

Business E-News-England



09 October 2023

Written by 9 October 2023

Business News England

Welcome to our round up of the latest business news for our clients.

This UK Government is the biggest tax-raising parliament since records began.

The Institute for Fiscal Studies (IFS) has stated that this has been the biggest tax-raising parliament since records began, pushing UK tax revenues to historically high levels.

They comment “At the time of the last general election, UK tax revenues amounted to around 33% of national income.

By the time of the next election in 2024, on current forecasts, taxes will amount to around 37% of national income – a level not sustained in the post-war period.

Compared with a world in which taxes had stayed at 33% of national income, the UK government will be raising upwards of £100 billion more in tax revenues next year.

This is equivalent to around £3,500 more per household, though of course the tax rise will not be shared equally.



The government may decide to announce tax cuts in the run-up to the next election. But there is no

world in which this parliament – or indeed the period since Rishi Sunak became Prime Minister – turns out to be anything other than a tax-raising one.

In fact, it is currently on track to be the biggest tax-increasing parliament since comparable records began.

The UK government is currently raising more in tax revenue, as a percentage of national income, than at any time since the 1940s.

This is, in no small part, due to a raft of tax-raising measures announced over the past few years.

Notable examples include the big increase in the main rate of corporation tax from 19% to 25%, the energy profits levy, and freezes to various income tax and National Insurance thresholds.

Economic developments mean that some of these measures will now raise considerably more than originally planned or intended. That is particularly true of freezes to income tax allowances (which would otherwise have risen in line with inflation).

So, are there any tax Planning opportunities ahead of the new tax year?

The new tax year starts 6 April 2024, so you have six months to consider your planning options.

Once we pass this date the majority of the tax planning options for Income Tax and Capital Gains Tax purposes will cease unless actioned.

Do you fall into any of these categories?

- You have or are thinking about a change in your personal status (single, married, separating, joining, or dissolving a civil partnership).
- You are thinking about selling a capital asset, such as shares or a property.
- You or your child’s other parent claims Child Benefit and the income of either parent is likely to exceed £50,000 for the first-time during tax year 2023-24.

Your annual income is approaching or above £100,000.

- You have not yet topped up your pension contributions for tax year 2023-24.
- You are self-employed with a 31 March 2024 year-end.
- You are thinking about the purchase of equipment or vehicles.
- You are the director and/or shareholder of a limited company and have not yet considered voting dividends or bonuses for 2023-24.

If you do, we can help you discuss your options ahead of the April 2024 deadline.

The above list is not comprehensive, and we specialise in helping clients with all taxes including PAYE, NIC, VAT, Corporation, Capital Gains, Income, and Inheritance tax. Please contact us now!

See: [This will be the biggest tax-raising parliament on record](#)

[Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk)

Millions Heading for Retirement Without a Financial Plan

Millions of over-55s in the UK are at risk of encountering financial difficulties in their retirement, new research has revealed.

One of the UK's leading at-retirement advisers commissioned an independent survey of 2,000 UK adults, finding that less than half (46%) of respondents currently have a financial plan in place for their retirement – with this figure only rising to 47% for those aged 55 and above.

When it comes to retirement savings, just 51% of UK adults know how much is in their pensions – again, there is only a slight increase (to 56%) among those aged 55 and above.

The research also showed that less than a third (32%) of over-55s are confident they will retire with enough money to achieve their desired lifestyle.

Research has also shown that only 16% of over-55s regularly use the services of a wealth manager or independent financial adviser (IFA), while just 19% have spoken with an IFA in the past 12 months to help them understand how to adapt their pension plans to the current economic climate.

Do you own a business?

The ultimate aim of every serious businessperson is to build a company that has value, so that it can be sold or transferred, allowing the entrepreneur to exit gracefully and profitably.

Recently, we have been helping a number of our entrepreneur clients develop exit strategies. There are many issues to consider:

- When do you want to retire?
- Can the business be sold to your employees?
- Is a trade sale more likely?
- Are there children involved?
- How much is the business worth?
- What needs to be done to enhance the value of the business?
- How long will it take?
- Do you want/need to stay on after sale or transfer?
- What are the tax consequences?

If you would like to discuss your personal exit plans, we would be happy to do so with you — please call us!

Useful HMRC webinars on expenses and benefits

There is a wide range of expenses and benefits received by employees – including directors. If you would like more information – or maybe just a refresher – on how to deal with such payments and the effects on tax and National Insurance, HMRC have some useful webinars to support you.

Expenses and benefits for your employees – if your employees have more than one workplace

Find out about:

- employee travel to different types of workplace.

- geographical locations.
- the 24-month rule.
- the 40% test.

See: [Registration \(gotowebinar.com\)](https://www.gotowebinar.com)

Expenses and benefits for your employees – travel

This webinar covers reimbursing employees undertaking travel on behalf of the employer, including the tax treatment of:

- travel and subsistence payments to employees.
- mileage payments for employees using their own vehicle.
- benchmark and bespoke scale rates.
- records and reporting requirements.

See: [Registration \(gotowebinar.com\)](https://www.gotowebinar.com)

Expenses and benefits for your employees – company cars, vans and fuel

If your employees have private use of a company vehicle, HMRC will cover:

- how to use the online calculator to work out the amount to report for payroll or on the P11D.
- fuel made available for private use; and
- essential record keeping.
- The first part of the webinar will cover company cars, followed by company vans.

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Digital Innovation Fund opens for applications.

The *Made Smarter Innovation - Smart Manufacturing Data Hub (SMDH)* is now accepting applications for funded projects that will support manufacturing small and medium-sized businesses (SMEs) on their smart manufacturing journey.



The fund aims to support the development of concepts into a market-ready solution for deployment and dissemination to SMEs.

There are three different funding opportunities based on the needs of the company:

- [Lighthouses](#) - aims to develop already proven digital products and processes into readily accessible solutions which meet the needs of manufacturing SMEs. Grant funding of up to £315,000 is available per project.
- [Virtual Testbeds](#) - aims to provide financial support and opportunities to bring pre-existing testbeds to the SMDH community and enable SMEs to utilise them. Grant funding of up to £100,000 is available per project.
- [Rapid Demonstrators](#) - aims to support SMEs with sensor installation, data analysis or

similar to enable levelling-up the opportunities for SMEs to exceed and expand. Grant funding of up to £50,000 per project is available.

The fund is open to any UK-based industrial or professional sector organisation which can provide skills, support, or solutions for manufacturing SMEs.

The deadline for applications is 31 October 2023.

See: [Apply for Digital Innovation Funding \(smdh.uk\)](#)

IPO Transformation: Second consultation

The UK Intellectual Property Office (IPO) is seeking views on a package of changes to improve their digital services.

The [IPO's Transformation programme](#) is designed to modernise and improve the IPO's services.

By the end of 2025, it aims to replace the IPO's existing processes with a digital system for all registered IP rights (patents, trademarks, and designs).

In 2022, the IPO ran a [first public consultation](#), which mainly focused on changes related the launch of the new digital patents service in 2024.

The [government response](#) to that consultation was published on 1 August 2023. This will inform some of the potential legal and practice changes to enable transformation and the build of the service.

A second consultation is now necessary to inform and support

the next phase of the programme, which is chiefly concerned with trademarks, designs and IPO tribunal services.

See: [IPO Transformation: Second consultation \(nibusinessinfo.co.uk\)](#)

Content Fund for high potential games studios

The Department for Culture, Media, and Sport (DCMS) has announced £5 million for the UK Games Fund as part of the Creative Industries Sector Vision, a joint plan between Government and industry to drive growth, build talent and develop skills across the creative sectors.

The Content Fund is offering £50,000 to £150,000 commercial games-for-entertainment content grants.

The aim of the funding is to support a mix of existing and/or new employees, alongside a lesser proportion of contracted staff.

Applicant companies must be UK registered SMEs with PAYE employees engaged in games development work in the UK and have a prototype in place.

Overall project costs must be at least double the requested grant, and the funding must make a demonstrable difference in terms of unlocking additional resources, new relationships, platform, or audience access.

There is a rolling deadline for this programme, however the application portal may be closed periodically for ten to fourteen days whilst batches of applications are reviewed, re-opening as soon as possible.

There are also fixed allocations of funding to administer within different financial years so early applications are encouraged, in particular for financial year 2023/24.

See: [Home - Content Fund \(ukgamesfund.com\)](#)

New bans and restrictions on polluting single-use plastics

Government action to tackle the scourge of litter and protect the environment from plastic pollution came into force on the 1 October, with bans and restrictions on a range of polluting single-use plastic items.

No business – whether retailer, takeaway, food vendor or part of the hospitality industry – will now be able to sell single-use plastic cutlery, balloon sticks nor polystyrene cups and food containers in England.

The supply of single-use plastic plates, trays and bowls has also been restricted.

[The new regulations were announced in January](#) and extensive work has taken place throughout 2023 to provide [further guidance on the ban for businesses](#).

Plastic pollution takes hundreds of years to break down and inflicts serious damage on our ocean, rivers, and land. It is also a source of greenhouse gas emissions, from its production and manufacture to the way it is disposed.

Research shows people across England use 2.7 billion items of mostly plastic single-use cutlery

and 721 million single-use plates every year, but only 10% of these are recycled.

If 2.7 billion pieces of cutlery were lined up, they would go round the world more than eight-and-a-half times.

See: [New bans and restrictions on polluting single-use plastics come into force - GOV.UK \(www.gov.uk\)](#)