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Business News Northern Ireland

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!

Election results in: What will be the effect on your tax bill?

So, the election results are in and the Labour party won the country's mandate to form a new parliament. What could that mean for the tax you pay?

Will there be an emergency budget?

Labour will likely set out their initial plans in an 'emergency' budget. This is unlikely to happen before September or October as the Office of Budget Responsibility (OBR) will need 10 weeks to prepare independent forecasts on the plans.

Further details will no doubt emerge over coming weeks, but here's a review of what looks likely in the main tax areas based on their manifesto.

Income tax changes

- No increase to income tax rates.
- Pension reforms are planned.
- No mention has been made about the tax-free allowance.

National Insurance Contributions (NIC)

- A promise has been made not to increase employees' NIC.

Business tax

- A roadmap for business taxation will be published in coming weeks.
- Full expensing and the Annual Investment Allowance will be kept. Some further details to come that should clarify the qualification criteria.

Corporation tax

- Corporation tax to be capped at the current main rate of 25% (paid by companies with profits of £250,000 and over) for the whole of the next parliament. This may hint that there are increases to come for companies benefiting from the small profits rate or marginal relief.

VAT

- No increase to the VAT rate.
- VAT will be applied to private school fees.

Capital Gains Tax (CGT)

- Nothing has been specifically mentioned on CGT rates or reliefs.

- The 'carried interest tax loophole' will be closed. This mainly affects private equity executives who receive a stake in the funds they manage rather than traditional remuneration.

Inheritance tax

- No expected changes to current rates or reliefs.
- The use of offshore trusts to avoid inheritance tax will be ended.

Stamp duty land tax

- The existing surcharge on purchases of residential property by non-UK residents will increase from 2% to 3%.
- Perhaps this hints that further down the line there will be increases for UK residents too.

If any of these changes affect you in any way, please contact us and we will be pleased to give you personalised advice. As your tax advisers, we will continue to keep you up-to-date on tax changes so that you can plan your affairs to minimise paying tax.

Economy growth higher than estimated

Figures released by the Office for National Statistics (ONS) show that the economy grew by 0.7% between January and March. This is higher than their initial estimate of 0.6%, and means that the country's emergence from recession was stronger than expected.

These figures mean that the UK experienced the fastest growth of the G7 economies in this first quarter of 2024. It is also the highest growth in a quarter since 2021 and bodes well for the economy as a whole over coming months.

Increases in GDP are seen as positive because it usually means that more money is being spent, with its desirable knock-on effects to jobs being created, better pay rises for workers, and increased tax take for the government.

See: <https://www.bbc.co.uk/news/articles/c6p2r9xzde4o>

Managing workforce holiday: A guide for business owners

This summer has brought with it several major sporting events – The Euros, Wimbledon and the Tour de France are currently all in progress, and the Olympics begin later in July. While this can be good news for businesses working in hospitality and retail, there can also be a dip in productivity as employees take time off or become distracted during major matches or events.

Some businesses adopt flexible working hours or set up viewing areas to maintain their employees' morale and engagement.

However, it may be worth reviewing your holiday policies. Managing employee holidays can be a bit of a balancing act at the best of times, but with some thoughtful planning, you can keep your business running smoothly while ensuring your team gets the break they deserve. Here are some tips to help you out:

1. Craft a Clear Policy

First things first, have a straightforward holiday policy in place. Make sure it covers how holidays are accrued, the procedure for booking time off, and any blackout periods when holidays aren't allowed. Clear communication is key here.

2. Plan Ahead

Keep an annual holiday calendar. This will help you see at a glance who's off and when, so you can plan ahead. Try to encourage your team to spread their holidays throughout the year to avoid everyone wanting time off at once.

3. Embrace Technology

Use HR software to manage holiday requests and approvals. It makes tracking who's off and when a breeze and ensures everyone's requests are handled fairly and promptly.

4. Encourage Early Requests

Get your team to put in their holiday requests early. The earlier you know who wants time off, the better you can plan. This also helps avoid any last-minute rushes for the same dates.

5. Cross-Train Your Team

Cross-training your staff means your business can still run smoothly even when someone is off. It's a good way to ensure no single employee is irreplaceable for everyday tasks.

6. Monitor and Adjust

Regularly review your holiday policy and how it's working. Get feedback from your team and be ready to make changes if necessary. Flexibility can go a long way in keeping everyone happy.

7. Promote Work-Life Balance

Encourage your employees to use their holiday entitlement. It's important for their well-being and helps prevent burnout. Make it a point to respect their time off by not contacting them about work unless it's absolutely necessary.

By following these tips, you can create a harmonious work environment where employees feel valued and rested and able to enjoy the events that matter to them, and your business can thrive even when team members are on holiday.

New business? Have you thought about your health and safety policy?

Running a business comes with a myriad of responsibilities, and ensuring the safety of your employees should be at the top of your list. Here's why having a health and safety policy is crucial, backed by UK legal requirements:

1. Stay Legally Compliant

Under the Health and Safety at Work etc. Act 1974, all employers, regardless of size, must provide a safe working environment. This means having a documented health and safety policy if you have five or more employees. Failure to comply can result in hefty fines or legal action, which could be devastating for a small business.

2. Protect Your Employees

Your employees are your most valuable asset. A health and safety policy shows that you care about their well-being. This can boost morale and productivity, as employees feel safer and more valued.

3. Financial Safeguard

Accidents can be costly. They can lead to lost workdays, increased insurance premiums, and potential compensation claims. By proactively managing risks through a health and safety policy, you can minimize these costs and protect your bottom line.

4. Enhance Your Reputation

Having a solid health and safety policy enhances your reputation. Customers, clients, and potential employees will see you as a responsible and caring employer. This can give you a competitive edge in attracting and retaining top talent.

5. Risk Management

Regularly updating your health and safety policy allows you to identify and mitigate risks before they become major issues. This proactive approach can prevent small problems from escalating into costly accidents or legal battles.

6. Employee Retention

A safe and supportive work environment is a key factor in employee retention. Workers are more likely to stay with a company that prioritizes their safety, reducing turnover and the associated costs of hiring and training new staff.

Practical Steps to Implement a Health and Safety Policy

- **Assess Risks:** Regularly conduct risk assessments to identify potential hazards in your workplace.
- **Create a Policy:** Document your health and safety policy, outlining procedures for reporting hazards, emergency protocols, and employee responsibilities.

- **Training:** Ensure all employees receive adequate health and safety training relevant to their roles.
- **Review and Update:** Regularly review and update your policy to reflect any changes in your business operations or legislation.

By following these steps, you'll not only comply with UK law but also foster a safer, more productive work environment. Remember, a little effort in creating and maintaining a health and safety policy can go a long way in protecting your employees and your business.

For further information, take a look at the Health and Safety Executive's website for guidance on the basics you need for your business: <https://www.hse.gov.uk/simple-health-safety/index.htm>

Important update for veterinary surgeons: Transition to new Special Import Certificate (SIC) digital service

Starting 15 July 2024, all Special Import Certificate (SIC) applications must be submitted through a newly launched digital service. This change follows the introduction of the new special imports digital service in January 2024, designed to enhance ease of use, security, reliability, and accessibility.

Key points for UK veterinary surgeons who hold and supply imported medicines:

- The old online special import scheme will be decommissioned on 15 July 2024.
- If you have not yet registered for the new digital service, it is essential to do so before this date.
- Post 15 July 2024, SIC applications will only be accepted via the new digital service.

For wholesale dealers:

- A new digital service for applying for Wholesale Dealer Import Certificates (WDICs) will also be available from 15 July 2024.
- This service is for dealers who hold and supply imported medicines to valid import certificate holders.

Veterinary professionals and wholesale dealers are encouraged to transition to the new system promptly to ensure uninterrupted access to the necessary certificates.

For further information and a helpful video, see: <https://www.vmdconnect.uk/new-import-service>

Funding competition for cluster management project in Mid and North Wales

A funding competition is open to all UK businesses to apply for up to £150,000 for a project to develop and manage the agri-tech and food technology innovation cluster in Mid and North Wales.

The competition is open to both single applicants or collaborations.

To apply, your business needs to:

- be a UK-registered business of any size, an academic institution, a research and technology organisation (RTO), or a not for profit or public sector organisation.
- Carry out its project work in the UK, and have impact in the agri-tech and food technology innovation cluster in Mid and North Wales.

The competition is already open and closes on 10 July 2024 at 11am.

For details on what the proposal needs to contain and how to apply, please see:

<https://apply-for-innovation-funding.service.gov.uk/competition/1972/overview/647c9795-dda7-4d2e-9e55-9f6a165a337e#scope>

Cities and town centres declining: Challenges and opportunities for businesses

Glasgow, one of the premier shopping destinations in Scotland, is facing significant challenges that threaten its vibrancy and economic vitality. These same challenges are affecting businesses across not only Scotland but the UK generally.

A recent report by the Glasgow Chamber of Commerce highlights a decline of over 400,000 visitors to Glasgow city centre compared to the previous year, coupled with a substantial drop in retail sales.

Challenges facing cities and towns

The report highlights several factors that are contributing to Glasgow's, and other cities and towns', current predicament:

- **Declining Footfall:** A decrease in visitors and drops in in-store sales reflect shifting consumer behaviours towards online shopping and out-of-town retail parks.
- **Retail Closures:** Iconic stores, including Debenhams and Marks & Spencer, have closed their doors in many places, leaving significant vacancies that impact the city or town's attractiveness to shoppers.
- **Infrastructure Issues:** Cleanliness and maintenance issues in some places further detract from the appeal of shopping in city or town centres.

What can you do?

A report such as this likely only confirms what you're seeing day-to-day. What can you do to navigate these challenges proactively and safeguard your business?

Here are three practical steps you could consider:

1. Enhance Customer Experience:

It may be time to focus further on your online presence. If your website is simply a 'brochure' of your services, could you turn it into an e-commerce site so that you can capture shoppers who now prefer digital transactions? E-commerce platforms are now well-developed and can help you provide a robust and secure experience to your customers.

It is no longer enough to simply supply products that can be just as easily purchased from home. Look at how you could improve the 'in-store' experience to give your shoppers a compelling reason to visit a physical store or business. Cleanliness, ambience, and customer service are all areas that will need looking at.

2. Adapt to Changing Consumer Habits:

If consumer habits are changing, could you explore new product lines or services that cater to these preferences and changes in lifestyle?

There may be mileage too in looking at whether you can integrate your offline and online business in a way that provides a more seamless shopping experience. For instance, do people want to be able to see a sample of products in the flesh that they can then have delivered to their home?

5. Community Engagement and Branding:

Many consumers want to support local businesses and are willing to pay extra to do so. Local partnership with community organisations and other local businesses could help you to build a sense of community that encourages local patronage.

In line with many cities and towns, Glasgow faces formidable challenges, however there are clear opportunities for businesses to continue to thrive and contribute to the revival of their city or town centre.

As experienced business advisers we can help you to review your business activity and provide insight on trends. If we could help you, please get in touch, we would be happy to help you!

See: <https://www.bbc.co.uk/news/articles/c4ngw4e1xv8o>

Consultation open on 'good jobs' employment bill

The Department for the Economy (DfE) is inviting views on various policy areas related to employment rights. These are aimed at providing employment opportunities that would be considered 'good jobs'.

The consultation is looking at four aspects of what makes a good job, namely:

- Terms of employment;
- Pay and benefits;
- Voice and representation; and
- Promotion of a healthy work-life balance.

This could be an opportunity for you to have your say on proposals being made to improve employment rights legislation and help bring more 'good jobs' to Northern Ireland.

The consultation deadline is Monday 30th September 2024 at 5pm.

For further details on the 'Good Jobs' Employment Rights Bill and to respond, see:
<https://www.economy-ni.gov.uk/consultations/good-jobs-employment-rights-bill>