

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!

Pitfalls to avoid in making a strategic plan

For businesses, having a strategic plan in place is vital for the long-term success and sustainability of the business. It serves as a roadmap for your business that gives you a clear direction, sets out the priorities, and helps you to make sure that you are using your resources effectively to reach your goals.

There are some potential drawbacks though and we will discuss a few so that you can avoid them.

Rigidity

A strategic plan can sometimes lead to rigidity. The business becomes too focused on the plan and resists adapting to new opportunities or changes in the market.

It's important then to strike a balance between sticking to the plan and being flexible. This can be more difficult when a plan is very detailed. Therefore, concentrate on broader concepts rather than nailing down every detail so that flexibility can be built into the plan.

Time-consuming

Developing a strategic plan can be time-consuming and resource-intensive. It needs thorough research and analysis and will likely also involve consulting with other parties. This can all divert attention away from day-to-day activities if you're not careful.

You need to allocate sufficient time but be careful not to aim for a 'perfect' strategic plan. If daily activities are being compromised, then you may be going too far.

Overemphasis on long-term goals

Focusing too much on long-term goals can sometimes lead to neglecting short-term needs and opportunities.

By including short-term objectives and milestones into the strategic plan, you'll be able to work at things that contribute to the overall vision but give room for finding success and accomplishment in the short term rather than delaying this to a distant future.

Implementation challenges

Even the best strategic plans can fail if they are not implemented effectively.

It is important that you take a strong lead in the business and clearly communicate the plans and objectives to your employees. It is also important to keep monitoring as this will highlight

where an objective may not actually be realistic, or it may provide opportunity to readjust so that the business can continue to press forwards.

While creating a strategic plan can be challenging, the benefits far outweigh the drawbacks. We have useful tools and checklists that can help you to put your strategic plan together. Why not ask us for a copy, we would love to help you in making your business grow and be successful.

Chancellor refuses to rule out increase to capital gains tax

Chancellor Rachel Reeves visited the US and Canada last week, and during an interview with Bloomberg was asked whether she was considering increasing capital gains tax.

She replied: “We’ve got a budget on October 30 and we will set out our policy then, but it’s always important when you’re deciding tax policy to strike the right balance. Of course, you need to bring in the revenue to fund public services, but we’ve also got to grow the economy. I won’t do anything that makes it harder to achieve that economic growth and prosperity.”

The Chancellor has ruled out raising VAT, income tax rates or National Insurance rates, but this has added speculation on whether other taxes will be increased.

Last year, Ms Reeves told the BBC that she had no plans to increase capital gains tax. However, since the Labour party came into office, she has claimed that there is a £22 billion shortfall in public finances this year. She has identified some savings, but it seems likely that the gap will also be plugged by raising taxes somewhere.

In addition to changing the rates of capital gains tax, the government could also remove some reliefs to increase their tax take.

Whether there will be any changes to capital gains tax, and what they might be, is difficult to predict, but it may be telling that Ms Reeves refused to rule it out.

If you are thinking about disposing of an asset and would like to know the likely tax cost under the current rules, please get in touch. We would be happy to help you.

See: <https://www.bbc.co.uk/news/articles/c9v880z470lo>

Government investing £32 million in AI projects to boost productivity and improve public services

The UK government has announced £32 million in funding for 98 innovative AI projects, aimed at improving efficiency in various sectors. These include delivery of prescriptions, railway maintenance and training construction workforces. The funding will support over 200 businesses and research organisations across the UK.

The projects span across the UK from Southampton to Birmingham and Northern Ireland. Examples of some of the projects being funded include:

- Construction Safety Training: V-Lab Ltd has received £165,006 to develop AI-powered virtual simulations for training workers in the construction sector. These simulations train workers on risk assessments and safety protocols, ensuring a skilled and safety-conscious workforce.
- Efficient Prescription Deliveries: Anteam, based in Nottingham, is working with retailers and the NHS to optimise prescription deliveries using AI algorithms. This initiative seeks to match delivery needs with existing routes, reducing carbon emissions and improving patient experience.
- Autonomous Railway Maintenance: Hack Partners is spearheading a project to create an autonomous system for monitoring and maintaining rail infrastructure. This development hopes to improve the efficiency and safety of the UK's railway network.
- Electric Vehicle Motor Design: Cambridge-based Monumo is part of a team awarded £750,152 to enhance motor designs for electric vehicles using a 3D Generative-AI Tool, aiming to improve sustainability across various transportation sectors.

The government is clearly committed to finding ways to harness the power of AI to improve productivity. AI can bring benefits to businesses of all sizes, have you considered how AI could help you?

See: <https://www.gov.uk/government/news/ai-to-reduce-train-delays-speed-up-nhs-prescriptions-and-train-construction-workers-gets-32-million-boost>

HMRC interest rates to be reduced

The Bank of England's decision to reduce the base rate to 5% means that HM Revenue & Customs (HMRC) will also reduce their interest rates.

The interest rates charged by HM Revenue and Customs on late tax payments, as well as the rates they pay on repayments are linked to the Bank of England's base rate. Late payment interest is charged at base rate plus 2.5%. Repayment interest is paid at base rate minus 1%, subject to a minimum of 0.5%.

The reduced rates will apply from:

- 12 August 2024 for quarterly instalment payments; and
- 20 August 2024 for non-quarterly instalments payments.

If you need help with your tax or are concerned about being able to pay a tax payment, please get in touch. We can work with you to make a payment arrangement with HMRC.

See: <https://www.gov.uk/government/news/hmrc-late-payment-interest-rates-to-be-revised-after-bank-of-england-cuts-base-rate>

First instalments of delinked payments paid out to farmers

Last week, the Rural Payments Agency (RPA) announced that 98% of eligible farmers have now received their first instalment of the new delinked payments.

The second instalment is due to be paid from 30 September. This is earlier than originally planned. According to RPA Chief Executive Paul Caldwell, the payment has been brought forward “to make sure farmers are paid promptly to improve cash flow during this challenging period.”

Farmers will receive support via delinked payments until 2027.

The delinked payments are based on the average BPS payment received by the farm for the 2020 to 2022 scheme years. Progressive deductions will be applied when calculating the delinked payments each year from 2024 to 2027.

If you were expecting a delinked payment and have not received your first instalment, please feel free to get in touch and we will be happy to help you.

See: <https://www.gov.uk/government/news/first-instalment-of-new-delinked-payments-issued-to-businesses>

2024 Sustainable Farming Incentive agreements now live

The first of the 2024 Sustainable Farming Incentive agreements for 2024 are now live.

A tool is available that can help you find out about grants and funding that you may be eligible for. The tool can be found here - <https://www.gov.uk/find-funding-for-land-or-farms>

The tool doesn't confirm your eligibility, but it is a good way of tracking down actions that you may be able to get paid for.

If you need any help finding funding that you may be eligible for, please feel free to give us a call and we would be happy to help.

See: <https://www.gov.uk/government/news/first-sustainable-farming-incentive-agreements-live-for-2024>

Do you want to supercharge your growth?

Small Business Britain has opened up registrations for its September instalment of the Small and Mighty Enterprise Programme.

This is a six-week CPD accredited programme that's designed for small businesses and will give sole traders and micro businesses expert guidance and mentoring to help them grow.

The programme is free and will be held entirely online, meaning that it can be accessed from anywhere in the UK with an internet connection. An in-person event will be held to celebrate the achievements of those participating.

For further information and to register, see: <https://smallbusinessbritain.uk/small-and-mighty>

The Strikes Act to be repealed

The government has announced its intention to repeal the Strikes (Minimum Service Levels) Act 2023.

The Act was intended to ensure minimum service levels were maintained during strikes, particularly in critical sectors that are essential for the safety, health, and welfare of the public. This includes services like healthcare, transportation, education, and emergency services.

With a number of high-profile strikes occurring this year, no employer has actually used the legislation and the laws have not helped resolve disputes.

The Act will be formally repealed as part of the upcoming Employment Rights Bill that will be introduced in the next few weeks.

See: <https://www.gov.uk/government/news/public-services-back-on-track-as-strikes-act-to-be-repealed>

Energy to be harnessed from wastewater

Wastewater Fuels, located in Warwickshire, have come up with a new innovation that harnesses energy from wastewater.

Stainless steel mesh rods are used in wastewater to break down organic material into hydrogen ions that are then converted into hydrogen gas and stored in the rods.

The process has been tested in several trials and production of a full-scale sewage facility that makes use of it has now been given the green light.

The new technology has considerable potential. Currently, about 2-3% of National Grid energy is used in treating wastewater at 9,000 water treatment sites across the country. A method to treat wastewater while generating energy at the same time could be transformative as a renewable energy source.

For further information about the processes involved, see: <https://www.gov.uk/government/case-studies/flush-to-fuel-transforming-wastewater-into-hydrogen-power>

Active Cyber Defence 2.0 announced by NCSC

The National Cyber Security Centre (NCSC) have announced an introduction to Active Cyber Defence 2.0.

Because NCSC is part of Government Communications Headquarters (GCHQ) it has access to unique information that can help it to supplement the commercial market in providing defences against cyber-attacks.

NCSC already provides a suite of services that can help organisations protect themselves against cyber threats, most of which began in 2017. Since cyber capabilities of organisations generally have evolved, as do cyber threats, NCSC is looking to put together a next generation suite of services under Active Cyber Defence 2.0 (ACD 2.0).

The original ACD services were largely targeted at the public sector, however NCSC are considering whether they need to broaden out to other organisations. They are looking at where the cyber defence edge is to be had and where they can particularly add value.

NCSC are calling for organisations to work in partnership with them in identifying and running experiments.

Defence against cyber attacks has become an integral part of business, so any developments that can assist with this burden will be of interest to all businesses.

See: <https://www.ncsc.gov.uk/blog-post/introducing-active-cyber-defence-2>