

# January Newsletter

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## Spring Budget 2024 date confirmed for 6 March.

Chancellor Jeremy Hunt will deliver the 2024 Spring Budget on 6 March, the government has confirmed.

The Budget will include the government's tax and spending plans as well as new growth and borrowing forecasts.

It could be the last chance for the government to announce significant changes to tax policy before the general election.

The Chancellor used his last big fiscal speech, the Autumn Statement, to extend tax breaks for business and cut National Insurance contributions (NICs).

The Office for Budget Responsibility has been formally commissioned to publish economic forecasts on 6 March.



## UK at risk of recession after economy shrinks.

The UK is at risk of recession after revised figures showed the economy shrank between July and September, according to data from the Office for National Statistics (ONS).

Gross domestic product, which measures the health of the economy, contracted by 0.1% after previous estimates suggested growth has been flat.

Meanwhile, there was zero growth between April and June, after it was first calculated to have risen by 0.2%.

A recession is typically defined as when the economy shrinks for two three-month periods - or quarters - in a row. Meanwhile, the UK's inflation rate fell to 3.9% in the year to November, the ONS confirmed.

The fall was bigger than the ONS had anticipated with lower petrol prices contributing to the reduction in the inflation rate. Price increases for bread and cakes are also easing, according to the ONS.

David Bharier, Head of Research at the British Chambers of Commerce (BCC), said:





# Countdown for 5.7 million to file their 2022/23 self assessment tax return.

With less than a month to go to the self assessment deadline 5.7 million taxpayers have been urged to file their 2022/23 tax returns by HMRC.

HMRC data shows almost 6.5 million customers have already beaten the self assessment clock by filing their tax return.

This includes 49,317 taxpayers who used the New Year holiday to get a head start on their tax obligations:

- 25,593 taxpayers filed their tax return on New Years Eve, with the most popular time being between 12:00 and 12:59, when 2,677 customers filed.
- 127 taxpayers saw in the New Year by filing their tax return between 00:00 and 00:59 on 1 January.
- 23,724 taxpayers filed on New Year's Day, with the most filing between 15:00 and 15:59.

Myrtle Lloyd, HMRC's Director General for Customer Services, said:

'The clock is ticking for those customers yet to file their tax return. Don't put it off, kick start the new year by sorting your self assessment.'

## Red tape, rising costs and regulation 'holding back exports'.

Red tape, rising costs and increasing regulation are holding back exports, a survey of UK businesses carried out by the British Chambers of Commerce (BCC) has found.

Current customs checks and declarations present 'barriers to exporting', according to 49% of firms polled. An additional 40% of businesses said taxes and duties are other areas of concern.

Regulation, such as product certification, causes problems for 38% of small firms, the BCC found.

William Bain, Head of Trade Policy at the BCC, said:

'Our findings highlight the key priorities for business that could make a difference when it comes to UK trade negotiations and other related policy developments.

'What they want to see are faster customs processes, removal of non-tariff regulatory barriers, tariff reductions where these could make a difference, fewer hoops to jump through and greater certainty.

'With the UK government involved in trade negotiations with so many countries right now, including India, South Korea, Canada and Mexico, these findings are a timely reminder of the important issues.'

# Greater protection for businesses under new Ofgem proposals.

Proposals to provide greater protection to UK small businesses on energy bills have been launched by the energy regulator Ofgem.

Ofgem's proposals will help to ensure businesses receive the highest standards of service and more clarity on the costs being paid to third party brokers.

Ofgem said that it has listened to business groups, who warned that firms require more support with energy issues and has developed the proposals to 'ensure better deals, better protection and more clarity for businesses'.

The energy regulator has opened a consultation on the implementation of a new set of rules for suppliers to make sure they improve customer service and clearly outline costs for customers.

Tina McKenzie, Policy Chair at the Federation of Small Businesses, said:

'We welcome the launch of the consultation on Ofgem's proposals to provide greater protection for businesses. It shows the energy regulator has listened to our calls to take action against poor customer services and narrow the treatment gap between small businesses and domestic customers.'

## Businesses say hybrid working is here to stay.

Less than 30% of firms expect their workforce to fully return to the workplace over the next five years, according to research by the British Chambers of Commerce (BCC).

The survey of over 1,000 businesses found just 27% of respondents predict their employees will be fully physically present in the workplace over the next five years.

In addition, 47% anticipate their staff will be mostly in-person, 16% expect mostly remote and 8% fully remote. The research found a clear divide between different sectors. Only 17% of B2B services organisations expect fully in-person working, while the figure for manufacturers is 38% and B2C services 37%.

Jane Gratton, Deputy Director of Public Policy at the BCC, said:

'Our data shows that hybrid working is now part of the fabric of the modern workplace. This flexibility is valued by employers and their teams. Less than 30% of firms expect staff to be working fully in-person over the next five years.'

'Flexible working makes good business sense. In a tight labour market where employers are competing for skilled workers, hybrid working and flexible working more generally have become important parts of staff benefit packages.'

