

28 March 2022

## BUSINESS NEWS ENGLAND

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!

### Spring Statement – The key points

With inflation rising and households facing the largest ever recorded cost-of-living squeeze, Chancellor Rishi Sunak delivered the government's Spring Statement last Wednesday.



Below are some of the key points. As we near the start of the new tax year, please talk to us about any of the changes and how they may affect your business, we are here to support you.

- Inflation is likely to average 7.4% for the rest of the year, rising from its current level of 6.2%;
- The economy is forecast to grow by 3.8% this year and then 1.8% in 2023 and 2.1% in 2024;
- To help the most vulnerable, Local Authorities will receive further government support of £500m for the Household Support Fund from April;
- Fuel duty was cut by 5p a litre;
- To counteract some of the impact of the impending 1.25% percentage point increase in National Insurance Contributions (NICs), the income level at which individuals start paying NICs will rise from £9,880 to £12,570 in July;

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- The Employment Allowance, which gives relief against smaller businesses' employer NICs, will increase from £4,000 to £5,000 from April;

See: [Spring Statement 2022 speech - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/spring-statement-2022)

## 101 Great Marketing Questions!

Below are a few examples of some great questions from our “101 Great Marketing Questions” template we keep for clients to help think about existing marketing activities and how you can improve on them. Not all the questions will be relevant to your business, but it is a valuable exercise and may help you come up with a few ideas for growing your customer base.

- Why do our customers buy from us now?
- What new ways of generating customers can we use to build our business?
- Which of our marketing efforts brought in the bulk of our clients? What percentage of our business comes from this?
- How involved are we with our customers at the sales or transaction level?
- What ongoing sales efforts do we personally perform day to day? How do these functions differ from those we performed when we first started our business?
- Where do our customers come from specifically?
- What do we believe our greatest single advantage is?
- What aspect of our business, product or service are we most proud of or happy with?
- If we had a magic wand, would we rather attract more new customers or take more money from our existing customers, and why?
- Who else benefits from our success; excluding our customers, our employees and our family members?
- How many of our suppliers would be motivated to help us grow our business more because it will directly benefit them at a very high level? Who are they?
- When we create a new customer for our business, who else have we indirectly created a new customer for?
- Who is our ideal target market and how did we arrive at it?

You never know there may be a hidden gem or two to help your business become even more successful! Please ask us for a copy.

## What to do with your savings?

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Saving used to be the foundation of good financial management. Putting cash away to deal with emergencies, or to build up a cash sum for anything from a deposit on a first home to our old age was the first step to financial security.

The banks and building societies were only too pleased to help us become savers. They needed our cash to lend out to other customers and they would pay interest to encourage us to leave it on deposit with them, but times have changed. It looks as though the banks don't want your savings and they are certainly not keen on paying a good rate of interest on them.

The Covid crisis is still not over, but it could be that normal life is becoming a real prospect for the near future. The Bank of England has even raised its own interest rate – the rate that underpins the rates the high street banks use – in an attempt to get inflation under control as the economy bounces back.

But although the base rate increased from 0.1% to 0.75% in recent months, the banks don't seem too keen on passing on the increase to savers. You might still only earn 0.01% on easy-access deals from the big banks; Barclays, Lloyds (including Halifax), HSBC and NatWest (including Royal Bank of Scotland).

The simple reason is that they are already awash with cash, having benefited from an additional £187 billion savings accumulated since the start of the pandemic and total of around £974 billion sitting in easy-access accounts.

They don't need to pay you to look after your money and the reserves are so high this is unlikely to change any time soon.

It is possible to earn slightly better rates on your savings with some smaller banks and online providers. Your financial adviser could help you find the best performing accounts, but it might still be difficult to earn more than around 0.75%.

This is of course substantially below the current inflation rate of 6.2%, meaning that your savings will decline in value in real terms.

### So what are the alternatives?

With investments, your cash is used to buy something, such as stocks and shares. These may rise and fall in the short-term, but if you invest carefully for a few years, you have an excellent chance of riding out these ups and downs and taking advantage of long-term potential growth in the markets to provide capital growth – or income.

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Starting investing can seem a big step, but with help from your financial adviser, investing – in a tax-efficient ISA – can be as easy as saving. Ask them to help you select managed funds that are right for you.

*Please note: The information contained in this article is based on general knowledge and does not constitute financial advice or a recommendation to suitable investment strategy, you should seek independent financial advice before embarking on any course of action. Please talk to us and we can recommend an independent adviser.*

### **Tax relief for employee travel where there is “hybrid” working**

During the COVID-19 pandemic many employees were required to work from home. Since restrictions have been lifted, employers have put in place “hybrid” working arrangements whereby employees work from home on certain days and in the office

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for other days. Some of these arrangements are contractual and others are arranged on a voluntary basis.

HMRC have recently updated their internal guidance in their Employment Income Manual to deal with situations where employees are travelling between home and their office which, in most cases, will continue to be treated as ordinary commuting and not an allowable business journey. The exception is where home is their workplace and the place where the employee lives is dictated by the requirements of the job.

Note that [HMRC Guide 490](#) for employers has yet to be updated.

The legislation in section 337 ITEPA 2003 permits relief for travelling expenses necessarily incurred in travelling in the performance of the duties of the employment. Subject to certain conditions, travel may be considered to be in the performance of the duties of the employment, where:

- travel is between workplaces,
- travel is between home and work, where home is the workplace and the place where the employee lives is dictated by the requirements of the job, or
- a travelling appointment is held.

Section 338 ITEPA 2003 permits relief for the cost of travel for necessary attendance at any place in the performance of the duties of the employment. Travel for necessary attendance includes journeys that employees make to or from a place they must attend in the performance of their duties, but not journeys that are ordinary commuting or private travel.

#### New HMRC example of hybrid working:

An employee works in his employer's office for 4 days every week, but the requirements of the job dictate that he must work at home every Friday. It is accepted that his home is a workplace on Friday.

His travel from home to his employer's office on Monday to Thursday is ordinary commuting because those premises are a permanent workplace. His travel costs on those days are not deductible.

If he is unexpectedly required to visit the employer's premises on Friday to carry out the duties of his employment, his travel costs are deductible under Section 337 ITEPA 2003. On that day he is travelling between two workplaces.

#### Contrast with the following HMRC example:

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Elliot's employer has decided to offer its employees a hybrid way of working which allows a mixture of working at home and working in the Bristol office. This flexible way of working is offered on a voluntary basis.

Elliot decides to split his time between working at home and in the Bristol office. Tax relief is not available for journeys between home and the office because the office remains a permanent workplace.

Elliot using his home as his workplace does not override the fact that it is his home and travel to a permanent workplace from home is ordinary commuting.

See: [HMRC updated guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/hmrc-updated-guidance-on-working-from-home)

## What is unsecured business finance?

There are now over 40 lenders willing to lend unsecured small business loans in the UK. Whilst the majority of these will require a personal guarantee (PG) from directors, some do not. The difficulty being they all have different criteria, different application processes and different sectors they prefer lending to. A complex and time consuming task for business owners. Our experts save you time by guiding you through these processes and they will work quickly to understand the business and financial requirements of the applicant, introducing only those lenders who can meet those needs and who are most likely to accept the unsecured business loan application.

The benefits of arranging Unsecured Business Finance are (subject to status):

- Whilst lenders like to see 1 years' worth of trading, providers can offer unsecured loans to start ups
- Borrowers do not always need to be homeowners
- Options may be available to those with an adverse credit history
- Funds can be made available within a matter of hours
- Personal loans can be used by sole traders and directors to put money into their firm.

Typical outcomes would be lenders do not take a legal charge over any specific asset. The lender does, however, seek a personal guarantee from the borrower.

Merchant cash advances means you raise finance based on your credit card turnover. Your proven average monthly turnover is typically the amount you can receive a merchant advance loan for.

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Please talk to us about any financing needs you have for your business; we will be delighted to arrange a meeting with one of our experts.

## **ICO ransomware guide and checklist for businesses**

The Information Commissioner's Office (ICO) is recommending that businesses and organisations establish incident response, disaster recovery and business continuity plans to address the heightened risk of ransomware attacks.

The recommendation accompanies ICO's new guidance, and a checklist of actions businesses should review to assess their preparedness against potential ransomware attacks on their organisation.

Ransomware is an increasingly prevalent form of cyber-attack. Personal data breaches from the ICO's caseload during 2020/2021 have seen a steady increase in the number and severity caused by ransomware. The guidance presents eight scenarios about the most common ransomware compliance issues the ICO has seen:

- Scenario 1: Attacker sophistication
- Scenario 2: Personal data breach
- Scenario 3: Breach notification
- Scenario 4: Law enforcement
- Scenario 5: Attacker tactics, techniques and procedures
- Scenario 6: Disaster recovery
- Scenario 7: Ransomware payment
- Scenario 8: Testing and assessing security controls

### Ransomware payment and data protection compliance

In its guidance, the ICO supports the position of law enforcement in not encouraging, endorsing or condoning the payment of ransom demands to criminals by businesses who have lost access to their systems and data. The ICO also does not consider the payment of a ransom as an 'appropriate measure' to restore personal data in the event of a disaster.

Businesses that choose to pay the ransom to avoid the data being published should still presume that the data is compromised. They should take actions accordingly to mitigate the risks to individuals even though the ransom fee has been paid and – where necessary – inform the ICO of the breach.

See: [Ransomware and data protection compliance | ICO](#)

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## UK Space Agency to co-host Summit for Space Sustainability

The UK Space Agency will co-host a global summit to agree new ways of ensuring a safe, sustainable and secure space environment, including tackling space debris which threatens the satellites we rely on in our daily lives.

The [4th Summit for Space Sustainability](#), hosted with the Secure World Foundation in London on the 22 and 23 June, brings together government, industry and academics from around the world to discuss how to ensure the sustainability of space operations.

Orbital congestion created by space debris is one of the biggest global challenges facing the space sector. There are currently around 30,000 pieces of debris in orbit large enough to be tracked from Earth such as old satellites, spent rocket bodies and even tools dropped by astronauts. But there are also an estimated 130 million pieces of smaller debris.

Space debris can stay in orbit for hundreds of years and present a real danger to the rapidly increasing number of new satellites being launched each year which provide vital services, including communications and climate change monitoring.

See: [UK Space Agency to co-host Summit for Space Sustainability - GOV.UK \(www.gov.uk\)](#)

## EU Trade tips updated – Keep your goods moving in or out of the EU

Full customs controls are now in place for trading between Great Britain (England, Scotland and Wales) and the European Union (EU).

This means full customs declarations and payment of relevant tariffs will be needed on all goods your clients import from the EU at the time of import.

### Moving goods between Ireland and Great Britain

Current arrangements will continue to apply for non-controlled goods moving from Northern Ireland to Great Britain via Ireland while discussions on the Northern Ireland Protocol are continuing.

This means you can still delay making your customs declarations for up to 175 days, as long as you make an entry in your records at the time of import.

If you have a specific question about importing, exporting or customs reliefs, call the Customs and International Trade helpline on 0300 322 9434. The helpline is open from 8am to 10pm Monday to Friday and from 8am to 4pm at weekends.

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You can also [send your questions or contact the service by web chat](#).

The [Export Support Service](#) is a helpline for UK businesses to get answers to practical questions about exporting to Europe. The service is a 'one-stop shop' and brings together UK government information, making it easier for exporters to access advice and support.

## Webinars and video guides

[HMRC's YouTube channel](#) has videos about customs processes and what your clients need to do if they buy from, send or sell goods with the EU.

This includes:

- [Getting someone to deal with customs for you – how freight forwarders can help](#)
- [What are controlled goods?](#)
- [What are commodity codes?](#)

You can also find recorded versions of webinars, covering topics including:

- Rules of origin
- How to import
- Customs Import Declarations: an overview
- Exporting: what you need to do to keep your goods moving

You can also find [webinars and videos](#) from other government departments about trading with the EU.

## **New UK Government webinars for importing meat, meat products and animal by-products from the EU into GB**

From July 2022, certification, documentary, ID and physical checks are due to be introduced for animal products from the European Union (EU) into Great Britain (GB). The UK Government's Department for Environment, Food and Rural Affairs (Defra) want to start providing businesses with information ahead of further import controls being introduced from July 2022.

Defra will be running a series of webinars and Q&A sessions that will provide detailed information on the steps you need to take to continue importing animal products from the EU. You have the opportunity to submit up to three questions when you register, and we will aim to cover these in the webinar.

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Registration is now open for the following webinars:

Importing meat and meat products from the EU into GB

- Date: 26 April 2022
- Time: 10am to 12pm
- Register here: [Webinar \(microsoft.com\)](#)

Importing animal by-products from the EU into GB

- Date: 28 April 2022
- Time: 2pm to 4pm
- Register here: [Webinar \(microsoft.com\)](#)

Defra will also be running webinars on other animal product topics such as dairy, fish and composites and will communicate these dates soon. Sign up to Defra's [Imports Newsletter](#) to stay up to date.

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