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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!

Spring Forecast 2026: What Does the OBR's Latest Forecast Mean for You?

During a week dominated by news of the Middle East conflict, on 3 March 2026, Chancellor Rachel Reeves presented the Spring Forecast to Parliament. The Chancellor told MPs she had “restored economic stability” as she presented the Office for Budget Responsibility's (OBR's) economic forecasts.

The Chancellor focused on how the government's policies are delivering economic growth, particularly when looking at Gross Domestic Product (GDP) per person. However, the OBR's report indicates a more nuanced picture and notes that the fiscal context for the next Budget will remain challenging.

The OBR's forecast was being finalised as the conflict in the Middle East escalated. The OBR warned that this conflict could have a “very significant” impact on the global and UK economies.

Summary of economic outlook

The main points from the OBR were:

- Gross Domestic Product (GDP) growth is expected to slow from 1.4% in 2025 to 1.1% in 2026. This is 0.3 percentage points lower than the OBR's November 2025 forecast. However, GDP growth is expected to pick up to an average 1.6% a year from 2027 to 2030.
- Real GDP per person is forecast to grow at an average rate of 1.1% a year between 2026 and 2030. This is an indicator of changes in average standards of living and is marginally higher than in the November forecast.
- The unemployment rate is forecast to rise from 4.75% in 2025 to a peak of 5.3% in 2026. The OBR says this is mainly due to those entering the workforce finding it harder to secure jobs in a period of subdued hiring. They expect the unemployment rate to ease back to 4.1% by 2030, but note that the impact of AI on future employment makes longer-term forecasts less certain.
- Public sector net borrowing is projected to fall from 5.2% of GDP in 2024/25 to 4.3% of GDP in 2025/26. It is then forecast to decline gradually over the medium term to reach 1.6% of GDP in 2030/31.

As part of the government's policy of one major fiscal event a year, the Chancellor announced no new tax or spending policies. However, the OBR's forecasts do provide some early clues about future tax and spending pressures.

What does the Spring Forecast tell us about tax?

From a tax perspective, the OBR's report points to a tax environment that will feel increasingly heavy over the rest of the decade. Taxes as a share of GDP are projected to climb to 38.5% by 2030-31, a post-war high.

Much of this increase comes from the freeze on income tax thresholds, which will continue until April 2031. Combined with rising wages, this means more people are being pulled into paying higher tax rates, even if their circumstances have not changed.

The state pension creates an interesting complication: from 2027/28 it is expected to exceed the personal allowance, bringing an estimated 600,000 more people into tax in 2026/27 and around 1 million by 2030/31. The government has said it does not intend for pensioners whose only income is the basic or new state pension to pay income tax during this Parliament. However, the final details on this policy and how it will work in practice have not yet been announced.

The OBR notes that the increase in employer national insurance contributions, which took effect last April, is also playing a significant role in the higher tax take. These increased costs are potentially feeding into business hiring decisions at a time when unemployment is forecast to rise to 5.3% in 2026.

Self-assessment payments are also expected to rise sharply in 2026/27, partly due to the non-domiciled tax regime being abolished in 2025/26 and a subsequent temporary repatriation facility being offered. If you have overseas income or assets, it is still important to carefully review your tax planning.

The strong performance of UK equity shares in recent months means that the OBR are expecting receipts from capital taxes to rise. If you hold UK equity shares, this may be a good time to review your holdings and consider whether crystallising gains now, rebalancing your portfolio and/or making use of available allowances would put you in a better tax position. Any such planning needs to carefully navigate what are known as 'bed and breakfasting' rules (effectively selling to repurchase), so please do get in touch if this situation applies to you.

In conclusion

The practical message from the OBR's report is that tax planning is becoming ever more important, and capital taxes and transactions are likely to remain on the government's radar.

For individuals and businesses, this means keeping a closer eye on allowances, thinking about the timing of income and gains, and making sure you are using the reliefs available. Reviewing arrangements such as pension contributions, profit extraction techniques, and the way assets are held within a family may also lead to simple, practical steps that could help to keep future tax bills under control.

Please do talk to us if you would like any personalised help in optimising your tax position.

ICAEW Says Stability in the Tax System Needed to Support Entrepreneurship

The Institute of Chartered Accountants in England and Wales (ICAEW) has said that doing business in the UK is too uncertain and expensive, and more stability in the tax system is needed. Their comments were in response to the government's call for evidence on how the tax system can better support entrepreneurs.

ICAEW considers that blunt tax hikes and tax policies have disproportionately increased the cost base of UK businesses and these need to become a thing of the past.

They also point to a lack of meaningful incentives that would unlock investment from serial entrepreneurs and family office investors. For instance, an outright capital gains tax exemption could be more effective in encouraging the reinvestment of capital into new ventures.

Recent changes to the inheritance tax and domicile rules have also complicated reinvestment decisions and may tempt some to move funds abroad.

From April 2026, the income tax relief that can be claimed by someone investing in a venture capital trust (VCT) will be reduced from 30% to 20%. ICAEW have called for this decision to be reversed.

ICAEW have suggested that changes also be made to the enterprise investment scheme (EIS) and enterprise management incentives (EMI) to make them more effective and attract talent to entrepreneurial businesses.

The government's call for evidence closed on 28 February 2026. It will be interesting to see what changes come from the consultation.

See: <https://www.icaew.com/insights/tax-news/2026/mar-2026/support-entrepreneurship-through-stability-in-the-tax-system-says-icaew>

Boost in Grants for Installing EV Chargers

The government has announced an over 40% increase in charge point grant amounts that will mean businesses, landlords and renters could save up to £500 on installing an electric vehicle (EV) charge point. Previously, the grant provided a discount of £350.

The uplift could cover almost half the typical installation costs and make it easier for EV users to access cheaper electricity rates at home or work to charge their EV. Schools will also be eligible for grants of up to £2,000 per socket.

Updates to the scheme will also simplify the current EV charge point support schemes available by reducing eight grant types down to five, which should make the system easier to navigate.

The electric car grant, which provides a discount on buying an EV, continues to be available. This can offer savings of up to £3,750.

Support is also available through local authorities for residents who do not have driveways to be able to install discreet, embedded pavement channels, meaning those with on street parking can install an EV charge point. This is in addition to the £500 installation grant.

EVs continue to receive preferential tax treatment, and this can also be worth exploring if you are considering buying a new vehicle.

See: <https://www.gov.uk/government/news/grant-boost-to-cover-almost-half-the-cost-of-installing-ev-chargers-for-households-and-businesses>

How Clear Are Your Prices?

The Competition and Markets Authority (CMA) has launched a Clearing Pricing campaign aiming to encourage businesses to be upfront, transparent and fair in their pricing.

Teaming up with TV and radio presenter Alexander Armstrong, the campaign highlights a 'Three Step Pricing Check' businesses can use to make sure their pricing is on the right side of the law.

The three steps are:

1. Show the total price up front.
2. Include all mandatory charges.
3. If you can't give a total yet, is it clear how customers can work it out?

Under the Digital Markets, Competition and Consumers Act 2024 (DMCCA), it is now illegal to introduce additional mandatory fees, such as a booking or delivery fee, taxes or other charges late in the purchase process.

The Act also gives the CMA the powers to fine businesses that break consumer law up to £300,000 or, if higher, up to 10% of their global turnover.

For businesses that are not clear about the new laws, [guidance is available from the CMA](#) that explains how to present prices clearly. The guidance provides examples of what should and shouldn't be done when it comes to delivery charges, administration and booking costs, and periodic payments and could be a useful resource.

See: <https://www.gov.uk/government/news/tv-presenter-alexander-armstrong-teams-up-with-the-cma-to-champion-clear-pricing>

Youth Guarantee Jobs Fair Launches in Blackpool

The government's push to tackle long-term youth unemployment took a step forward last week, with more than 3,000 young people and residents attending the first-ever Youth Guarantee Jobs and Careers Fair in Blackpool.

Held at the Winter Gardens, the event brought together 94 employers offering everything from apprenticeships and traineeships to live vacancies. Businesses included both local and national employers. There are plans to hold further events in the future.

The Youth Guarantee aims to ensure that everyone under 25 is offered one of four pathways:

- Employment
- Continued education
- An apprenticeship
- A traineeship, work experience placement or Sector-Based Work Academy Programme (SWAP)

A new review led by Alan Milburn is examining the barriers stopping young people from accessing work.

For businesses, this expanded support for young people may help ease the challenges in recruitment and skills shortages. Apprenticeships can be a cost-effective way to build a pipeline of future employees.

See: <https://www.gov.uk/government/news/first-youth-guarantee-jobs-fair-brings-big-employers-together-to-unlock-opportunities-for-young-people>

Consultation on Major Measures to Protect Children's Digital Well-being

A major consultation has been launched that explores what measures are needed to keep children safe on the internet. It examines if social media should be banned for children, or whether there should be restrictions on AI chatbot features and overnight curfews.

The government also plans to run pilots with families and teenagers to explore how social media restrictions could work in practice.

The consultation considers a number of changes, including:

- Whether a minimum age should be applied to social media, and if so, what age?
- Whether addictive features, such as infinite scrolling and autoplay, should be switched off by the developers.
- Whether mandatory overnight curfews would help children to sleep better, and if so, what age should they be.
- Whether children should be able to use AI chatbots without restriction.
- How would the enforcement of age verification be strengthened?
- How children and parents can be helped to navigate the digital world successfully.

The consultation is open to industry as well as parents, young people and others who work with children. It concludes on 26 May 2026.

New legislative powers could change how apps, games and other online services are developed and online businesses will want to stay informed to see how the proposals could affect their services.

See: <https://www.gov.uk/government/consultations/growing-up-in-the-online-world-a-national-consultation>

Sustainable Farming Scheme Now Open

The Single Application Form (SAF) opened on 2 March 2026 and for the first time, Welsh farmers can apply for the Sustainable Farming Scheme (SFS).

Farmers can notify the Welsh government whether they are claiming SFS or the Basic Payment Scheme via the application.

The application window remains open until 15 May 2026. However, farmers are being encouraged to apply early so that any queries can be resolved before the deadline.

The Manage My Land process can be used to correct land boundaries or other field data if needed, and this should be done before making the application.

Farmers are also being encouraged to familiarise themselves with the Universal Actions that apply to them. There is likely still time to complete these throughout the year.

See: <https://www.gov.wales/apply-now-sustainable-farming-scheme-opens-welsh-farmers>