

Written 20 September 2021

BUSINESS NEWS WALES

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

COVID-19 Vaccination – Autumn booster programme

Last week the Joint Committee for Vaccination and Immunisation has published its final advice on the next stage of the COVID-19 Vaccination programme – the Autumn Booster campaign. This provides Wales with the much needed clarity to progress to the next phase. Their advice has been accepted and Wales will begin deployment of the Booster programme immediately. Its purpose being to reduce any further incidence of Covid-19 and maximise protection in those who are most vulnerable to serious infection, ahead of the winter months.



The JCVI recommended that individuals who were eligible and received vaccination in Phase 1 of the COVID-19 vaccination programme (priority groups 1-9) should be offered a third dose COVID-19 booster vaccine with a minimum 6-month interval after the 2nd dose. An mRNA vaccine is recommended (Pfizer-BioNTech or Moderna) irrespective of which vaccine was given as a primary dose.

The single priority group lists:

- Those living in residential care homes for older adults
- All adults aged 50 years or over
- Frontline health and social care workers
- All those aged 16 to 49 years with underlying health conditions that put them at higher risk of severe COVID-19 (as set out in the Green Book), and adult carers
- Adult household contacts of immunosuppressed individuals

As most younger adults will only receive their second COVID-19 vaccine dose in late summer, the benefits of booster vaccination in this group will be considered at a later time, by the JCVI, when more information is available.

There may be opportunities to offer for the COVID-19 vaccine and flu vaccine to be co-administered, but this is only where timing and logistics allow.

See: [Written Statement: COVID-19 Vaccination – JCVI announcement Autumn booster programme \(14 September 2021\) | GOV.WALES](#)

International Travel Changes

In a written statement last week, Eluned Morgan MS, Minister for Health and Social Services stated the border health measures in place across the UK go some way to protect against the importation of infection and the introduction of new variants.

He also commented that a four-nation collaborative approach is critical to evaluate and implement effective border control arrangements. As Wales shares an open border with England, and most travellers arriving in Wales enter through ports outside Wales, it is not effective to have separate border health policy arrangements for Wales.

He agreed to remove Kenya, Oman, Turkey, Pakistan, Bangladesh, Maldives, Sri Lanka and Egypt from the red list. The changes will come into effect from 4am on Wednesday 22 September.

The Welsh government will carefully consider the UK Government's proposed changes to the border health measures, which include the removal of pre-departure testing and introducing lateral flow tests instead of PCR tests on day two of people's return to the UK.

Considerations will be underpinned by robust evidence and our main focus will continue to be on reducing the risk to public health in Wales.

See: [Written Statement: International Travel Changes \(17 September 2021\) | GOV.WALES](#)

Plastic Packaging Tax Starts 1 April 2022

The legislation to introduce the new Plastic Packaging Tax is included in the Finance Act 2021. Secondary legislation will be introduced later in the year. Until the secondary legislation becomes law, the contents of the HMRC Policy Paper are subject to change. More guidance will be published later in the year. You must continue to comply with all regulatory requirements for plastic packaging in other legislation.



HMRC Guidance published on 19 September provides a high level overview of Plastic Packaging Tax.

If you are a business that manufactures or imports 10 or more tonnes of plastic packaging over a 12-month period you will need to register for the tax. This is regardless of whether you will have to pay any tax. This includes importers of packaging which already contains goods, such as plastic bottles filled with drinks. Where the packaging you import already contains other goods, the tax only applies to the plastic packaging itself.

If you are a business that needs to register for the tax, you will need to pay Plastic Packaging Tax on any packaging that contains less than 30% recycled plastic. The tax will be charged at £200 per tonne. For example, if you manufacture 10 tonnes of plastic packaging, and 1 tonne contains less than 30% recycled plastic, you will need to pay £200.

The online service to register and pay will be available on 1 April 2022 when the tax takes effect.

Find more information on [the scope of the tax, who is liable to register and pay, and other requirements](#).

End of temporary insolvency measures

Temporary insolvency restrictions protections are being lifted and new targeted measures to support small business and commercial tenants introduced. The Insolvency Service has announced that Temporary measures brought in to support businesses from insolvency during the pandemic will be phased out from 1 October.

Companies in financial distress as a result of the pandemic have been protected from creditor action since June last year, through the Corporate Insolvency and Governance Act 2020. This was to ensure that viable businesses affected by the restrictions on trading during the lockdown periods were not forced into insolvency unnecessarily. As the economy returns to normal trading conditions, the restrictions on creditor actions will be lifted.

New legislation will be made to help smaller companies get back on their feet to give them more time to trade their way back to financial health before creditors can take action to wind them up.

The new legislation will:

- Protect businesses from creditors insisting on repayment of relatively small debts by temporarily raising the current debt threshold for a winding up petition to £10,000 or more.
- Require creditors to seek proposals for payment from a debtor business, giving them 21 days for a response before they can proceed with winding up action.

These measures will be in force until 31 March 2022.

Businesses should pay contractual rents where they are able to do so. However, the existing restrictions will remain on commercial landlords from presenting winding up petitions against limited companies to repay commercial rent arrears built up during the pandemic.

Continuing the restriction on winding up, in respect of commercial rent only, supports the UK government statement that commercial tenants will continue to be protected from eviction until 31 March 2022, whilst the government implements a rent arbitration scheme to deal with commercial rent debts accrued during the pandemic.

See: [End of temporary insolvency measures - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/end-of-temporary-insolvency-measures)

No capital allowances for plant and machinery installed in Houses of Multiple Occupation

HMRC have recently confirmed their view that common areas in Houses of Multiple Occupation (HMO) are parts of a “dwelling house” and ineligible for capital allowance claims.

The capital allowance legislation specifically denies tax relief for plant and machinery installed in a dwelling house. However, plant and machinery installed in the common areas such as hallways, stairs and lift shafts, in blocks of flats would qualify as the flats themselves are the dwellings, not the building as a whole.

This would seem inconsistent with the HMRC view on HMOs and there may be a test case on the interpretation, particularly as there is no definition of “dwelling house” in the tax legislation. There is also a lack of clarity concerning the status of University Halls of residence where there is often substantial expenditure on plant and machinery in common areas.

See: [CA11520 - Capital Allowances Manual - HMRC internal manual - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/capital-allowances-manual) and [CA23060 - Capital Allowances Manual - HMRC internal manual - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/capital-allowances-manual)

Enterprise Nation Female Start-up of the Year 2021

The Female Start-up of the Year award celebrates the best of British female entrepreneurship in the UK. Whether you have created an incredible product, offer an amazing service or you are doing something truly different with your business, Enterprise Nation want to hear from you.

The judges are looking for a clear direction for the future of entrants' start-up with a vision, purpose and mission. In return, there are business-boosting prizes and opportunities on offer to the winner.

Applications close at 5pm on Wednesday 22 September 2021, for further information visit the [Enterprise Nation](https://www.enterprise-nation.co.uk) website.

VAT rate reduction for hospitality, holiday accommodation and attractions.

The reduced VAT rate of 5% has been extended until 30 September 2021. Following this, an interim rate of 12.5% will be in place for a further six months with the standard rate of 20% returning in April 2022.

If you are a VAT registered business, check if you can temporarily reduce the rate of VAT on supplies relating to hospitality, accommodation, or admission to certain attractions.

Hospitality:

If you supply food and non-alcoholic beverages for consumption on your premises, for example, a restaurant, café or pub, you're currently required to charge VAT at the standard rate of 20%. However, when you make these supplies between 15 July 2020 and 31 March 2021 you will only need to charge 5%.

You will also be able to charge the reduced rate of VAT on your supplies of hot takeaway food and hot takeaway non-alcoholic drinks.

More information about how these changes apply to your business can be found in [Catering, takeaway food \(VAT Notice 709/1\)](#).

Hotel and holiday accommodation:

You will also benefit from the temporary reduced rate if you:

- supply sleeping accommodation in a hotel or similar establishment
- make certain supplies of holiday accommodation
- charge fees for caravan pitches and associated facilities
- charge fees for tent pitches or camping facilities

More information about how these changes apply to your business can be found in [Hotels and holiday accommodation \(VAT Notice 709/3\)](#).

Admission to certain attractions:

If you charge a fee for admission to certain attractions where the supplies are currently standard rated, you will only need to charge the reduced rate of VAT between 15 July 2020 and 31 March 2021.

However, if the fee you charge for admission is currently exempt, that will take precedence and your supplies will not qualify for the reduced rate.

More information about how these changes apply to your business can be found in [VAT: Admission charges to attractions](#).

For the full details including the Flat Rate Scheme, The Tour Operators Margin Scheme, Retail Schemes and Accounting for supplies that straddle the temporary reduced rate see: [VAT: reduced rate for hospitality, holiday accommodation and attractions - GOV.UK \(www.gov.uk\)](#)

Applications are now open for Rising Stars 4.0

The competition for innovative, early-stage tech companies has been designed to showcase the best the country has to offer, providing a platform for businesses from England, Scotland, Wales and Northern Ireland to shine bright.

Entrants are supported throughout the application process and given training and support at each stage of the competition to enable you to compete to ensure your business is investor ready and deliver the perfect pitch in front of leading investors, influencers and corporates.

There is a live Q&A session taking place on the 29 September, where you can find out what's required and what you can expect as part of the process. You will also have the chance to ask any specific questions you have. Applications close on 20 October 2021.

See: [Rising Stars - UK pitch competition for early-stage tech startups - Tech Nation](#)

Kickstart Scheme for employers

Employers of all sizes can apply for funding to create jobs for 16 to 24 year olds on Universal Credit. Employers can spread the job start dates up until 31 December 2021. You will get funding until 30 June 2022 if a young person starts their job on 31 December 2021.

Further funding is available to provide support so that young people on the scheme can get a job in the future. You will get £1,500 funding per job. This should be spent on setup costs and supporting the young person to develop their employability skills such as training and employability support (provided by you, a Kickstart gateway or another provider), IT equipment and software and uniform or Personal Protective Equipment.

You can apply for a Kickstart Scheme grant by either applying online yourself or applying through a Kickstart gateway who is already working with the Kickstart Scheme.

The funding covers:

- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months
- associated employer National Insurance contributions
- minimum automatic enrolment pension contributions

See: [How the Kickstart Scheme works - GOV.UK \(www.gov.uk\)](#)

Creative Wales Development Fund

The Creative Wales Development Fund will include two strands focusing on supporting projects within the TV and digital content sectors (including games, animation, Createch and creative services). This funding is aimed at Wales based businesses that develop content, products and services in the Creative Industries. This round is not intended to support projects in the wider tech sector.

There is £1.5 million available for projects in this funding round. Projects will be prioritised based on their ability to meet the funding criteria as outlined in the guidance note [Creative Wales Development Fund 2021- External Guidance Notes Issue 1 PDF.pdf \(gov.wales\)](#).

This is a competitive fund and successful applicants could receive up to £25,000 for their project. The fund is now open and closes on Monday 11 October 2021.

See: [Creative Wales Development Fund \(CWDF\) | Business Wales \(gov.wales\)](#)

The Ford Low Carbon Vehicle Transition Fund

New £1.8 million fund to encourage Welsh innovation in low carbon vehicle technology.

The Ford Low Carbon Vehicle Transition Fund, administered by the Welsh Government as part of Ford's legacy in Wales, will address strategic industrial technical challenges associated with low carbon vehicles.

There will be a clear focus on commercialisation and exploitation of new products, processes or services and growing capacity in low carbon technologies.

Projects must align with one of the following [Automotive Council roadmaps](#):

- Electrical Energy Storage
- Electric Machines
- Power Electronics
- Fuel Cell
- Lightweight Vehicle and Powertrain Structure

Key dates:

- 20 September 2021: competition opens
- 23 September 2021: virtual briefing event
- 28 and 30 September 2021: online funding surgery
- 1 November 2021 12 midday: application deadline

See: [Ford Low Carbon Vehicle Transformation Fund | Business Wales - Expertise Wales \(gov.wales\)](#)

Recycle Week 2021

Recycle Week takes place from 20 to 26 September 2021, and is the largest national annual recycling campaign, now in its 18th year!

Recycling plays an essential role in tackling climate change. Up to 95% less energy is used to make products from recycled materials than using raw materials. It's a simple thing everyone can do to make a real difference.

The Be Mighty. Recycle campaign is supporting this year's Recycle Week theme to 'Step it Up' and pull together to recycle more of the right things more often to protect the environment and get Wales to number one in the world at recycling.

See: [Wales Recycles | Wales Recycles](#)