

26 September 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!

New approach for a new era?

Last week, the Bank of England (BOE) raised interest rates to 2.25%, the highest level since 2008. They believe the UK economy has shrunk by 0.1% between July and September and, for the seventh time in a row, has made the increase to interest rates in an attempt to halt soaring prices. Inflation is at its highest since the 1980s and prices are expected to rise further in October, with inflation peaking at just under 11%.

We will have more insight in November when the BOE will work out the effect of the government's recent interventions to bring down inflation and ease the cost-of-living crisis, albeit with vastly increased borrowing.

On Friday the Chancellor Kwasi Kwarteng announced a series of "growth" measures that the government thinks will help businesses and households get through this winter and beyond.



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The chancellor announced:

- The 1.25% percentage point rise in National Insurance contributions will be reversed from 6 November 2022 and the government will not go ahead with the planned April 2023 levy to fund health and social care.
- The planned increase in corporation tax from 1 April 2023 will not happen and it will remain at 19%, irrespective of the level of company profits.
- The basic rate of income tax will be cut from 20% to 19% from April 2023.
- Dividend tax rates will reduce by 1.25 percentage points from April 2023.
- The 45% and 39.35% 'additional rates' of income tax that apply to income over £150,000 will be abolished from 6 April 2023.
- The annual investment allowance, allowing 100% tax relief on certain capital expenditure including computer equipment and vans, will remain at £1million beyond April 2023, when a reduction had been planned.
- From April 2023, workers providing services via an intermediary will once again be responsible for determining their employment status and paying the correct amount of tax and National Insurance contributions under the IR35 rules. The complex 'off-payroll' working rules for larger employers will be repealed.
- New 'Investment Zones' are to be established across England, with the Government currently in discussions with 38 local authorities. Within each Zone there will be targeted and time limited tax cuts for businesses on offer. The 38 local authorities taking part in discussions can be viewed [here](#).
- A possible future extension to the tax-advantaged Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT). In relation to the Seed Enterprise Investment Scheme (SEIS), there will be a widening of the criteria, allowing companies to raise £250,000 under the scheme, 66% more funding than previously.
- Enhancements to the tax advantaged Company Share Option Plan (CSOP) scheme. The maximum employee share option limit will be increased from £30,000 to £60,000 for any new options granted from 6 April 2023. There will also be increased flexibility for share options granted from 6 April 2023 due to a removal of conditions around the class of shares used.
- Modifications will be made to the Universal Credit regime, to support claimants to secure more or better paid work.

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- Stamp Duty Land Tax (SDLT) in England and Northern Ireland has been permanently cut from 23 September 2022. The cut is delivered by an increase in the threshold before SDLT is payable from £125,000 to £250,000. First time buyers currently pay no stamp duty on the first £300,000 and that will be raised to £425,000. The revised rates table can be viewed [here](#).
- VAT-free shopping for overseas visitors is to be introduced as soon as possible.
- A package of measures to help households and businesses with energy bills.

UK Government outlines plans to help households and businesses with energy bills

For households

To provide immediate support for households, an **Energy Price Guarantee (EPG)** will cap the unit price that consumers pay for electricity and gas. This will mean the average household will pay no more than £2,500 per year for a period of two years from October 2022, and is expected to save at least £1,000 a year, although savings for individual households will vary according to their energy use. The discount is automatic and there is no need to apply or contact energy suppliers.

The EPG is in addition to the £400 support all households will receive from the Energy Bills Support Scheme (EBSS) over the coming winter.

The government will also provide an additional payment of £100 to compensate for the rising costs of alternative heating fuels for UK households not able to receive support for heating costs through the EPG, for example if they are living in an area of the UK that is not served by the gas grid.

See: [Energy Bills Support Factsheet - GOV.UK \(www.gov.uk\)](#)

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For businesses

Through a new **Energy Bill Relief Scheme (EBRS)**, the government will provide a discount on wholesale gas and electricity prices for all non-domestic customers (including UK businesses, voluntary sector organisations like charities and public sector organisations such as schools and hospitals) whose current gas and electricity prices have been significantly inflated in light of global energy prices. This support will be equivalent to the EPG put in place for households.

It will apply to fixed price contracts agreed on or after 1 April 2022, as well as to deemed, variable and flexible tariffs and contracts. It will initially apply to energy usage from 1 October 2022 to 31 March 2023, before a review is undertaken to inform decisions on future support. The savings will be first seen in October bills, which are typically received in November.

As with the EPG for households, customers do not need to take action or apply to the scheme to access the support. Discounts will automatically be applied to bills.

See: [Energy Bill Relief Scheme: help for businesses and other non-domestic customers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/energy-bill-relief-scheme-help-for-businesses-and-other-non-domestic-customers)

UK intellectual property protection abroad

To protect your intellectual property outside of the UK, you usually need to apply in each country you want protection in.

Intellectual property (IP) rights are territorial. They only give protection in the countries where they are granted or registered. If you only have UK protection, others may be allowed to use your IP abroad without infringing your rights.

If you are thinking about trading abroad then you should consider registering your IP rights abroad.

Some countries may allow you to extend your UK protection, and accept it as protected in that country after completing certain local formalities.

See: [Protecting your UK intellectual property abroad - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/protecting-your-uk-intellectual-property-abroad)

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New Small Business Research Initiative (SBRI) to fund social ventures with the ability to scale and deliver social impact

Organisations can apply for a share of up to £3 million to scale products and services to support healthy ageing.

Innovate UK, part of UK Research and Innovation, is funding a new SBRI to fund social ventures with the ability to scale and deliver social impact.

The competition aims to enable businesses with a social purpose to scale up existing innovative products, processes and services where the innovation element is at a Technology Readiness Level (TRL) between 3 and 7.

To be eligible to apply to this competition, you must address one or more of the seven themes identified by the [Healthy Ageing Challenge Framework](#) to support people as they age:

- Living well with cognitive impairment
- Sustaining physical activity
- Maintaining health at work and work in later life
- Managing the common complaints of ageing
- Design for age-friendly homes
- Creating healthy active places
- Supporting social connections

You must also identify a clear route to market, scalability and sustainability for your product or service, and have a validated business plan to scale your product or service and plan to scale by at least 25% of the current baseline.

See: [Competition overview - SBRI: Healthy Ageing scaling social ventures - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Innovation in professional and financial services competition

Innovate UK is investing up to £7 million to support digital innovation within professional and financial services.

This competition aims to advance the professional and financial services sectors by supporting them in the creation and adoption of digital approaches and new digitally supported services.

To be eligible, projects must focus on one or more of the following:

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- Legal services
- Accountancy and audit
- Insurance
- Open finance innovation
- Financial planning and support for consumers and SMEs
- Financial regulatory compliance and financial crime prevention (such as fraud and anti-money laundering)
- Payments and transactions

Proposals must also show how they will help the professional and financial services sectors:

- Deliver better products and services.
- Increase access to these services.
- Make these services more effective for their customers.

This competition is split into two strands - both strands will close for applications at 11:00am on Wednesday 9 November 2022.

See: [Innovation in Professional and Financial Services – collaboration](#)

See: [Innovation in Professional and Financial Services – single applicants](#)

Rising Stars 5.0 applications are now open

Tech Nation has opened applications for their Rising Stars 5.0 competition, which looks for the best, most exciting early-stage technology businesses in the UK.

The competition offers a chance to raise your profile on a local, regional and national level, and pitch your business in front of leading investors, influencers and corporates.

Entrants are supported throughout the application process and during each stage of the competition to enable them to compete to their best ability and deliver the perfect pitch.

This year, Rising Stars will choose City Winners - the most exciting innovative businesses on a local level at tech community events across the UK. The City

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Winners will then go on to pitch at a regional final to get a spot as a regional winner progressing to the semi-finals.

The competition will culminate by celebrating the top 20 finalists, who will be showcased and promoted to a curated audience of investors, corporates and key ecosystem players at the national final event.

Finally, the judges then will select ten companies that will be named this year's Rising Stars, who will feature in a high-profile celebration and be given additional tailored support through the Tech Nation network.

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

Industrial Energy Transformation Fund Phase 2 Autumn 2022

The Department for Business, Energy & Industrial Strategy (BEIS) has launched the Industrial Energy Transformation Fund (IETF) Phase 2: Autumn 2022.

This support will provide up to £70 million of grant funding for the following project types:

- Studies - feasibility and engineering studies to enable companies to investigate identified energy efficiency and decarbonisation projects before making an investment decision
- Energy efficiency - deployment of technologies to reduce industrial energy consumption
- Deep decarbonisation - deployment of technologies to achieve industrial emissions savings

In this application window, the IETF will also support projects that improve energy efficiency and/or reduce emissions of non-road mobile machinery. The machinery must be necessary to, and a part of, the industrial process located within the boundary of the eligible site.

Your business must operate an existing site which falls into one of the following categories:

- Mining and quarrying
- Manufacturing
- Recovery and recycling of materials
- Data centre

See: [Industrial Energy Transformation Fund \(IETF\) Phase 2: Autumn 2022 - GOV.UK \(www.gov.uk\)](#)

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