel Guidance

Coronavirus (COVID-19): travel corridors

The Government ministers have updated the list of 'travel corridors' which means UK holidaymakers can continue to travel this summer. Participating countries include France, Italy, Greece, Belgium, Germany, Norway, the Netherlands, Turkey and Finland - but not Spain due to a rise in new cases. The full list of countries where travellers will not need to self-isolate can be found [here](#).



COVID-19 Update

Calls to prepare for a second wave

British businesses were warned by Boris Johnson last week of the risk of a second wave of the coronavirus in the autumn.

The prime minister warned businesses on a conference call that the pandemic could worsen again after the summer and they should be prepared for a second wave, although he said this would be unlikely to be as severe as the first and stressed they would seek to avoid a second national lockdown.

Britain to roll out millions of 90-minute coronavirus tests

Health Secretary Matt Hancock has announced that millions of COVID-19 tests that give results in 90 minutes are to be available in the coming months. The 5.8 million tests will be provided to British hospitals, care homes, and laboratories to boost NHS capacity. The tests will not need to be administered by a health professional.

Coronavirus isolation period extended

People who have tested positive for coronavirus or show symptoms in the UK must now self-isolate [for at least 10 days](#), rather than the previous seven. Announced by the UK's Chief Medical Officers, the change comes as ministers try to avoid a second wave of the virus.

The announcement stated that the change would "help provide additional protection to others in the community", which is "particularly important to protect those who have been shielding and in advance of the autumn and winter" when there may be increased community transmission.

In other news

Making Tax Digital

As part of the Treasury's long-term tax digitisation plan: designed to boost national productivity and make it easier for businesses and people to pay tax and reduce avoidable errors and fraud - HMRC's Making Tax Digital programme will be gradually extended.

At present, businesses above the VAT threshold of £85,000 are covered by the system, which requires them to keep digital records and provide VAT returns through software. Since it was introduced in 2019 more than 1.4 million businesses have joined the programme, submitting over 6 million returns.

From April 2022, the programme will be extended to all VAT registered businesses with turnover below the VAT threshold (£85,000), and from April 2023, it will apply to taxpayers who file income tax self-assessment tax returns for business or property income over £10,000 annually.

Making Tax Digital changes will affect the way that taxes are reported, not the level of tax that is collected. It will help to minimise avoidable mistakes – which cost the exchequer £8.5 billion in 2018-19. The long lead-in time will allow businesses, landlords and agents time to plan. It also gives software providers enough notice to bring a range of new products to market, including free software for businesses with the simplest tax affairs. The extension is part of a number of announcements which deliver on government commitments and give taxpayers clarity over the future direction of travel.



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Brexit

The UK and EU finished the latest round of talks about the future trading relationship between the two entities in London week of July 20.

The UK's chief negotiator David Frost said the UK must "face the possibility" that it will not agree a deal on its future relationship with the EU by the end of the year. Mr. Frost said with less than six months to go until the end of the Brexit transition period, the UK must "continue preparing for all possible scenarios" for once that deadline passes. He added there are "considerable gaps" in the contentious areas which include the UK's position on fishing rights and post-Brexit competition rules.

The EU's chief negotiator Michel Barnier agreed that a deal looked "at this point unlikely" given the contentious topics.

Informal talks continue this week ahead of the next formal round of negotiations from August 17. Find out more about what happens post transition [here](#).

FRC completes its first thematic review

The Financial Reporting Council (FRC) has completed its first thematic review of company reporting since the onset of Covid-19 pandemic.

The review found that although companies provided sufficient information to enable a user to understand the impact Covid-19 had on their performance, position and future prospects, some - particularly interim reports - would have benefited from more extensive disclosure.

Building on the guidance contained in the joint regulators statement ([published on 26 March](#)), this review of a sample of March interim and annual reports and accounts includes guidance and better practice examples for companies currently preparing their annual and interim accounts. The FRC has provided a list of reminders to companies. This can be found [here](#).

The FRC's Executive Director of Supervision, David Rule said: "The impact of the Covid-19 pandemic on businesses is pervasive but also differs across sectors, geographies and individual companies. This review highlights how important it is for company reporting to explain not only how Covid-19 has affected company performance but also how it might affect a company's prospects. Drawing on examples, we provide further guidance and good practice recommendations to support both companies and users of company reporting during this challenging period." A link to the review can be found [here](#).