

Hawsons Chartered Accountants
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April | 2021

Transport & Logistics Newsletter

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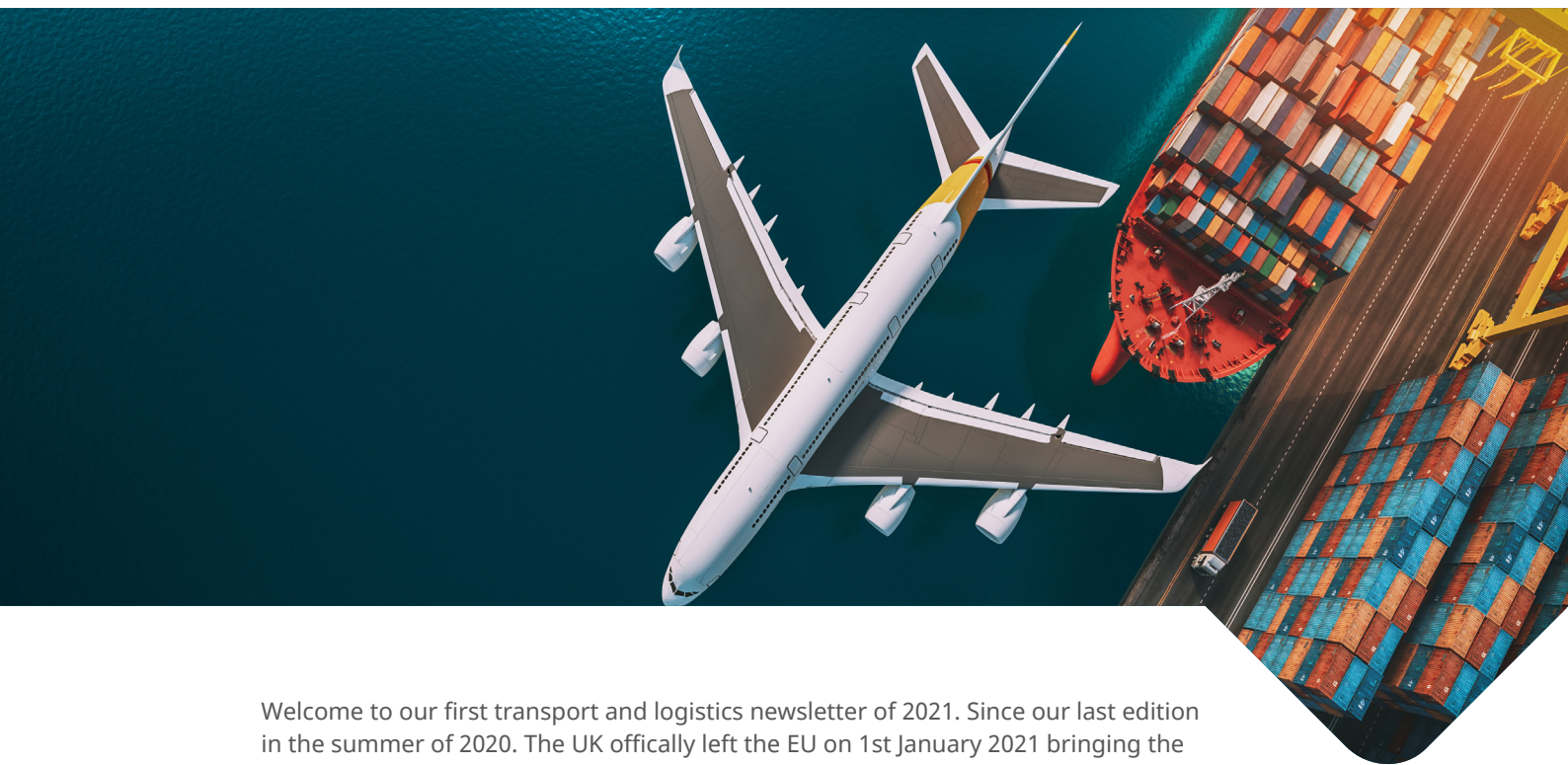
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Introduction Paul Wormald



Welcome to our first transport and logistics newsletter of 2021. Since our last edition in the summer of 2020. The UK officially left the EU on 1st January 2021 bringing the four and half year saga to an end. We have entered our third national lockdown causing further disruption to the UK economy.

In this issue of the newsletter we will be looking at the progress of HS2, the impact of brexit on transport and logistics, and we will also be looking at some of the Budget announcements that will have an affect on the transport and logistics sector.

We hope you enjoy the articles in this newsletter and as ever if you have any questions about any of these articles please do not hesitate to ask.



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HS2 Matters

As we move into 2021 and leave 2020 well and truly in the past, the HS2 project has reached some key milestones.

Around 13,000 people are currently engaged directly on phase 1 of the project across approximately 240 work sites. Add in many thousands more employed in the supply chain and it's clear to see the importance of the project to a post-pandemic Britain.

Phase 2a gained Royal Assent on 11 February, and this will see the route extended from the West Midlands to Crewe, and open up direct services to Liverpool, Manchester, Preston, and Glasgow, on existing metals.

Plans for the western leg of phase 2b were updated in October and these outline the work required to upgrade the existing network serving the North West for HS2 services. The legislative process to approve this should start in 2022.

The Eastern leg of phase 2b connects the West Midlands with Yorkshire and the North East. The legislative procedure to approve this is scheduled to start in 2022 also.

A major step forward is that contracts with a combined value of £12bn have now been issued for tender. The opportunities for business cover railway systems, rolling stock, construction, and a wide range of other services.

More details and the facility to register for tender opportunities can be found at:
www.hs2.org.uk/building-hs2/supply-chain/

Paul Wormald, Transport and Logistics Partner commented: 'it is encouraging to see phase 1 of HS2 underway, and also encouraging to see those running the project committing to putting SMEs at the heart of their procurement process. Hopefully, this will help the UK economy rebuild post-pandemic.

Whilst those of us who live and work around the Eastern leg of phase 2b are hopeful that this will ultimately come to fruition, it would be good to see this committed to legislation as soon as possible.



Keep up to date
with our latest news and updates





Brexit's Impact on Transport and Logistics

It's all gone quiet over there...or has it?

Now that we are several months into the brave new world of the UK being outside of the confines of the EU and well into a third Covid "lockdown", one could be forgiven for thinking that the much-predicted bedlam at the UK's major ports has largely failed to materialise given the relative lack of news stories featuring endless queues of lorries parked nose to tail on the M20 and M2.

The pre-Christmas pleadings of stricken lorry drivers anxious to return home for the Yuletide festivities are but a memory...or are they?

Rod McKenzie, managing director of policy at the Road Haulage Association, said the situation at Dover and other ports was "deteriorating" in a recent radio interview.

Scenes of lorries queued up on the approaches to ports would be "right at the top of the news agenda in any other year" he claimed.

Mr McKenzie blamed this on delays being caused "by a brand new mountain of red tape, which was introduced when we left the EU."

His view was that this situation would be likely to get worse.

His comments came after foreign secretary Dominic

Raab defended the UK's deal with the EU, saying there would always be "teething problems" at the end of the transition period.

Mr Raab insisted the agreement was "a great deal" for the fishing industry in particular, some of whose Scottish workers descended on Whitehall in mid-January to protest against what they describe as "Brexit carnage".

Exports of fresh fish and seafood have been severely disrupted due to increased bureaucracy and paperwork at UK ports, causing delays to the lorries transporting them.

Mr Raab added: "Of course, we've always said as we leave the transition period with a deal – but even more if we hadn't had a deal – there will be some teething problems. We're very focused on working with all of the different sectors, including the fishing industry, to resolve any of these teething problems."

The Road Haulage Association and Department for Transport have issued some very helpful guidance for those businesses involved in transporting goods out of the UK and these can be accessed via the links below:

[DfT Haulier Handbook UK-2.pdf.aspx](#)

[Microsoft Word – 210108 5 key things v3.docx \(rha.uk.net\)](#)



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How can we Help?

Hawsons has a dedicated team of specialist transport and logistics accountants in Sheffield, Doncaster and Northampton.

We act for a large number of clients in this sector across our three offices, ranging from hauliers to international couriers, and

understand the challenges this dynamic sector faces.

Nearly every other commercial sector is reliant on the services transport and logistic businesses provide and, in many ways, this specialist sector is the linchpin for our country's economy.

With our experience in the transport and logistics sector we are able to develop a close understanding of your business and, through active year round involvement, we can help you anticipate and deal with challenges quickly and effectively.



Self-Assessment - More Time to Pay

HMRC has announced further help for Self-Assessment taxpayers, by extending the late payment penalty deadline until 1 April 2021. Under normal circumstances, a 5% penalty would be incurred on any tax payments which were due by 31 January 2021 and are still outstanding on 3 March 2021. This welcome extension means that taxpayers now have until midnight on 1 April 2021 to either pay their outstanding tax or to set up a 'Time to Pay' arrangement with HMRC. These arrangements can allow taxpayers to pay their tax in monthly instalments up to January 2022 (or potentially longer in exceptional circumstances), though please note that HMRC will charge interest during this period (currently 2.6%).



A New VAT Deferral Payment Scheme has just Opened

HMRC have confirmed that businesses that deferred VAT payments between March and June 2020 will be eligible to join the new scheme where they can pay the deferred VAT in smaller monthly instalments. This will now give businesses the option to pay their deferred VAT in consecutive monthly instalments of equal amounts from March 2021.

How can businesses opt-in to the scheme?

Businesses can opt-in to this new payment scheme online [here](#). This closes on 21 June 2021. Businesses can spread their payments with 2 to 11 equal monthly instalments, interest-free. The sooner your business opts in the more instalments will be available to spread the cost further.





Introducing the Super Deduction

What is the Super-deduction?

The super-deduction is a 130% first-year capital allowance for qualifying plant and machinery assets. There is also a less generous 50% first-year allowance for assets qualifying for the special rate pool. The super-deduction will allow companies to reduce their tax bill by up to 25p for every £1 they invest.

This is an exciting and innovative development that should encourage companies to invest in productivity-enhancing plant and machinery assets.

Key points on the 130% super-deduction

It does not apply to cars, although it can be claimed on commercial vehicles.

It does not apply to assets leased out or to assets hired out (e.g. a hire fleet). Although for example in the construction industry, HMRC should accept that plant provided predominantly with an operative is more than just hire and therefore is not excluded and so can qualify.

It does not apply to used or second-hand items
Any assets going into the special rate pool, such as integral features or long life assets, only qualify for a 50% super-deduction.

Only companies qualify (not sole traders or partnerships)

Only expenditure after 1 April 2021 is eligible, but if the contract is entered into before Budget day (3/3/2021) then the company won't qualify. If you sell the asset you have to bring in 130% of the proceeds as a balancing charge.

Next

Do you need brexit training or professional advice?

Self-employment Income Support Scheme (SEISS)
Extended



Do you need Brexit training or professional advice?

The UK Government is launching new financial support for small and medium-sized businesses that import and export from/to the EU, the SME Brexit Support Fund.

If you are a business importing and exporting goods, the Support Fund could help you by funding up to £2,000 for training and/or professional advice.

Your business must meet certain criteria, you must be established in the UK, have less than 500 employees, and a turnover of less than £100 million. If your business is eligible you can use this grant for training on:

- How to complete customs declarations
- How to manage customs processes and use customs software and system

- Specific import and export related aspects
- including VAT, excise, and rules of origin

You can also use it for professional advice on topics that mean your business will meet Customs, Excise, import VAT or safety, and security declaration requirements.

The applications for this grant haven't opened yet however, PricewaterhouseCoopers (PwC) will be administering the grants for HMRC. When the applications do open, you must apply online through the GOV website.

Grants to help small and medium-sized businesses new to importing or exporting – GOV.UK (www.gov.uk)

Self-Employment Income Support Scheme (SEISS) Extended

The Chancellor has today announced further support for the Self-Employed, by making a fourth and fifth grant available under the Self-Employment Income Support Scheme (SEISS).

The fourth grant, covering the period February to April 2021 will be worth 80% of average profits up to a maximum of £7,500. However, the full 80% grant will only be available to those whose turnover has fallen by at least 30%. The grant will be reduced to 30% of average profits for those whose turnover has fallen by less than 30%. A fifth grant will be available from May 2021, however full details of this have not yet been announced.

Unlike the previous three grants, the fourth and fifth grants will be available to Self-Employed individuals who began trading in 2019-20, providing they submitted a Self-Assessment Tax Return for that year. This is expected to provide welcome support to a further 600,000 Self-Employed individuals who were ineligible to claim the previous three grants.

What next?

We would welcome the opportunity to work with you and your business and are more than happy to come out and speak to you to identify where we might be able to help. If you would like further details on any of the above, [please get in touch](#).

Get in touch



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