

Written 16 May 2022

## 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!

### Cash Flow management is key in a turbulent economy

Do you agree? Most of our other clients do. In this economy cash is king and managing your cash flow is more important than ever.



If you are concerned about the future of your business, then take some time to reflect on where you are and what could happen in the next few months. It is now vitally important for all businesses to plan ahead for a range of scenarios. Cash flow and business planning in these uncertain times may appear difficult but there are some practical steps you can take to minimise potential disruption to your business.

- Review your Budgets and set realistic and achievable targets for the remainder of 2022.
- Get your employees involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- 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.

- Put extra effort into making sure your relationships with your customers are solid.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- Pull everyone together and explain the business strategy and get their buy-in.

We specialise in helping our clients manage their cash flow. We do this by preparing and updating detailed cash flow forecasts, using the latest and most powerful software. We can also help you negotiate or renegotiate overdraft facilities and find specific funding to help you grow!

Please talk to us about cash flow planning for the next few months, we can help with a template so you can do this yourself or work together to produce estimates for a variety of scenarios.

## **Queen's Speech 2022**

Prince Charles, standing in for the Queen, delivered her speech to both Houses of Parliament last week. The speech highlighted some of the 38 laws that ministers intend to pass in the coming year. This number includes some bills carried over from the previous session of Parliament, which ended last month.



Prince Charles outlined that it was the governments priority to grow and strengthen the economy and help ease the cost of living for families. Critics have argued the government is not doing enough to help struggling families as inflation soars.

Some of the main business points include:

- The Brexit Freedoms Bill which will give ministers the power to change current EU laws;

- A Levelling up and Regeneration Bill to give councils new planning and redevelopment powers;
- Changes to business rates;
- The new UK Infrastructure Bank, a body designed to increase financing of infrastructure projects;
- An online safety Bill to improve regulation of content appearing on the internet;
- A Data Reform Bill to replace EU rules on data protection;
- The Electronic Trade Documents Bill to enable more digitisation of trade-related paperwork;
- An extension of 5G mobile coverage and new safety standards for digital devices;
- A draft Digital Markets, Competition and Consumer Bill to tackle fake consumer reviews and boost competition;
- An Economic Crime and Corporate Transparency Bill will strengthen the investigatory powers of Companies House and aim to increase corporate transparency;
- A Financial Services and Markets Bill will aim to simplify EU rules governing the sector; and
- The Procurement Bill will replace EU rules on how the government buys services from the private sector.

The new Financial Services and Markets Bill, announced in the Queen's Speech, will support consumers by protecting access to cash. It will ensure the continued availability of withdrawal and deposit facilities across the UK, and that the country's cash infrastructure is sustainable for the long term.

The Bill will also enable the Payment Systems Regulator to require banks to reimburse authorised push payment (APP) scam losses, totalling hundreds of millions of pounds each year. This will ensure victims are not left paying for fraud through no fault of their own.

We will keep you updated over the next few months of [business-related](#) developments and once legislation is passed we will ensure you get the information you need if these changes affect you.

See: [Queen's Speech 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/queen-s-speech-2022)

## **Support for High Energy use Businesses extended**

High energy usage businesses, such as steel and paper manufacturers, are set to receive further support for electricity costs as the UK government has confirmed details of the Energy Intensive Industries (EII) compensation scheme.

The scheme will be extended for a further 3 years and its budget will be more than doubled.

The scheme provides businesses with relief for the costs of the UK Emissions Trading Scheme (ETS) and Carbon Price Support mechanism in their electricity bills, recognising that UK industrial electricity prices are higher than those of other countries. The scheme will now also provide support for companies that manufacture batteries for electric vehicles.

See: [High energy usage businesses to benefit from further government support - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/high-energy-usage-businesses-to-benefit-from-further-government-support)

## **Eurostars funding webinar and brokerage event**

Eurostars is the largest international funding programme for small and medium-sized businesses wishing to collaborate on research and development (R&D) projects that create innovative products, processes or services for commercialisation.

The Enterprise Europe Network (EEN) in partnership with the Eureka National Project Coordinators (NPC) in Ireland, UK & Northern Ireland, Spain, Iceland, Denmark and Netherlands invite you to participate in an international online partnering event on Eurostars on Wednesday 8<sup>th</sup> June @ 09:00 Dublin Ireland time (10:00 CET time).

Businesses are offered an opportunity to register their interest in attending this free, two-hour long virtual event to:

- discover what Eurostars is about
- hear about the latest call for proposals closing on 15 September 2022
- find out why they should apply
- gain insights from the National Contact Points for Eurostars
- get a chance to network and forge winning partnerships of the future

The programme will include presentations from the Eurostars Project Officers from each of the participating countries and a case study.

The brokerage event will allow you to extend your international network and create strategic partnerships through scheduled virtual one-to-one meetings. Participants will also have the opportunity to meet with representatives from their national Eurostars office and the Enterprise Europe Network.

See: [Eurostars Funding Webinar & Brokerage Event - June 2022 - Home \(b2match.io\)](#)

## **Treasury Starts Conversation to Reform UK Capital Allowance Regime**

A publication aiming to kickstart a conversation with businesses about how to reform the UK's capital allowances regime was published earlier this month.

The publication sets out how firms can work with the government on capital allowances to help foster a new culture of enterprise and growth in the UK, with responses requested by 1 July 2022.

The UK has a long-standing issue with productivity and one of the key underlying causes is a lack of capital investment.

According to OECD data, companies invest just 10% of GDP each year, compared with 14% in our competitor countries – our tax system doesn't reward investment as much as other countries do.

The Spring Statement set out some illustrations of the types of changes government could make to the current capital allowances regime. This new guidance delves into those options in further detail, which includes:

- increasing the permanent level of the Annual Investment Allowance
- increasing the rates of Writing Down Allowances
- introducing general First-Year Allowances (FYAs) for qualifying expenditure on plant and machinery
- introducing an additional FYA
- introducing permanent full expensing

While some business organisations have called for full expensing to be introduced following the super-deduction, this could cost over £11 billion a year. The government is keen to hear views as to whether that would be well targeted if funding is available, and if it isn't available, how to best target their approach.

See: [Treasury Starts Conversation to Reform UK Capital Allowance Regime - GOV.UK \(www.gov.uk\)](#)

## **Chancellor committed to encouraging capex spending**

Here is a summary of the main tax breaks for capital expenditure that are currently available: -

- 130% relief for investment by limited companies in new plant and machinery that would normally be dealt with in the general pool



- 100% relief for investment in new and used plant and machinery by all businesses but limited to the first £1 million
- 50% relief for investment by limited companies in new plant and machinery that would normally be dealt with in the special rate pool (typically fixtures in buildings and long-life assets)
- 18% writing down allowance for plant and machinery in the general pool
- 6% writing down allowance for plant and machinery in the special rate pool
- 3% straight line write off for expenditure on the construction or refurbishment of commercial buildings.

Some of these generous tax breaks may continue beyond 31 March 2023. We await further announcements – probably in the Autumn Budget. Please talk to us about capital spending and planning ahead of the Budget.

### **Export package launched to promote UK seafood overseas**

The UK Government has announced a £1 million package to boost seafood exports and promote the industry's high-quality produce overseas.

The package will target growing overseas markets and provide new export opportunities for the UK fishing industry and seafood sector following the departure from the European Union.

Global exports of UK seafood amounted to over £1.6 billion in 2021, with salmon the UK's fourth top food and drink product exported in 2021, totalling around £730 million.

See: [Export package launched to promote world-class UK seafood overseas - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/export-package-launched-to-promote-world-class-uk-seafood-overseas)

### **UK Government sets out plans for how tech regulator will tackle dominance of major firms**

Small businesses will be protected from predatory practices and consumers will get more choice and control over their online experiences as the government sets out its final vision for how the new digital markets regulator will boost competition to drive economic growth and innovation.

The majority of UK companies now rely on powerful tech firms to ensure customers find their business online. These firms control key online gateways for millions of internet users and give preference to their own apps and browsers. They are also able to set their own prices for the online services they provide businesses without challenge, which can be passed on to consumers.

The impact of weakened competition is stark – the Competition and Markets Authority estimates that Google and Facebook made excess UK profits of £2.4 billion in 2018 alone – harming consumers through higher prices.

In response to its consultation issued last year, the government has set out its plans to give statutory powers for the Digital Markets Unit (DMU) to allow it to enforce pro-competition rules and rebalance the relationship tech giants have with consumers and businesses, so they are better protected from unfair practices. The DMU is a new watchdog to make sure tech companies don't abuse their market power.

The proposals aim to make it easier for people to switch between Apple iOS and Android phones or between social media accounts without losing their data and messages. Smartphone users could get more choice of which search engines they have access to, more choice of social media platforms as new entrants enter the market, and more control over how their data is used by companies.

It is hoped UK small and medium-size businesses will get a better deal from the big tech firms which they rely on to trade online. Tech firms could need to warn smaller firms about changes to their algorithms which drive traffic and revenues.

The measures will also make sure news publishers are able to monetise their online news content and be paid fairly for it, with the DMU given the power to step in to solve pricing disputes between news outlets and platforms. App developers would be able to sell their apps on fairer and more transparent terms.

The government will introduce legislation to put the Digital Markets Unit on a statutory footing in due course.

See: [Government sets out plans for how tech regulator will tackle dominance of major firms - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-sets-out-plans-for-how-tech-regulator-will-tackle-dominance-of-major-firms)

### **Live music and touring industry specialist hauliers to move more freely between countries**

Hauliers serving music concerts, sports and cultural events will be able to move their vehicles freely between Great Britain and the EU thanks to [new measures for the haulage sector](#) announced earlier this month.

Designed in consultation with the live music, performing arts and sports sectors, the new dual registration measure is expected to come into force from late summer 2022. It will apply to specialist hauliers that transport equipment for cultural events, such as concert tours or sports events.

Dual registration will mean drivers with an established base in Great Britain and in another country outside of the UK will be able to transfer their vehicle between both operator licences without the need to change vehicles, have their journeys limited or pay Vehicle Excise Duty in Great Britain.

See: [Major boost for live music and touring industry specialist hauliers to move more freely between countries - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/major-boost-for-live-music-and-touring-industry-specialist-hauliers-to-move-more-freely-between-countries)

## **Face coverings retained in health and social care settings**

First Minister Mark Drakeford has confirmed the legal requirement to wear a face covering in health and care settings will remain in place.

Speaking after the latest 3-week review of the coronavirus regulations, the First Minister said the public health situation was improving following the recent spike in cases caused by the BA.2 sub-type of omicron.

But Covid case rates remain high so maintaining the use of face coverings in health and care settings will help to protect to some of the most vulnerable people in society, staff and visitors.

The next 3-weekly review of coronavirus regulations will be carried out by 26 May 2022.

See: [Face coverings retained in health and social care settings | GOV.WALES](#)

## **Wales Tourism Week 2022**

Wales Tourism Week (WTW) 2022 is an opportunity for tourism sites across Wales to raise awareness of the sector and showcase the quality of Wales' tourism offer to both UK domestic and international tourists.

WTW 22 takes place from 16 May to 22 May 2022. If you have an event in mind then please download the [briefing pack](#) which contains a template letter and advice on how to put together your event for Wales Tourism Week.

Wales Tourism Alliance will also publish the details of any events on their website.

For further information visit [Wales Tourism Week - Wales Tourism Alliance \(wta.org.uk\)](#)

## **Healthy Working Wales Podcasts**

The Healthy Working Wales (HWW) programme aims to support and encourage employers to create healthy working environments, take action to improve the health and wellbeing of their staff, manage sickness absence well and engage with employees effectively, all of which can help to achieve a range of positive business and organisational outcomes.

See: [Healthy Working Wales - Public Health Wales \(nhs.wales\)](#)



## **New Innovation Hub to support Wales become a leader in cyber security**

A new Cyber Innovation Hub to help Wales become a leader in the sector will be operational later this year, thanks to a £3 million investment from the Welsh Government, First Minister, Mark Drakeford has announced.

The Welsh Government is making a £3 million investment in the new Hub over 2 years, with £3 million of co-funding from Cardiff Capital Region and £3.5 million of in-kind match funding from consortium partners.

The new Cyber Innovation Hub is being led by Cardiff University with partners including Airbus, Alacrity Cyber, CGI, Thales NDEC, Tramshed Tech, and the University of South Wales.

It's hoped the New Innovation Hub will train more than 1,000 cyber-skilled individuals and grow the cyber security sector in Wales by more than 50% by 2030.

There are 51 cyber-related businesses based in Wales, employing 4% of cyber security professionals based in the UK.

By 2030, the Hub aims to have:

- Grown the cyber security sector in Wales by more than 50% in terms of volume of businesses
- Attracted more than £20 million in private equity investment to scale around 50% of these businesses
- Trained more than 1,000 cyber-skilled individuals.

See: [£9.5 million new Innovation Hub to support Wales become a global leader in cyber security | Business Wales \(gov.wales\)](#)