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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!

HMRC Annual Report shows some important trends for business owners.

HMRC's annual report was published last week, and it shows that they failed to meet many of their key customer services measures in 2022-23. Customer satisfaction dropped to 79% from 82% last year and telephone performance has also declined with an average wait of 16 minutes to get through to an adviser. 63% of callers waited more than 10 minutes, with an average wait-time of over 20 minutes in January to March 2023. To their credit, HMRC have improved their correspondence reply time to 73% cleared within 15 days from 46% in 2021-22.



HMRC thinks the solution lies in the use of online services by taxpayers and wants to reduce the volume of contact by telephone and post by 30% before 2025. However, given HMRC's past record on missing its technology deadlines, this is probably unlikely without further resources being made available. Long wait times for taxpayers look likely to continue.

The report highlighted that HMRC have maintained a long-term reduction in the UK's tax gap (the difference between the amount of tax that should, in theory, be paid

to HMRC and what is actually collected) from 7.5% of total theoretical tax liabilities in 2005 to 2006, to 4.8% in 2021 to 2022.

To ensure everyone pays the “right” tax, HMRC have a compliance strategy with 3 elements: preventing non-compliance, promoting good compliance, and being robust in their response to those who bend or break the rules. In 2022-23 HMRC delivered £34 billion of compliance yield – the term for money that would have been lost to the Exchequer if not for HMRC compliance work. While it’s lower than they aimed for this year, it’s higher than the 2 previous financial years.

In the last fifteen years, in the wake of the “Crash” of 2008, the subsequent recession and the Pandemic, the UK National Debt has risen to the worrying level of 101.7 percent of Gross Domestic Product. HMRC have been tasked with increasing their efforts to help with this by recovering as much tax as possible and closing the tax gap even further.

We are seeing HMRC putting increasing resources into tax investigations, following the investment into their IT infrastructure and employee numbers – HMRC have been known to launch investigations into individuals and businesses that leads to little to no tax being recovered, following investigation. Some recent statistics have revealed that 2 in 5 taxpayers who were investigated paid no additional tax even though they had to go through the trauma of an HMRC tax investigation.

It’s a situation faced by thousands of UK businesses each year, one which has stepped up following the Pandemic as HMRC seeks to crack down on fraudulent claims for financial support. This has led to a growing number of UK businesses being randomly selected for investigation, with even sole traders finding their accounts subject to scrutiny.

Many of our clients protect themselves from the costs of an HMRC investigation with Fee Protection insurance. Tax fee protection insurance can save you from the unexpected costs of having your business accounts investigated. HMRC investigations can run into thousands of pounds in costs – hundreds of thousands in some cases. Having fee protection in place gives you the reassurance that your accountant’s costs in dealing with the investigation will be covered.

[If you are not covered, then talk to us about our comprehensive fee protection insurance and expert advice.](#)

See: [HMRC's annual report and accounts 2022 to 2023: performance overview - GOV.UK \(www.gov.uk\)](#)

The trade digitalisation act

The electronic trade documents act received Royal Assent last week granting electronic trade documents the same legal status as physical trade documents, hopefully making trade more efficient, cleaner, and cheaper for firms.

Existing laws dating back to the 1800s previously meant that exporters and importers have to use paper documents to transfer ownership of the goods they are shipping – creating a costly, inefficient and outdated way of working.

UK businesses, both big and small, have been calling for paperless trades for decades, especially as the development of electronic document technologies has become increasingly feasible for the industry. With less chance of sensitive paper documents being lost, and stronger safeguards through the use of technology, digitalising trade documents could give businesses that trade internationally greater security and peace of mind.

The UK government estimates that the new law could generate a net benefit of £1.14 billion for the British economy over the next decade for UK businesses trading across the world.

See: [UK economy to receive £1 billion boost through innovative trade digitalisation act - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/uk-economy-to-receive-1-billion-boost-through-innovative-trade-digitalisation-act)

Takeaway and Restaurant Innovation Expo 2023

From mobile payments and delivery to sustainability and food waste, the Restaurant and Takeaway Innovation Expo brings the whole restaurant industry together!

This is an opportunity to interact and connect with the industry's visionaries who are shaping the takeaway and restaurant scene of the future. Find out how to boost your profits, build your brand and grow your business.

The event takes place on 10 and 11 October 2023 at the ExCel London.

See: [Home - Restaurant & Takeaway Innovation Expo \(takeawayexpo.co.uk\)](https://takeawayexpo.co.uk)

ETIAS - entering EU countries

The European Travel Information and Authorisation System (ETIAS) is set to be introduced in 2024 after initially being planned for 2022. The delay was thought to be because of needing to update travel infrastructures and the onset of the COVID pandemic.

UK travellers will need an ETIAS for most EU countries. Travel permits will be available to buy online when the scheme launches and will cost around €7 (£6) for people over 18. Travellers under 18 or over 70 will receive their ETIAS free of charge.

ETIAS will be used to keep track of visitors from countries who do not need a visa to enter the Schengen Zone, and to enhance border security.

It is designed for short-term stays of 90 days or less, and includes travel for business, pleasure, medical reasons, or if you are transiting through the EU to a further destination.

You could be denied an ETIAS if you give the wrong information online, are a convicted criminal or are on a travel watch list.

You will need to present the document on arrival at your travel destination and could be refused to fly or denied entry into the EU without one.

Similar to a US ESTA, it is expected to be processed and approved within minutes. It will also be valid for three years from the date of issue, making it easier for future travel.

The European countries that will require a valid ETIAS upon arrival at their borders include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and Switzerland.

See: [ETIAS - European Travel Information and Authorisation System \(schengenvisa.info.com\)](https://schengenvisa.info.com)

Innovation Loans Future Economy competition - round 10

UK registered businesses can apply for loans for innovative projects with strong commercial potential to significantly improve the UK economy.

Innovate UK is offering up to £25 million in loans to micro, small, and medium-sized enterprises (SMEs). Loans are for highly innovative late-stage research and development (R&D) projects with the best potential for the future. There should be a clear route to commercialisation and economic impact.

Your project must lead to new products, processes or services that are significantly ahead of others currently available or propose an innovative use of existing products, processes, or services. It can also involve a new or innovative business model.

Innovate UK is particularly interested in projects that focus on the future economy areas included in the [Innovate UK plan for action](#).

You must be able to show that you:

- need public funding,
- can cover interest payments, and
- will be able to repay the loan on time.

The funding available will be allocated across a series of competitions:

- round 10 - opened 15 July 2023,
- round 11 - opens 14 September 2023, and
- round 12 – opens 9 November 2023.

See: [Competition overview - Innovate UK Innovation Loans Future Economy: Round 10 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

UK announces further support to seafarers' rights and welfare

More seafarers will be guaranteed fair wages, proper rest periods and suitable training from a new [Seafarers' Charter](#) launched by the UK government last week.

Building on government action already taken, the charter – backed by DFDS Ferries, Condor Ferries, Brittany Ferries and Stena – is part of the government's wider [Nine-point plan](#) to protect seafarers and boost employment protections, ensuring they're paid and treated fairly – irrespective of flag or nationality.

This is at the heart of the UK's response to P&O Ferries' decision to fire nearly 800 of its staff without consultation or notice last year.

The UK government's charter will be launched alongside a similar initiative by the French government during a visit by Maritime Minister Baroness Vere to Paris today to meet her counterpart, Minister Berville.

See: [UK announces historic boost to seafarers' rights and welfare - GOV.UK \(www.gov.uk\)](#)

Travel update for families entering the UK border this summer

This summer more families arriving into the UK will benefit from quicker entry to the UK using eGates, thanks to an expansion of the service to 10 and 11 year olds.

Following successful trials across major ports including Gatwick, Stansted, and Heathrow Airports this spring, from Monday 24 July 2023, more families returning and eligible visitors to the UK over the school summer holiday will now benefit from the use of eGates as a faster way to travel through the UK border, with a recent YouGov poll showing that 42% of the UK public plan to jet abroad over the summer.

With passenger volumes expected to return to 2019 levels this summer – and some ports exceeding those volumes – Border Force expects to see over 34 million air arrivals coming through UK passport control over the coming months.

This new eGate change is expected to benefit thousands of families this summer, with over 400,000 children aged 10 and 11 years old projected to use eGates this year.

See: [Smoother travel for families through the UK border this summer - GOV.UK \(www.gov.uk\)](#)

Government clamps down on unfair bank account closures

Banks will be forced to explain and delay any decision to close an account under new rules, protecting freedom of expression.

The government has stepped in to address fears that banks are terminating accounts because they disagree with someone's political beliefs.

The changes will increase the notice period to 90 days – giving customers more time to challenge a decision through the Financial Ombudsman Service or find a replacement bank.

Banks will also be required to spell out why they are terminating a bank account – boosting transparency for customers and aiding their efforts to overturn decisions.

The changes were announced last week.

See: [Government clamps down on unfair bank account closures - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-clamps-down-on-unfair-bank-account-closures)

Acas Consultation – Code of Practice on handling requests for flexible working

Acas is updating its statutory Code of Practice on handling requests for flexible working, to reflect the anticipated reforms to legislation, significant shift in flexible working in the workplace and changing views since their existing Code was published in 2014. Their non-statutory guidance will also be updated, which sits alongside the Code.

The aim of the Code is to provide employers, employees, and representatives with a clear explanation of the law on the statutory right to request flexible working, alongside good practice advice on handling requests in a reasonable manner.

Contributions are welcome from all interested individuals and organisations. This includes employers, employees, trade unions, business representative groups, legal representatives, and any other organisations or individuals with an interest in flexible working practices and good employment relations.

The consultation closes on 6 September 2023.

See: [Acas consultation on the draft Code of Practice on handling requests for flexible working | Acas](https://www.acas.org.uk/news-events/acas-consultation-on-the-draft-code-of-practice-on-handling-requests-for-flexible-working)

Social Investment - Growth Impact Fund

The Growth Impact Fund provides social investment for early stage, growing social businesses that are:

- led by diverse leaders and teams;
- looking to grow their trading income; and

- looking to help tackle inequality.

The Fund was developed by Big Issue Invest and UnLtd with support from Shift, who are all committed to tackling the structural barriers within social investment and offers between £50,000 and £1,500,000 of investment.

There are three flexible investment types aimed to meet your needs:

- Equity - Shares in your organisation;
- Revenue Share - Repayments based on your organisation's revenue performance; and
- Patient Debt - Regular repayments set at an agreed interest rate over several years.

See: [Growth Impact Fund - Investing for impact. Made for diverse-led organisations](#)

Procurex Wales 2023

Procurex Wales connects buyers and suppliers from across Wales' public procurement sector – worth more than £8.3bn annually.



It's a unique event that enables all stakeholders to learn about the latest developments shaping the future of this area – featuring extensive skills development, networking, collaboration, and product showcase opportunities for public sector buyers and private sector organisations alike.

The event will be held at Cardiff International arena on the 8th November.

See: [Home - Procurex Wales 2023](#)

Yr Wyddfa area – Plastic free businesses

Yr Wyddfa is the busiest mountain in Wales. Hundreds of thousands hike to this iconic summit each year. Litter is becoming a real threat to the mountain's sustainable future and to tackle the situation, the National Park Authority are leading a campaign to make Yr Wyddfa the first plastic-free mountain in the world.

Your business can contribute towards turning that idea into a reality. The Authority are inviting businesses in Eryri to join the sustainability journey and become a Plastic Free Yr Wyddfa accredited business. The accessible, yet ambitious scheme will help your businesses progress on the Plastic Free Path.

See: [Plastic-free Businesses | Snowdonia National Park \(gov.wales\)](#)

Digital Maturity Survey 2023

“Our Digital Future: Tracking Change in the Welsh Economy” will be mapping changes in the use of digital technologies by Welsh businesses, and their effects on innovation, resilience and the promotion of Welsh values.

This year’s study analyses the digital presence of almost 6,000 Welsh businesses.

It includes representatives from every corner of the nation, providing a fine-grained picture of digital technology used throughout the Welsh economy. Adopting an entirely new approach to measuring digital maturity in the Welsh SME economy, the Digital Maturity for Wales Survey 2023 takes a structured sample of Welsh businesses and tracks their online presence over the past seven years, rating them on five key metrics. This is the largest survey of its kind ever conducted in Wales, and the first to directly monitor the digital activity of Welsh businesses.

On the site, you can download the full report and access summaries, charts, and visualisations containing all you need to know about the use of digital technology in the Welsh economy:

- What’s the concentration of innovative companies in my local authority?
- Which business sectors are the most digitally mature?
- How has the use of the Welsh language on websites spread since 2016?

See: [Home - Welsh Digital Maturity Survey 2023 \(eticlab.co.uk\)](#)

Skills Cymru Autumn Events 2023

Skills Cymru, the careers and skills events for Wales, will be in Llandudno and Cardiff this October.

The highly interactive event welcomes up to 10,000 visitors, providing them with the vast range of career opportunities available, as well as the routes to get there.

Each year, over 100 companies and organisations enjoy meeting and influencing the next generation of Wales' leaders and workers. They are able to inspire and motivate young people face-to-face and inform them about careers they may have never considered.

Organisations from key industry sectors will represent Wales' leading employers and be on hand to provide young people with the advice and guidance they need to follow a career in their chosen industry.

For further information please select the following links:

- [Llandudno | SkillsEvents](#)
- [Cardiff | SkillsEvents](#)

Circular Materials Mapping Tool

Wales Restorative Approaches Partnership (WRAP) has developed this user-friendly Circular Materials Mapping Tool for Wales – a useful resource for stakeholders across the plastics, paper, and wood value chains.

The tool is intended to help support greater collaboration between the many businesses that make up Wales' plastics, paper and wood sectors. It provides businesses with the opportunity to further enhance their understanding of the wider Welsh materials sector.

See: [Circular Materials Mapping Tool for Wales | WRAP \(wrapcymru.org.uk\)](#)

Sustainable Drainage Feasibility Grant

To support the development of small, local, sustainable, urban drainage schemes (SuDS) or sustainable drainage schemes in Wales on existing sites, Natural Resources Wales have a fund of £450,000 available for feasibility development grants between £25,000 - £40,000.

The sustainable drainage feasibility grant will enable individuals, community groups and others undertake feasibility studies with the potential to develop small-scale schemes via a future competitive grant stage.

Who can apply

- Individuals,
- Public sector organisations,
- Registered charities,
- Universities, other higher education institutions and research institutes,
- Third sector organisations, and
- Private sector organisations.

The closing date to apply is 25 September 2023.

See: [Sustainable Drainage Feasibility Grant | Business Wales \(gov.wales\)](#)

Workplace recycling

From 6 April 2024 it will become law for all businesses, charities, and public sector organisations to separate their waste for recycling. This will improve the quality and quantity of how we collect and separate waste.

The legal requirements to separate their waste will affect:

1. All workplaces (businesses, the public and third sector);
2. Those who collect the waste or arrange for waste to be collected; and
3. Those who collect, receive, keep, treat, or transport waste, who will need to keep the waste separate from other types of waste or substances.

The following materials will need to be separated for collection, and collected separately:

1. Food – for premises that produce more than 5kg of food waste a week.
2. Paper and card.
3. Glass.
4. Metal, plastic, and cartons and other fibre-plastic composite packaging of a similar composition.
5. Unsold small waste electrical and electronic equipment (sWEEE).
6. Unsold textiles.

There will also be a ban on the following:

- Sending food waste to sewers; and
- Separately collected waste going to incineration plants and landfills and a ban on all wood waste going to landfill.

If you are a workplace:

1. Look at what waste you're producing and get the right service from your waste contractor.
2. Consider whether you need to buy new, or more, bins.
3. Think about how to train your staff and explain the changes to visitors or users of your premises.

If you are a waste collector:

1. Start communicating with your customers on the forthcoming changes.
2. Consider the need to procure more bins or buy new.
3. Think about how to train your staff to prepare customers for the changes.

Natural Resources Wales (NRW) will regulate the separation requirements and the bans on waste going to incineration and landfill.

Local Authorities (LAs) will regulate the ban on the disposal of food waste to sewer from non-domestic premises. It will become law from 6 April 2024 and if you do not comply you could face a fine.

The changes are not only focused on improving the quality and quantity of recycling but are vital to delivering Wales's commitments to reach zero waste and reduce our carbon emissions by 2050.

See: [Separated waste collections for workplaces | GOV.WALES](#)

Single Malt Welsh Whisky to be protected

Last week, single malt Welsh Whisky was successfully registered under the UK Geographical Indication (UKGI) scheme – protecting its name, authenticity and characteristics.

It is the first new UK spirit drink application to be registered and protected under the new scheme – created after Brexit - and joins other classic British products receiving protection such as Scotch Whisky, Melton Mowbray Pork Pies, and Cornish Clotted Cream.

This means consumers can be confident that the product they are buying is genuine and the efforts of producers are protected from imitation products.

Dating back to 1887, Single Malt Welsh Whisky is made using malted barley and water of 100% Welsh origin and, with the new protection, only whiskies made in this way can be call Single Malt Welsh Whisky. The product is registered to four distillers in Wales, who together export to over 45 countries worldwide including the USA, France, Germany and China.

Each step of the production process must take place in Wales, from brewing to bottling. The moderate and damp Welsh climate allows for an even rate of maturation, producing a smooth and refreshing flavour. Today, most Welsh distilleries still have their own well or borehole to take advantage of Wales's fresh and high-quality water.

See: [Single Malt Welsh Whisky to be protected - GOV.UK \(www.gov.uk\)](#)