

Business News England

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!

How can you save on capital gains tax?

Over the last two years, the tax-free allowance for capital gains tax has been cut by over three-quarters. For the tax year that recently began on 6 April 2024, the Annual Exempt Amount has been reduced to £3,000 (£1,500 for trustees).

These reductions mean that more and more of us are likely to be affected by capital gains tax.

What is capital gains tax?

You could think of capital gains tax as a tax you pay when you make money from selling something that has increased in value. This “something” could be anything from a house to shares or even a piece of art. So, let’s say you bought shares for £500 and sold them later for £1,000. The £500 profit you made could be subject to capital gains tax.

How much tax you pay depends on a few things. Firstly, it depends on what you are selling and how much profit you have made. Secondly, it depends on how much money you make overall in a year. For instance, if you earn more, you might pay a higher rate of tax on your gains. Thirdly, the total amount of gain you make in a tax year is reduced by the Annual Exempt Amount.

However, not all gains are taxed. For instance, if you sell your main home or certain types of investments like ISAs, you might not have to pay any tax on the profit.

Are there ways you can reduce capital gains tax?

There are a few things you could think about doing to help reduce the amount of capital gains tax you might need to pay.

- As mentioned above, the rate of tax you pay depends on how much money you make overall. If you can reduce the income you are taxed on, this might mean you can pay capital gains tax at a lower rate. One way to do this is by making pension contributions as these reduce your income for tax purposes.
- Where an asset can be separated into different parts – a portfolio of shares would be a good example – you might be able to split the sale between two tax years. For example, you might sell some shares on 5th April, and then more shares on 6th April. This could give you two years’ worth of allowances to spread your gain against.
- If you have no plans to sell off assets during a tax year, you could sell some of them to use up your Annual Exempt Amount, and then immediately buy them back within an ISA. Any future gains you make on those assets will then be tax-free.

- The Annual Exempt Amount can be combined for jointly owned assets, so you may be able to split your assets with your spouse or civil partner. You can also transfer assets between you without having to pay capital gains tax. If your spouse or civil partner pays income tax at a lower rate than you do, or perhaps has made a loss on selling other assets, this might be a way of reducing the capital gains tax you pay as a couple.

The reductions in Annual Exempt Amount mean that more of us could end up having to pay capital gains tax. However, there may be ways to reduce the amount you pay.

As experienced tax advisers, we have tools that can help you calculate what capital gains tax you might have to pay and can provide personalised advice on the steps that may help you reduce that tax. Why not talk to us to make sure you're following the rules and not paying more tax than you need to?

Official figures show that the UK no longer in recession

Figures published by the Office for National Statistics on 10 May 2024 show that the UK has officially exited recession.

UK gross domestic product (GDP) is estimated to have increased by 0.6% in Quarter 1 (Jan to Mar) 2024, following declines of 0.3% in Quarter 4 (Oct to Dec) and 0.1% in Quarter 3 (July to Sept) 2023. The UK had entered a period of recession after its GDP had shrunk for more than two quarters in a row.

To read more, see: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/januarytomarch2024>

British AI company secures \$1 billion funding for self-driving vehicles

The artificial intelligence (AI) company, Wayve, has secured a \$1.05 billion investment to develop the next generation of AI-powered self-driving vehicles.

The British company will be using this investment to develop and launch the first “embodied AI” technology for self-driving vehicles in the UK.

What is embodied AI?

Embodied AI refers to artificial intelligence systems that are not only capable of processing information and making decisions but are also situated within and interacting with physical environments.

Embodied AI in self-driving or automated vehicles means that the vehicle's AI system will be able to interact with and learn from a real-world environment. It will include the ability to learn from and deal with random actions by drivers and pedestrians.

What the investment could mean?

The self-driving vehicle industry is expected to be worth £42 billion and by 2035 will have created more than 38,000 more skilled jobs.

It is believed that self-driving vehicles have the potential to reduce accidents, most of which occur because of human error. The Automated Vehicles Bill, currently being considered by the government, sets out robust safety testing provisions and confirms where liability lies for self-driving vehicles.

Wayve co-founder and CEO, Alex Kendall, said that the investment "sends a crucial signal to the market of the strength of the UK's AI ecosystem, and we look forward to watching more AI companies here thrive and scale."

See: <https://www.gov.uk/government/news/vote-of-confidence-in-uk-economy-as-british-ai-company-wayve-secures-over-1-billion-to-develop-ai-for-self-driving-vehicles>

Introducing WorkWell: A £64 million initiative to support workplace health and well-being

The UK government has announced a new initiative aimed at helping people with health conditions stay in or return to work.

The WorkWell pilot scheme, launched by the Department for Work and Pensions (DWP) and the Department for Health and Social Care (DHSC), will provide tailored support to individuals across 15 areas of England, connecting them with local services that can help them with their health and employment needs.

From October, the WorkWell pilots will offer individuals access to a range of local support services, including physiotherapy and counselling. The pilots are connected to the Prime Minister's recent comments about reviewing the sick note system and getting more people back to work.

Integrated work and health services

A key feature of the WorkWell scheme is its integration of work and health support services at a local level. Participants will receive personalised assistance from a Work and Health Coach, who will help them understand their health barriers to work and develop customised plans to overcome them.

It is hoped that this approach will lead to individuals remaining in or returning to work sooner, thereby improving their well-being and financial stability.

Voluntary participation

WorkWell is open to anyone with a health condition or disability, including mental health conditions, who is interested in working.

Participation in the scheme is voluntary, with individuals able to self-refer or be referred through their GP, employer, or community sector.

Work and Health Coaches will offer guidance on workplace adjustments, facilitate discussions with employers, and provide access to local services such as physiotherapy and employment advice.

Benefits for Businesses

Businesses stand to benefit from the introduction of the WorkWell scheme.

- Reduce absenteeism: By participating in WorkWell, employees with health conditions can receive the support they need to remain productive and engaged in the workplace. This can contribute to a healthier and happier workforce, reducing absenteeism and promoting employee retention.
- Enhanced productivity: Addressing health barriers to work through the WorkWell scheme can lead to improved productivity among employees. By facilitating early intervention and tailored support, businesses can ensure that their workforce remains capable and motivated to perform at their best.

Looking Ahead

The WorkWell scheme represents a significant step towards integrating work and health support services to benefit individuals, businesses, and the economy as a whole. By empowering individuals to overcome health-related barriers to work, the scheme aims to foster a healthier workforce and a stronger economy.

Businesses located in the 15 pilot areas, including Greater Manchester, South Yorkshire, and Cornwall, are encouraged to explore the opportunities offered by WorkWell and consider how they can support their employees' health and well-being.

See: <https://www.gov.uk/government/news/new-64-million-plan-to-help-people-stay-in-work>

The National Academy for Mathematical Sciences Competition: An opportunity for you?

Are you ready to be at the forefront of shaping the future of mathematical sciences in the UK? An exciting opportunity has arisen with a government-launched competition to establish a new National Academy for Mathematical Sciences. This initiative aims to champion the immense value of maths, create future jobs, and turbocharge the UK economy.

What's on offer?

The competition offers grant funding of up to £6 million over the next three years, and presents a significant opportunity for businesses and other organisations involved in education, research or related fields. This funding could support a wide range of projects and initiatives focused on advancing mathematical sciences and promoting mathematical skills across the UK.

What could be in it for you?

Of course, the competition is likely to attract a diverse range of applicants, however if you are involved and invested in education, research, or innovation, participating in the competition could bring you a few benefits, including:

- The grant funding itself provides a valuable source of financial support and could help you bring your ideas to life.
- The competition provides an opportunity to engage with policymakers and industry stakeholders which may lead to greater recognition and collaboration opportunities.
- Positioning yourself as a key player in shaping the future of mathematical sciences and driving positive change.

How can you get involved?

Firstly, review the competition criteria to see if your organisation qualifies to participate.

Then, read the guidance and use the templates provided for the documents that need to be included in the application. Any questions you have can be sent to mathsacademyuk@dsit.gov.uk.

The competition opened on 7 May and closes on 4 June and offers a unique opportunity. By participating you can access funding, promote maths skills and contribute to the long-term success and competitiveness of the UK economy.

See: <https://www.find-government-grants.service.gov.uk/grants/incipient-national-academy-focused-on-mathematical-sciences-1#summary>

Application guidance and requirements can be found here: <https://assets.publishing.service.gov.uk/media/6634eefc4d8bb7378fb6c252/NAM-application-guidance.pdf>

Bounce Back Loan Scheme fraud investigations continue

Rian O’Keeffe is the latest fraudster brought to justice as part of the ongoing investigations into abuse of the Bounce Back Loan scheme.

O’Keeffe applied for and received a £50,000 Bounce Back Loan in July 2020 based on a claim that it would be used within his business called Trainersource. He claimed that his business had been trading since March 2020 and had a turnover of £312,000.

In reality, Trainersource was a fictitious business that did not exist and seems to only have been an idea O’Keeffe had.

After receiving the loan money, O’Keeffe withdrew £14,000 on the same day, and a further £8,000 just over a month later. More than 150 transfers were made to personal accounts between August and October 2020.

O’Keeffe was declared bankrupt in November 2021, and due to a Bankruptcy Restrictions Undertaking he cannot act as a company director, borrow more than £500 without declaring his restrictions, or work in various posts in the health and education sector for 12 years.

The court sentenced him to 18 months in prison, which has been suspended for two years. O’Keeffe also has a three-month curfew and has 30 days of rehabilitation activity to complete.

See: <https://www.gov.uk/government/news/fraudster-secured-covid-loan-by-inventing-turnover-for-non-existent-business>

Shott Scale Up Accelerator: Leadership programme opportunities available

Making the leap from a technical expert to a business leader can be challenging. The Shott Scale Up Accelerator is a 12-month programme that aims to help senior decision-makers in high-growth engineering and tech SMEs develop the skills needed to scale their business to the next level.

The programme is funded by the Department for Science, Innovation and Technology and Ian Shott, who is a highly successful entrepreneur looking to support a new generation of entrepreneurial engineers.

Successful participants pay no costs for the programme.

The programme includes leadership coaching and business mentoring, as well as access to an investor network. A £10,000 grant is also available to pay for leadership courses.

The growth training programme will focus on people and culture, good governance, customer acquisition, product and service development, securing growth capital, and access to new markets. Each module will be led by experts in their subject and seasoned entrepreneurs.

To be eligible for the programme you need to be a senior leader in a UK-based engineering or technology SME that has a turnover or equity investment of at least £1m in the last financial year.

Applications are currently open, with a deadline of 4pm on 28 May 2024.

See: <https://enterprisehub.raeng.org.uk/shott-scale-up>

New requirements for single sex toilet facilities

New requirements for single sex toilet facilities in new non-domestic buildings are being brought forward.

Mixed sex toilet spaces where cubicles and hand-washing facilities are shared have been on the rise, but concerns have been raised about the privacy and dignity they deny to both men and women.

The new building regulations will mean that new non-domestic buildings, including offices, restaurants, shopping centres, and public toilets will have to provide separate single-sex toilets for women and men. Self-contained universal toilets can be provided in addition where space allows.

Only if there is no space for single-sex toilets can universal toilets can be provided instead. A universal toilet is a self-contained, private toilet in a fully enclosed toilet room with a wash handbasin for individual use.

The regulations will not only apply to new non-domestic buildings, but also buildings that have a material change of use. Existing buildings that do not have a material change of use are not affected.

Kemi Badenoch, Minister for Women and Equalities, said: “These regulations will guide organisations to design unisex and single-sex toilets, ending the rise of so-called “gender-neutral” mixed sex toilet spaces, which deny privacy and dignity to both men and women.”

See: <https://www.gov.uk/government/news/government-to-lay-new-law-to-halt-the-march-of-gender-neutral-toilets-in-buildings>