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Introduction

Welcome to our latest newsletter in which we have summarised recent changes that we believe are most relevant to our clients. We do hope that you and your families remain fit and well.

Perhaps everyone breathed a sigh of relief when the Budget on 3 March was not as bad as many had feared, although we had hoped the Chancellor would be taking a longer-term view in terms of raising taxes. We may well hear more about future changes on 23 March when the government will issue a series of tax consultation documents and calls for evidence. These used to be published on the same day as the Budget, but are now being issued separately, on what the government is calling "Tax Day". This may well provide us with a clearer view of their thinking with regard to future tax reform, particularly Capital Gains Tax and Inheritance Tax, as well as the thorny issue of employment status and the problems this continues to cause.

Whilst at this time last year, things were really looking very bleak, at least everything now appears to be moving in the right direction, underpinned by the successful roll out of the vaccine. Let's hope we can all now look to the future with renewed confidence, although it will no doubt take some while for the economy to fully recover. At least we can perhaps start thinking about our next holiday!

Our staff have been working from home since before Christmas, but have continued to provide our clients with an excellent service, despite juggling with home schooling and dodgy Wi-Fi, and we are grateful to them for their continued commitment to the business. We were all due to have a day out as zoo-keepers at Colchester Zoo back in May last year to celebrate the 25 year anniversary of Andy and Rob's business partnership but, like everything else, this had to be delayed, but we look forward to being able to re-book the day later this year.

As always, please let us know if there is anything you would like to discuss in more detail, or need our help with.

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Budget Highlights

Perhaps more notable for what wasn't in the Budget, than what was, the government did announce a number of important extensions to the Coronavirus support program:

CJRS

Now extended to the end of September 2021 with the same maximum benefit for employees throughout, although the grant available to employers will reduce from 80% to 70% for July 2021 and to 60% for August and September 2021. Employers will also continue to be required to cover the related National Insurance and compulsory pension contributions.

Coronavirus Loan Scheme

From 6 April 2021, all the current loan schemes will be replaced by a new Recovery Loan Scheme, offering loans of between £25,000 and £10 million, 80% of which will be guaranteed by the government. All businesses will be eligible.



Restart Grants

Grants of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses will also be available.

Corporation Tax

Of course, there was always going to be a price to pay for all the Covid support and, for now, as well as freezing all the main allowances and tax bands at their 2021/22 amounts until 5 April 2026, Corporation Tax will be increased from 19% to 25% from 1 April 2023, although only on profits above £250,000, with a marginal rate on profits between £50,000 and £250,000.

SEISS

The amount of the fourth grant, available from April 2021 and covering the period February to April 2021, was confirmed at 80% of past trading profit and, for the first time, has been made available to the newly self-employed in 2019/20. Other qualifying conditions match those of the third grant, including the requirement that income has been "significantly affected". A fifth and final grant was also announced limited to 80% of past average profit if turnover has fallen by more than 30%, or a reduced grant of 30% if turnover has fallen by less than 30%. We do not yet know how reduced turnover will be measured. Please also note that HMRC will first be writing to new taxpayers and then phoning them to confirm eligibility.

Business Rates

Eligible businesses will continue to benefit from 100% business rates relief until June 2021 and then 66% relief until March 2022.

Reduced VAT Rate for Hospitality Sector

The benefit of the 5% reduced rate of Vat will continue until 30 September 2021 and will then be increased to 12.5% until 31 March 2022, when it will return to the full rate of 20%.

Capital Allowances

A special First Year Allowance for new qualifying plant and machinery of 130% was announced for expenditure between 1 April 2021 and 31 March 2023, for companies only, which will include new commercial vehicles, but not cars, which are specifically excluded. Although already announced last year, the capital allowance rules for cars will change from April 2021 and only fully electric new cars will be eligible for 100% first year allowances. All other cars with CO2 emissions below 50g/km will be eligible for an 18% writing down allowance and those above 50g/km will only qualify for a 6% allowance.

Employment News



National Minimum Wage (NMW)

NMW rates will increase from 1 April 2021 and the National Living Wage (NLW) will now apply from age 23 (previously 25):

	£	Increase (%)
National Living Wage	8.91	2.2
21-22 Year Old Rate	8.36	2.0
18-20 Year Old Rate	6.56	1.7
16-17 Year Old Rate	4.62	1.5
Apprentice Rate	4.30	3.6

Advisory Fuel Rates for Business Mileage

From 1 March 2021 (previous quarter in brackets)

Engine Size	Petrol	Diesel	LPG
1400cc or less	10p (10p)		7p (7p)
1401cc - 2000cc	12p (11p)		8p (8p)
Over 2000cc	18p (17p)		12p (12p)
1600cc or less		9p (8p)	
1601cc - 2000cc		11p (10p)	
Over 2000cc		12p (12p)	



Support for Jobs

A number of government programs, some of which offer financial incentives, are available for employers who are able to take on new employees, or offer work experience:

Apprenticeships

If you are able to offer formal training for at least 12 months under a recognised scheme to an apprentice, a grant of £2,000 per employee is available for 16 – 24 year olds and £1,500 per employee for those aged 25+.

Kickstart Scheme

This scheme will fund the cost of a 6 month work placement for 16-24 year olds who are at risk of long-term unemployment and provide up to £1,500 towards initial training and job start-up costs.



Industry Placements: T Levels

Payments of up to £750 are available if you are able to offer a 45 day industry placement to a 16-19 year old as part of their 2 year training program.

Sector-Based Work Academy Programme (SWAP)

This scheme provides pre-employment training and a work experience placement so that you can determine suitability at no cost to the business.

Traineeship

Similar to SWAP, but covering periods of up to 1 year and with incentive payments of £1,000 per young person.

And now for something completely different.....

We all need something to cheer us up at the moment and these one-liners brought a smile to our faces.....

The King of Spain has been quarantined on his private jet...



that means the reign in Spain stays mainly on the plane!

They say every piece of chocolate eaten shortens your life by two minutes.....

I've done the maths.....

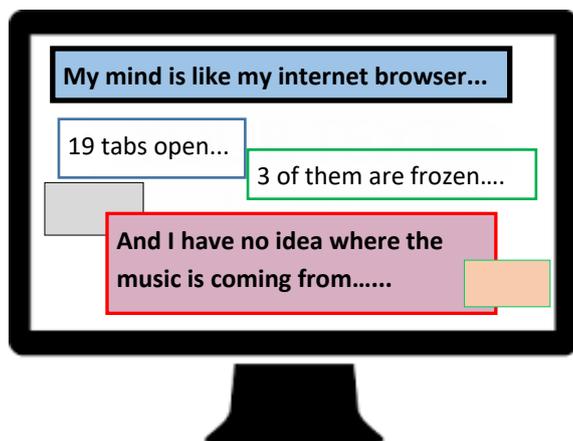
Seems I died in 1937!



It's a five minute walk from my house to the pub

It's a 35 minute walk from the pub to my house

The difference is staggering!



Thought for the Day.....

"Propaganda" is what Cockneys do when they really look at something.

People who wonder whether the glass is half empty or half full are missing the point...

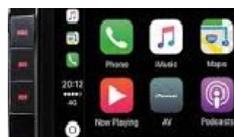
The glass is refillable



I cleaned the TV screen with anti-virus wipes....

Lost BBC news, Sky News and Channel 4 News!

I got myself a seniors' Sat Nav.....



Not only does it tell me how to get to my destination, it tells me why I wanted to go there !!

Don't let them take your temperature on your forehead as you enter the supermarket because it erases your memory.....

I went in for macaroni and cheese and came home with two cases of lager!



This newsletter has been prepared for general interest and it is important to obtain professional advice on specific issues. We believe the information contained in it to be correct as at 16 March 2021. While all possible care is taken in the preparation of the newsletter, no responsibility for loss occasioned by any person acting or refraining from acting as a result of the material contained herein, can be accepted by the firm or its directors.