

Written by 13 February 2023

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!

Managing your cash flow is essential right now!

With ever increasing supplier prices, a recent rise in interest rates, and a looming recession, managing your business's cash and understanding the flow are now vital tools in maintaining resilience and being able to adopt flexible strategies for success.

Cash flows reflect all the cash that is flowing in and out of a business. Owners can look at the direction of the cash flows for insights about the health of specific products or services and overall market patterns.



Some types of business are more likely to run into cash flow problems, while other types appear to be more resilient. If you are a business owner, you might be wondering which category your business falls into. No matter how inventive or simple your business model is, you can still have problems with cash flow. Here are our thoughts on managing the flow of cash in your business:

The first stage of understanding and predicting how funds flow is to perform a health check on your accounts. Look at your latest profit and loss statement and check that your income is sufficient to cover your expenses. If your profit is falling behind your expenses and cash flow is slowing down, you might need to take action. Prepare a cash flow statement so you know where the money goes.

Next create a yearly budget and look where cash could become tight and months where you can save to cover off the quieter times. Look at those quieter months and think about flexible work scheduling, new products or services, or other activities to tide you over.

Finally make sure you collect your money from those who owe you quickly. Reward customer loyalty by offering early bird discounts and set credit limits and payment terms to ensure customers follow the rules. If you take on new customers, make credit checks. Penalise late payers and request up front deposits or payment.

Please talk to us about preparing a cash flow statement and annual budget so that you can work on your business for maximum success!

Households, businesses, and organisations who are “off the gas grid” to receive energy bill support over the coming weeks

From Monday last week, households across Great Britain who don't use mains gas for heating started to receive £200 towards their energy bills as the Alternative Fuel Payment (AFP) scheme launched. Most will get the £200 AFP automatically as a credit on their electricity bill, but some customers will need to apply for the support later this month.

Nearly 2 million households who use alternative energy sources such as heating oil, biomass, and liquefied petroleum gas (LPG) to warm their homes will receive the support.

The vast majority, including many homes in rural areas, will get it automatically through their electricity supplier as a credit on their bill throughout February. A small minority of customers, such as those living in park homes or on static houseboats with no direct energy supplier, will need to apply to receive the payment through an online portal that will launch later this month.

Meanwhile, energy suppliers are also able to start making payments to businesses and both public and voluntary sector organisations that use alternative fuels to heat their buildings. A credit of £150 will be provided to eligible customers across the UK through the Non-Domestic Alternative Fuel Payment scheme (ND-AFP). Suppliers will deliver this support up to 10 March, with most customers expected to receive it later this month. There is no need to contact your supplier.

See: [Households, businesses and organisations off the gas grid to receive energy bill support over the coming weeks - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/households-businesses-and-organisations-off-the-gas-grid-to-receive-energy-bill-support-over-the-coming-weeks)

New law gives employees and other workers more say over their working hours

The UK government has supported the recently introduced “Predictable Terms and Conditions” Bill, which will bring forward changes for tens of millions of workers across the UK.

The move, which would apply to all workers and employees including agency workers, comes after a review found many workers on zero hours contracts experience ‘one-sided flexibility’.

This means people across the country are currently left waiting, unable to get on with their lives in case of being called up at the last minute for a shift. With a more predictable working pattern, workers will have a guarantee of when they are required to work, with hours that work for them.

If a worker’s existing working pattern lacks certainty in terms of the hours they work, the times they work or if it is a fixed term contract for less than 12 months, they will be able to make a formal application to change their working pattern to make it more predictable.

The move comes as part of a package of policies the UK government is supporting to further workers’ rights across the country, such as:

- supporting parents of babies who need neonatal additional care with paid neonatal care leave
- requiring employers to ensure that all tips, gratuities, and service charges received must be paid to workers in full
- offering pregnant women and new parents greater protection against redundancy
- entitling unpaid carers to a period of unpaid leave to support those most in need
- providing millions of employees with a day one right to request flexible working, and a greater say over when, where, and how they work.

The government states that these policies will increase workforce participation, protect vulnerable workers, and level the playing field, ensuring unscrupulous businesses don’t have a competitive advantage.

See: [New law gives tens of millions more say over their working hours - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-law-gives-tens-of-millions-more-say-over-their-working-hours)

HMRC late payment interest rates to be revised after Bank of England increases base rate

The Bank of England Monetary Policy Committee announced on 2 February 2023 that it would increase the Bank of England base rate to 4% from 3.5%.

HMRC interest rates are linked to the Bank of England base rate.

As a consequence of the change in the base rate, HMRC interest rates for late payment and repayment will increase.

These changes will come into effect on:

- 13 February 2023 for quarterly instalment payments
- 21 February 2023 for non-quarterly instalment payments.

Late payment interest is set at base rate plus 2.5%. Repayment interest is set at base rate minus 1%, with a lower limit - or 'minimum floor' - of 0.5%.

The differential between late payment interest and repayment interest is in line with the policy of other tax authorities worldwide and compares favourably with commercial practice for interest charged on loans or overdrafts and interest paid on deposits.

See: [HMRC late payment interest rates to be revised after Bank of England increases base rate - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/hmrc-late-payment-interest-rates-to-be-revised-after-bank-of-england-increases-base-rate)

Innovate UK Smart Grants

Innovate UK, part of UK Research and Innovation, is investing up to £25 million in the best game-changing and world-leading ideas.

Ideas need to be designed for swift, successful commercialisation and be genuinely new and novel, not just disruptive within their sector.

All proposals must be business-focused, with deliverable, realistic, adequately resourced plans to achieve return on investment, growth, and market share following project completion.

Applications can come from any area of technology and be applied to any part of the economy, such as, but not exclusively:

- net-zero
- the arts
- design and media.

To be in scope, your proposal must demonstrate (amongst other things):

- a game-changing, innovative, and disruptive idea that will lead to new products, processes or services

- an idea that is significantly ahead of others in the field, set for rapid commercialisation
- clear potential to positively impact the UK's position, productivity, and competitiveness within the global economy.

See: [Competition overview - Innovate UK Smart grants: January 2023 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

‘Here to help’: Commission launches new push on trustee guides as sector faces challenging year

The Charity Commission is launching the next stage of its campaign to raise awareness of core trustee duties and guidance available as the sector faces challenges ahead.

The Commission has developed a collection of short guidance on issues ranging from safeguarding people to managing conflicts of interest. Dubbed the ‘5-Minute Guides’, the collection serves as a basic toolkit for trustees who are managing the many demands of running a charity.

The latest phase of the campaign, running to 16th March, aims to raise awareness of, and boost use of, the 5-minute guides. The regulator hopes this will increase knowledge and understanding of essential trustee duties. This comes as charities face additional challenges due to cost-of-living pressures.

The Commission’s latest research shows that around 98% of trustees feel ‘very’ or ‘somewhat’ confident in managing or governing their charity but, when questioned on basic role requirements, on average, trustees answered just 7 out of 10 questions correctly - demonstrating a knowledge gap that could lead to unintentional governance failings.

The core suite of 5-minute guides covers the following subject areas:

- [Delivering purpose](#) – advice on how to use your charity’s governing document, how to deliver on your charity’s purposes and the law.
- [Managing finances](#) – advice on how to ensure your charity’s money is safe, properly used and accounted for.
- [Conflicts of interest](#) – advice on how to identify and deal with conflicts of interest in your charity.
- [Making decisions](#) – advice on how to make valid trustee decisions that are in your charity’s best interests.
- [Reporting information](#) – advice on how and what you need to report to the Commission.
- [Safeguarding people](#) – advice on your responsibilities to keep everyone who comes into contact with your charity safe from harm.

- [Political activity & campaigning](#) – advice for charities that want to support, or oppose, a change in government policy or the law.

See: [Advice and guidance for Charity Trustees – Getting the most out of being a charity trustee](#)

What is inclusive leadership?

There have been numerous studies into the relationship between diversity and inclusion and company performance, and many of them have come to the same conclusion - diversity and inclusion is good for business.

The biggest advantage of inclusive leadership is that inclusive leaders know how to unleash individual potential and create an environment where all talent can thrive and grow. The more people feel included, the more they speak up, go the extra mile, and collaborate — all of which ultimately lifts organisational performance.

Inclusive leadership is emerging as a unique and critical capability helping organisations adapt to diverse customers, markets, ideas, and talent.

The workshop will include:

- What inclusion means
- What makes an inclusive leader
- How to make that happen
- How an organisation can create inclusive leadership.

Organised by “Fairplay Employer”, the next date for this free 45-minute webinar is Monday 13 March.

See: [What is inclusive leadership? Tickets, Mon 13 Mar 2023 at 13:30 | Eventbrite](#)

The digital pound consultation

HM Treasury and the Bank of England are consulting on a potential digital pound, or central bank digital currency (CBDC).

If introduced, a digital pound would be issued by the Bank of England and could be used by households and businesses for everyday payments in-store and online. It would also be interchangeable with cash and bank deposits, complementing cash.

No decision has been taken at this stage to introduce a digital currency.

See: [The digital pound: A new form of money for households and businesses? - GOV.UK \(www.gov.uk\)](#)

Explore Export Wales Conference

The Explore Export Wales conferences are being held on Thursday 9 March 2023 at Cardiff City Stadium and Thursday 16 March 2023 at Village Hotel St David's, Deeside.

They will consist of one-to-ones with overseas market representatives, export seminars, exhibitions, and a dedicated Welsh Government export zone, where businesses can explore digital tools and meet International Trade Advisors.

If your business currently exports or is thinking about venturing into new overseas markets, by attending the conference you'll receive advice and guidance on all aspects of trading in the global marketplace.

See: [Explore Export Wales | Home \(eventscase.com\)](https://www.eventscase.com)

“Be Mighty. Recycle”.

“Be Mighty. Recycle” is Wales's largest and most ambitious recycling campaign. Contributing to Welsh Government's goal of becoming a zero-waste nation by 2050 and boosting Wales to become the no.1 recycling nation in the world.

This year's theme is “The power of food waste recycling” and the campaign, which starts on 6 February 2023, will highlight how food waste is recycled into climate change-fighting renewable energy in Wales.

Join the mission to get Wales to number one and create positive change in the world around us by championing the campaign. You can download all the bilingual assets and resources, which have been designed to work across multiple channels and formats, along with guidance on how to use them.

See: [Wales Recycles: Be Mighty. Recycle. 2023 Assets | WRAP \(wrapcymru.org.uk\)](https://www.wrapcymru.org.uk)

A guide to fair work for businesses

Making work fairer, safer, and better for all is better for workers and better for business. That is why the Welsh Government acts to promote fair work at every opportunity as part of its mission to build a fairer, greener, stronger, and more successful Wales.

Fair work is for everyone, no matter your business size, sector or where you currently are on your fair work journey. In response to what the government has heard from business, they have produced a short guide intended to demystify fair work, highlight its benefits, and provide some examples of ways in which you can embed fair work into your business.

See: [A guide to fair work | GOV.WALES](https://gov.wales)

Student loan interest rates

The Welsh Government has to ensure that interest rates on student loans do not exceed the prevailing market rate.

They have acted several times in the past two years to cap the rate on student loans to protect students. Most recently, the government confirmed a cap at 6.5% for another three months from 1 December 2022. These caps were also announced by UK Government for English students.

As interest rates remain high, the rate on loans taken out by undergraduate students since 2012, and by postgraduate students, will be capped at 6.9% between 1 March 2023 and 31 May 2023. Further rate caps may be applied if the prevailing market rate continues to be below student loan interest rates after that date.

Changes to interest rates do not affect monthly student loan repayments, which are charged as a fixed proportion of income. Loan repayments are income contingent. Students repay their loan only if they earn above a threshold, and remaining debts are written off after thirty years.

See: [Written Statement: Student loan interest rates \(8 February 2023\) | GOV.WALES](#)

Wales' Draft Budget was debated last week in the Senedd

The Welsh Government's Budget is worth up to £3 billion less over the 3-year spending review period than when it was originally announced, with the 2023-24 Draft Budget worth up to £1 billion less. Wales also faces a £1.1 billion shortfall in funding because of the UK government's post-EU funding arrangements.

The draft budget allocates a further £165 million for NHS Wales to help protect frontline services as well as £18.8 million for the Discretionary Assistance Fund, providing lifeline emergency cash payments to people facing financial hardship.

An additional £227 million is also being provided to local government to help safeguard the services delivered by councils, such as schools and social care. This funding also helps provide a £460 million 2-year business support package, which provides 75% rates relief and ensures there will be no inflationary impact in the amount of rates businesses are paying.

See: ["We will ensure every pound invested makes the greatest positive impact" – Finance Minister Rebecca Evans | GOV.WALES](#)