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Welcome to our round up of the business news for this week. Please contact us if you want to talk about how these updates affect your business.

## Highlights from the King's speech: What impact may they have on your business?

Last week King Charles delivered the King's Speech. This is a speech traditionally delivered at the State Opening of Parliament and it sets out the government's plans and priorities for the coming year.

The Speech outlines the legislation that ministers of the new government aim to pass and while it's delivered by the King, it's actually drafted by the government of the day.

### Overview

The Speech mentioned **40 new pieces of legislation** that could have a direct impact on businesses and the financial security of individuals.

Here are some highlights:

### Economic outlook

The government is focusing on bringing about economic stability. Via the Budget Responsibility Bill, they are planning for the **Office of Budget Responsibility (OBR)** to independently scrutinise significant spending and tax charges. This should contribute to better financial decision making.

There are plans to improve the UK's trade agreement with the European Union and to help everyone move on from the cost-of-living crisis and help businesses fund new jobs and investment.

As mentioned in the Labour manifesto, legislation will be introduced to remove the VAT exemption from private school fees.

The Speech made no mention of any other tax changes, so this is all being reserved for the budget which is likely to take place in September or October.

### Business and regulatory reform

Additional government intervention and control is planned for the audit market. The **Audit and Corporate Governance bill** is aimed at improving

investor confidence in UK business and will establish the **Audit Reporting and Governance Authority (ARGA)** as an oversight body.

This may mean some changes are coming for company's whose accounts are audited.

**Artificial Intelligence (AI)** will also receive further regulation as the government looks to introduce appropriate legislation.

### Employment and pensions

The **Pension Schemes Bill** will provide some reforms for the pensions system. It will drive investment in homegrown businesses to deliver greater returns for pension savers.

The **Employment Rights Bill and the Draft Equality (Race and Disability) Bill** are planned to enhance employment rights, ban exploitative practices, and enshrine the full right to equal pay in law.

The government intends to reform the **Apprenticeship levy**. They will also establish **'Skills England'** as a new partnership with employers.

### Housing and infrastructure

The **Renters' Rights Bill** will give people renting their homes greater rights and protections.

For instance, it will **end no fault evictions** and reform grounds for possession. These measures were already included in the **Renters' Reform Bill** introduced by the previous government, however due to holdups the process is effectively being restarted.

Draft legislation is also going to be published on leasehold and commonhold reform.

While legislation in this area recently received Royal Assent, Labour plan to go further, banning new leasehold flats and ensuring commonhold is the default tenure.

They will also tackle ground rent charges and unfair maintenance costs.

**The Planning and Infrastructure Bill** was already strongly hinted at in Rachel Reeves first

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speech as Chancellor and is designed to reform the planning process and speed up the delivery of high quality infrastructure and housing.

## Energy

Also in line with the Chancellor's first speech, the Speech confirms that the **Great British Energy Bill** will be introduced to set up Great British Energy, a publicly owned clean power company that will be headquartered in Scotland. It will focus on investing in renewable energy, such as offshore wind.

## Transport

The **Rail Reform Bill** will reform railway franchising and the **Passenger Railway Services (Public Ownership) Bill** will bring 8 train operators into public ownership.

The Better Buses Bill will also allow local leaders to take control of their bus services.

## Health

Through the **Mental Health Bill**, the government will ensure mental health is given the same focus and attention as physical health.

To address poor health, the **Tobacco and Vapes Bill** will gradually increase the age at which people can legally buy tobacco and will impose restrictions on the sale and marketing of e-cigarettes.

Legislation is also coming to regulate the marketing of junk food and restrict the sale of high-caffeine drinks to children.

## Conclusion

There were very few surprises in the King's Speech as it generally just confirmed Labour's intention to deliver on many of their pre-election promises.

Takeaways for businesses may include the possibility of greater stability in decision-making if the government's plans are successful.

Energy costs may reduce as renewable sources are harnessed. However, the regulatory burden on businesses may increase from some of the proposed measures.

Tax remains somewhat of an unknown while we wait for the next budget, which we are expecting to happen in September or October.

See:

<https://www.gov.uk/government/speeches/the-kings-speech-2024>

## Inflation stable staying at 2%

*The Office of National Statistics* has released the latest inflation figures for June, and the good news is that the **Consumer Prices Index (CPI)** has stayed at 2.0%.

The largest upward contribution to inflation came from restaurants and hotels, where hotel prices, in particular, have increased on a year ago. Taylor Swift's Eras tour in the UK may have been a factor in this.

The largest downward contribution came from clothing and footwear as the prices of garments have fallen since a year ago.

As ever, attention turns to how this may affect interest rate policy. The Bank of England next meet to discuss this on August 1<sup>st</sup>.

While it is encouraging that the headline inflation rate has stayed at 2%, there is concern from economists that underlying inflationary pressures, including services inflation, persist that make a rate cut less likely.

According to Bloomberg, the financial markets reduced the likelihood of a rate cut in August to 25% from 50% after news of the unchanged inflation figures broke.

Anecdotally, we are noticing that many clients in the services sector remain under pressure with finding new work, with some of their regular customers looking at ways to cut costs and reduce spend as well. Collecting payments is also an issue for some.

As experienced business advisers, we can help you and your business, whether it comes to renegotiating finance, maximising the intelligence you can get from your financial information or providing tax advice that can make sure your tax burden is as low as possible. *Why not give us a call and see what we can do for you?*

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See:

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest>

## Lessons for businesses from a cyber-attack on the London Borough of Hackney

The London Borough of Hackney (LBoH) has been reprimanded by the *Information Commissioner's Office (ICO)* following a cyber-attack made on them in October 2020.

The breach, which saw hackers access and encrypt 440,000 files, disrupted services for months and exposed sensitive data.

LBoH acknowledged that the attack “posed a meaningful risk of harm” to 230 data subjects.

LBoH have taken remedial steps since the attack and due to their positive actions, ICO have taken the decision to issue a reprimand rather than impose a fine.

However, there are several lessons businesses can learn from this breach that will help to protect their own digital assets and customer information.

Here are five:

1. Vigilance Against Dormant Accounts: One major vulnerability exploited during the attack was a dormant account with an insecure password. *Therefore, regularly auditing user accounts and ensuring that any inactive accounts are disabled or removed promptly is key. Of course, weak or default passwords should be avoided at all costs.*
2. Timely Security Patches: The investigation revealed that LBoH failed to maintain an *active security patch management system* across all devices. Regularly updating software and systems to patch vulnerabilities is essential in preventing cyber-attacks. *You therefore need to implement automated patch management tools to make sure that none of your system is left outdated.*
3. Robust Backup Systems: Hackney’s attackers managed to delete 10% of the council’s backups before they were stopped. *This underlines the need for an effective backup*

*strategy that includes multiple backup copies stored in different locations.* Your backup restoration process should also be tested regularly to make sure it works. This ensures that, in the event of an attack, data can be restored quickly and completely.

4. Response and Remediation Plans: Following the attack, LBoH engaged with national authorities like the NCSC, the NCA, and the Metropolitan Police, and took swift action to inform residents and mitigate harm. *A detailed incident response plan can help you to respond in an organised and prompt way if you experience a data breach.* The plan needs to include notifying the affected parties and engaging with cybersecurity experts to manage the aftermath of an attack.
5. Continuous Improvement and Training: Since the attack, Hackney has adopted a *'zero trust' model* and improved its processes. Likewise, you can continuously evaluate and upgrade your security measures.

Employee training on recognizing phishing attempts and other common threats is also straightforward to implement but can be a crucial part of your defence.

Stephen Bonner, Deputy Commissioner at the ICO, emphasized the importance of avoiding simple security mistakes, noting that breaches often result from basic oversights.

Training can really reduce the risk of these happening.

Taking these lessons to heart can help you to ensure your cybersecurity strategies are robust, comprehensive, and regularly updated.

By doing so, you will better protect your data, maintain customer trust, and avoid the costly repercussions of a cyber-attack.

See: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2024/07/london-borough-of-hackney-reprimanded-following-cyber-attack/>

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## How to avoid fraudulent websites and shop safely online

The *National Cyber Security Centre (NCSC)* have refreshed their guidance on shopping and paying safely online.

Whether for our business or personally, online shopping is now a normal feature of our daily routine.

What tips do NCSC provide that can help us stay safe?

### Check the shop is legitimate.

Criminals send emails or texts that contain links to fake shops. These might direct you to a website that looks very much like a legitimate website, including the shop's logos and so forth. The web domain or address could also look reasonably convincing.

It is good policy to never click links from emails unless you are absolutely sure that the person who sent it is someone you trust, and you know the email has come from them.

Using consumer websites, which usually have reviews, can help you to identify whether a site is legitimate.

They may also help you identify whether a business you are considering using has a good reputation.

If possible, try typing the official website of the shop directly into your browser's address bar.

When using a search engine, take the time needed to read the entries on the results page rather than just clicking on the first item on the page.

### Pay by credit card.

Credit cards often have more protection for online purchases.

***Using PayPal, Apple Pay or Google Pay may not provide the same level of protection,*** so make sure to check the 'terms & conditions' to see what protection you have.

***Whatever you do, don't pay by direct bank transfer.***

Be sparing with the details you provide.

When you make payment only provide the mandatory details, which are usually marked by an asterisk.

NCSC advise that it is best not to create an account unless you think you'll become a regular customer.

So, use the 'checkout as guest' option.

Or, assuming they provide the protection cover you need, using PayPal, Apple Pay, or Google Pay could be your friend since using them means you don't usually need to create an account.

***Whatever the case, you shouldn't let your browser remember your payment details if it prompts you to do so.*** And if you do create an account, don't allow them to store your payment details for future purchases.

### Use strong passwords.

You should make sure that your shopping, online banking, and payment accounts are all protected by strong passwords that aren't used for any other account.

Otherwise, if a criminal gets hold of the password to one account, they have free rein to access others.

Using *2-step verification is also a good defence* as even if a hacker knows your password, they can't automatically access your account.

These tips can help you stay safer when shopping online and minimise the problems that come if you end up being a victim of fraud.

To look at the guidance in more detail, please see: <https://www.ncsc.gov.uk/guidance/shopping-online-securely>

## Landmark Moment for the IPO: First Patent Filed on New Digital Service

The *Intellectual Property Office (IPO)* have been celebrating the first patent application being filed on its new fully digital 'One IPO' patents service.

This is part of an effort to provide a more streamlined and efficient service.

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The IPO are also making use of a new AI-powered patent allocation tool which means that a patent application should now reach the right team within a matter of seconds, instead of the previous 14 days.

The new patents service is due to launch to the public in early 2025, and a new service for trademarks, designs and IPO tribunals will be launching in 2026.

In the meantime, the IPO are looking for more people to take part in the pilot of their new patents service.

For guidance on taking part, see: <https://www.gov.uk/guidance/taking-part-in-our-patents-pilot>

### **Making HMRC pay for poor service.**

Dealing with HM Revenue & Customs (HMRC) can sometimes be challenging.

Long wait times when phoning for help, incorrect refund amounts, errors in tax codes and other issues can cause frustration.

In recent months and years, the decline in service standard from HMRC has been notable, but did you know that it is possible to complain about HMRC and even receive compensation?

### **What are your rights?**

HMRC has a Charter that outlines the standards of service you should expect to receive from them.

They promise to get things right, make things easy, be responsive, treat you fairly, be aware of your personal situation, respect your wish to have someone else deal with them on your behalf, and keep your data secure.

(<https://www.gov.uk/government/publications/hmrc-charter/the-hmrc-charter>)

If you can understand these rights, it will help you to more clearly articulate how HMRC may have fallen short.

### **Keep everything documented**

It is best to keep a detailed record of all your interactions with HMRC. Note down the dates,

times, and names of any HMRC representatives you deal with as well as the substance of any conversation you have with them.

Letters, emails, and other documents they send you should also be kept as they will support your case.

### **Contact HMRC**

Start by contacting HMRC directly to try and resolve your issue.

This can be done by calling their customer service or using their online services. Explain the problem clearly and provide any relevant details.

If they don't resolve the issue to your satisfaction, then you can ask to escalate the complaint.

### **Submit a formal complaint.**

To do this you can either write a letter or fill out the complaint form that is available on the HMRC website.

You should attach any relevant information or evidence that supports your claim.

Be clear on what outcome you are looking for. Tell them whether you want an apology, for them to correct an error or compensation.

### **Seek compensation.**

If you have lost out financially because of HMRC's error or poor service, then you can request compensation.

Specify the amount you want and justify why you believe you deserve it.

Compensation can cover costs such as professional fees that you've had to pay to resolve the issue, or it could be interest on money that is owed to you.

### **Further steps**

If necessary, your complaint can be escalated to the Adjudicator's Office, who will make an independent investigation, or even your Member of Parliament (MP).

## Tips to improve your chances

- Be clear and concise:  
Clearly outline your complaint and the resolution you seek. Avoid unnecessary details that can cloud the main issues.
- Stay calm and professional:  
While it can be frustrating dealing with bureaucratic processes, staying calm and professional can help your case be taken more seriously.
- Follow up:  
Don't hesitate to follow up if you don't receive a timely response. Persistence often pays.
- Know your deadlines:  
Be aware of any time limits for filing complaints or seeking compensation.

Following these steps and being well-prepared, you can increase your chances of resolving issues with HMRC and receiving any compensation due.