

Written 22 November 2021

BUSINESS NEWS WALES

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!

Inflation: UK prices increase at fastest rate for almost ten years

The cost of living has surged at its fastest pace in almost 10 years, with the Consumer Prices Index (CPI) reaching 4.2% in the year to October. It is primarily due to higher fuel and energy prices but the cost of second-hand cars and eating out also increased, the Office for National Statistics (ONS) have said.



Inflation is up since Covid restrictions ended this year and the economy reopened. The Bank of England says it may have to raise interest rates in the "coming months" to tackle rising prices. October's reading is far higher than the 3.1% rise recorded in the year to September and more than double the Bank's target of 2%.

The latest report from the ONS shows the Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.8% in the 12 months to October 2021, up from 2.9% in the 12 months to September.

The largest upward contribution to the October 2021 CPIH 12-month inflation rate came from housing and household services (1.23 percentage points), with further large upward contributions from transport (1.08 percentage points) and restaurants and hotels (0.43 percentage points).

What does this mean for businesses?

Rapidly rising inflation can mean consumers are more cautious about making discretionary purchases and it's a good idea to avoid sudden price rises that encourage consumers to look around for cheaper alternatives. A gradual plan for price increases is probably a more sensible option for businesses.

Inflation will also affect the prices you pay for stock and other expenses, so now is a good time to reflect on your stock levels and consider alternative sources of supply and review the profitability of your products, goods and services to ensure they are and will remain profitable.

Clearly, in these uncertain times, it is a good time to plan ahead and here are a few ideas to help with remaining resilient:

- Review your Budgets and set realistic and achievable targets for the remainder of 2021 and 2022;
- Get rid of Won't pay customers;
- Review debtors list and chase up overdue invoices (if appropriate);
- Make sure your terms of business contain explicit payment terms;
- Assign responsibility to one individual for invoicing and collections;
- Agree extended payment terms with all suppliers in advance;
- If appropriate, review banking facilities and discuss future needs;
- Put extra effort into making sure your relationships with your better customers are solid;
- Review and flow chart the main processes in your business (e.g. Sales processing, order fulfilment, shipping etc) and challenge the need for each step;
- Encourage your staff to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction);
- Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have control – target a 10% cost saving;
- Review your staffing needs over the next few months;
- Get your members of staff involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues;
- Review your list of products and services and eliminate those that are unprofitable or not core products/services;
- Establish your key performance indicators (KPI's) and measure them on a daily basis e.g.:
 - Sales Leads generated
 - Orders Supplied/Fulfilled
 - Cash Balance
 - Stock Turnover
 - Debtor Days
 - Gross Profit
 - Net Profit; and
- Pull everyone together and explain the business strategy and get their buy-in.

Please talk to us about planning ahead because we have considerable experience with helping our clients with their strategy and sustainability in turbulent times.

Guidance for employers on RTI reporting obligations for payments made early at Christmas

Some employers pay their employees earlier than usual over the Christmas period, for example the business may close for Christmas and New Year. If you do pay early, please report your normal payment date on your Full Payment Submission (FPS).

For example: if you pay on 17 December 2021 but your normal payment date is 31 December 2021, please report the payment date as '31 December 2021'. In this example the FPS would need to be sent on or before the 31 December 2021.

See: [Employer Bulletin: October 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/employer-bulletin-october-2021)

Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus (COVID-19)

The guidance on the Coronavirus Statutory Sick Pay Rebate Scheme to claim back employees' coronavirus-related Statutory Sick Pay (SSP) has been updated.

The state aid limits section has been updated and since 1 January 2021 EU state aid rules no longer apply in the UK, except for aid in-scope of the Northern Ireland Protocol and Structural Funds.

See: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/check-if-you-can-claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19)

Report CJRS Furlough grants and overpayments on Corporation Tax Return CT600

The latest version of the CT600 Corporation Tax Return updated on 15 November 2021 requires companies to report CJRS furlough payments received and the amounts that the company was entitled to during the period in boxes 471 and 472. Where any overpayments have already been disclosed to HMRC that amount should be reported in box 473. If the company has overclaimed "Eat Out to Help Out" grants that amount should be reported in box 474.

The total amount overclaimed should then be entered in box 526. This amount will be assessed for income tax. HMRC will write to companies with the reference number and payment details. This is not corporation tax so you must not pay this with your main corporation tax liability.

For full details see: [Guidance overview: How to complete a Company Tax Return - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-articles/guidance-overview-how-to-complete-a-company-tax-return)

Post Office card accounts – Time is running out

Around 24,000 HM Revenue and Customs (HMRC) customers with a Post Office card account have just 1 week left to update the department with new payment details before the 30 November 2021 deadline, or risk having payments paused.



From 1 December 2021, HMRC will stop making tax credits, Child Benefit and Guardian's Allowance payments to Post Office card accounts. HMRC is urging account holders to contact them to update their bank account details to continue receiving payments without disruption.

Customers can choose to receive their benefits and credits payments to a bank, building society or credit union account. If they already have an alternative account, they can contact HMRC now to update their details.

See: [Time is running out for customers with Post Office card accounts - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/time-is-running-out-for-customers-with-post-office-card-accounts)

Finding and choosing a private coronavirus (COVID-19) test provider

The lists of and information about private test providers, to help you get the private COVID-19 tests you need have been updated.

See: [Guidance overview: Finding and choosing a private coronavirus \(COVID-19\) test provider - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-overview-finding-and-choosing-a-private-coronavirus-covid-19-test-provider)

Hardship arrangements for those unable to pay for managed quarantine or testing

The details of financial support if you can't afford the managed quarantine and testing fees associated with travel has been updated.

There is added information on getting your application for hardship arrangements reviewed if you are found not to be eligible but think there are exceptional circumstances that mean you would suffer severe financial hardship as a result of the cost of managed quarantine or testing. See final section, 'Exceptional circumstances and reviews'.

See: [Hardship arrangements for those unable to pay for managed quarantine or testing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/hardship-arrangements-for-those-unable-to-pay-for-managed-quarantine-or-testing)

Entrepreneur Accelerator Programme

If you are a high growth business with ambitions to expand, the NatWest Accelerator programme could help. You may be looking to build your team, venture into new markets or seeking further investment.

The programme could help you gain the knowledge and skills to excel in a range of business areas including:

- Accessing new markets
- Attracting talent and building an effective team
- Access to growth funding
- Leadership development
- Developing a scalable infrastructure

The current Accelerator programmes are open to all business owners, you do not have to be a NatWest customer.

See: [Entrepreneur Accelerator | NatWest](#)

Industrial Energy Transformation Fund Phase 2 Autumn 2021

The Department for Business, Energy and Industrial Strategy (BEIS) has opened the new Industrial Energy Transformation Fund (IETF) Phase 2: Autumn 2021 competition window.

Businesses in England, Wales and Northern Ireland can bid for a share of up to £60 million in grant funding through the new competition window, which is open for applications until 6 December 2021.

The competition will provide grant funding towards the costs of:

- **Studies** - feasibility and engineering studies to investigate identified energy efficiency and decarbonisation projects prior to an investment decision.
- **Energy Efficiency projects** - deployment of technologies to reduce industrial energy consumption.
- **Deep Decarbonisation projects** - deployment of technologies to achieve industrial emissions savings.

See: [Industrial Energy Transformation Fund \(IETF\) Phase 2: Autumn 2021 - how to apply - GOV.UK \(www.gov.uk\)](#)

Young Person's Guarantee officially launched

The programme is designed to help ensure there is no lost generation in Wales following the COVID-19 pandemic.

The package brings together programmes designed to provide the right support at the right time for the diverse needs of young people across Wales. This includes new user friendly services to help young people find opportunities more easily.

Working Wales has today become the single gateway for every 16 to 24 year old in Wales to access the Guarantee. This will build on its already strong and successful model of delivering careers guidance and signposting support.

See: [Welsh Government's Young Person's Guarantee officially launched | GOV.WALES](#)

Extension of COVID Passes this Winter

COVID Passes are now needed to enter cinemas, theatres and concert halls in Wales.

The extension of the COVID Pass is one of a number of measures to be strengthened to help keep people safe and businesses open while Wales remains at alert level zero but cases of coronavirus are very high.

The [guidance on self-isolation](#) has also been changed and people are being encouraged to work from home to help bring the virus under control.

See: [Extension of COVID Pass to help keep Wales open this winter | Business Wales \(gov.wales\)](#)

Cyber Resilience Centre for Wales

The Cyber Resilience Centre for Wales (WCRC) supports and helps protect SMEs, supply chain businesses and third sector organisations against cybercrime and is part of the national roll out of Cyber Resilience Centres in the UK.

Working with local Universities and Police forces in Wales provides WCRC with access to the latest local, as well as national, information on emerging cyber threats, criminal trends, best practice for cyber resilience and new technologies to provide businesses with guidance to prepare and protect businesses, staff and clients from cyber criminals.

The WCRC offers a range of membership packages, with core membership being free, and provides businesses with access to a range of resources and tools to help them identify risks and vulnerabilities, as well as providing guidance on the steps they can take to increase their levels of protection.

See: [Cyber Resilience Centre for Wales \(wrcrcentre.co.uk\)](#)

Innovate UK EDGE Pitchfest Wales

Innovate UK EDGE Pitchfest supports innovative and ambitious UK small to medium sized businesses to get investment ready and develop their investor pitch in order to help raise finance.

What does Innovate UK EDGE Pitchfest offer?

- Two-days of comprehensive pitch training
- Access to leading pitch and investment experts
- Bespoke support from a dedicated innovation and growth specialist
- An opportunity to build a clear, compelling and credible investment proposition
- Supercharge your elevator pitch and build a persuasive investor pitch
- Understand how to find investors in your region and across the UK
- Gain experience by testing your pitch in front of real investors and receive constructive no-risk feedback

See: [Join Innovate UK EDGE Pitchfest Wales – Applications now open! | Business Wales \(gov.wales\)](#)

North Wales Regional Economic Framework Survey

The Regional Economic Framework (REF) will be the foundation for a collaborative region. It will be the first step to create a regionally focussed model of economic development.

The REF will be co-produced to reinforce a single shared vision for the region and supported by a suite of shared priorities and outcomes.

The document is looking to consider issues such as:

- how we develop skills to ensure future opportunities for our region;
- ensuring fair and rewarding employment for all areas of the region;
- enhancing and protecting our environment;
- ensuring sustainable opportunities for the region and responding to the climate and nature emergencies;
- maximising opportunities to ensure we have the right infrastructure in the right places to benefit our communities; and
- changing our approach to economic development from simply growing the economy to ensuring an equal and fair economic well-being, having full regard to language, culture, geography and the region's individual communities

See: [North Wales Regional Economic Framework Survey | Business Wales \(gov.wales\)](#)