

Written by 16 June 2025

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!

Spending Review 2025: Takeaway Points for Your Business

Last week, the Chancellor unveiled her Spending Review setting out how government departments will allocate money over the coming years. While much of the focus was on large-scale public services like the NHS and schools, there are some important signals here for businesses to take note of - both in terms of opportunity and outlook.

Zero-based Review

A theme of the review was scrutiny. The Chancellor described the exercise as a “zero-based” review - meaning department budgets were built from scratch, rather than from making changes to what was already in place. The aim, according to the government, was to focus spending only where it delivers value for money.

This may strike a chord with you as a business owner. As you plan for upcoming months, there’s something to be said for taking a zero-based approach yourself.

You could do this by questioning whether each cost is still serving the business. This may help you see areas where reallocating funds could help the business grow or be more efficient.

Everyone is Under Pressure with Costs

Public sector pay rises in education and healthcare are being part-funded through expectations of increased “productivity” in those sectors.

This provides a reminder that cost pressures are widespread and efficiency will be a watchword in public contracts and procurement. If you supply to public sector organisation, you may need to be prepared for closer scrutiny of your prices and performance.

Increases in Capital Investment

Elsewhere, the review confirms increased capital investment in areas like transport infrastructure and social housing. Over time, this may bring new opportunities for construction and related industries. However, spending will be spread over a long period.

Similarly, investment in AI, tech and scientific infrastructure (including a new supercomputer in Edinburgh) could create demand for highly specialised services, but the benefits may take time to filter through.

Speeding Up Infrastructure Projects

The Chancellor also flagged changes to the way the Treasury evaluates infrastructure projects, promising a more modern approach. This might affect which types of projects get greenlit and how quickly - something worth watching if you're bidding for public contracts or working in the built environment.

Final Thoughts

While headlines may focus on big numbers and high-level priorities, the underlying message of this Spending Review is relevant for businesses of all sizes: pressure on budgets, rising expectations of value, and a focus on getting more from what's already being spent.

If you'd like help reviewing your own budgets or planning for the year ahead, we're here to support you.

See: <https://www.bbc.co.uk/news/articles/clyr170qm19o>

Hiring Slows as Costs Rise

New data from the Office for National Statistics suggests that UK businesses are continuing to slow down recruitment, with job vacancies falling by 63,000 between March and May.

While this doesn't indicate a full-blown jobs crisis, it's a clear sign that the labour market is cooling. The unemployment rate rose to 4.6% (from 4.5%), the highest it has been in nearly four years.

What's Driving the Change?

Rising employment costs are a big factor. From April, employers have had to pay higher National Insurance contributions, and the national minimum wage has gone up too. The figures suggest that these changes are affecting how businesses manage staffing.

According to the ONS, some employers are choosing not to replace staff when they leave or are putting off recruiting new workers altogether.

While average wage growth between February and April slowed slightly to 5.2%, it still outpaces inflation, which rose to 3.5% in April. This suggests that although wage pressure is slowing, employers still need to carefully manage pay expectations.

What This Means for Your Business

If you're finding recruitment more difficult or too expensive, the figures suggest that you're not alone.

This could be a good time to:

- Review staff roles and make sure people are focused on the tasks that really help the business succeed right now. You might find some responsibilities can be reshuffled or streamlined to save you time and money.
- Think about more in-house training. Someone already working for you might be able to take on more with the right training. This could be a better option than hiring someone in with those skills.
- Check what support is available. There may be grants, training funds or wage subsidies on offer in your area that could help with staff development and easing your costs.

If you need help with reviewing your staffing strategy or payroll planning, please give us a call. We would be happy to help you!

See: <https://www.bbc.co.uk/news/articles/cp92edelzero>

Tax-Free Childcare: Are You Benefiting?

HM Revenue and Customs (HMRC) have released their latest figures on the take-up of Tax-Free Childcare.

For the 2024-25 tax year, almost 826,000 families saved up to £2,000 per child. During March 2025, 579,560 UK families used the scheme, a 16% increase on the number using the scheme in March 2024.

What is Tax-Free Childcare?

The Tax-Free Childcare scheme allows parents to deposit money in a Tax-Free Childcare account, where the government provides a 25% top-up up to a maximum of £2,000 per child (or £4,000 if the child is disabled). For example, if parents deposit £8, the government provides a £2 top up.

The money held on deposit can be used whenever needed to pay for childcare.

Who is Eligible?

Eligibility for the scheme is based on families:

- Having a child or children aged 11 or under. Eligibility ends on the 1 September after they turn 11. For children with a disability, eligibility continues until the 1 September after they turn 16.
- Having a parent (or the parent's partner) working an average of at least 16 hours a week and earning the National Living or Minimum Wage but not earning more than £100,000 a year each.

Families also cannot be receiving Universal Credit or childcare vouchers to qualify.

The Scheme May Benefit Employers Too

If you are an employer with staff who are parents, making them aware of this scheme may help to ease the financial burden of childcare for them. This could promote their wellbeing but also reduce the chances of you losing trained and valuable members of your team.

The scheme may also help parents in returning to work after having a child, allowing the business to continue to benefit from the experience and training you have invested in them.

For further information about Tax-Free Childcare and how parents can register, see: <https://www.gov.uk/tax-free-childcare>

Amazon Agrees to Act on Fake Reviews

Have you ever bought something on Amazon thinking it had 5-star reviews only to find the product was obviously sub-standard? Or have you found that reviews were about an entirely different product to the one you were looking to buy?

This kind of experience could become a thing of the past following new undertakings that Amazon has given to the Competition and Markets Authority (CMA).

Targeting Fake Reviews and Catalogue Abuse

Fake reviews are now banned under the Digital Markets, Competition and Consumers Act (DMCCA). However, there are also concerns around something called 'catalogue abuse'.

Catalogue abuse is where a seller takes reviews for a well-performing product and adds them to a different product. So, for example, a product listing for headphones might show reviews that are actually for a mobile phone charger.

How Important Are Product Reviews?

Product reviews on websites are estimated to affect the buying decisions of around 90% of consumers.

Fake reviews have been a problem for some time and the CMA launched a formal investigation into Amazon over potential consumer law breaches back in 2021. Since then, the DMCCA has banned fake reviews and strengthened the CMA's ability to tackle the problem.

Amazon's Undertakings

Amazon have committed to put in place robust processes that allow it to quickly identify and remove fake reviews and catalogue abuse. It will also sanction businesses and reviewers that are involved in these tactics, including banning them. It will also be easier for consumers to report fake reviews and catalogue abuse.

Of course, not only Amazon is affected by fake reviews. The CMA has produced [guidance on how businesses need to comply with consumer protection law](#) when it comes to consumer reviews. It is now conducting an initial sweep of review platforms to see whether any need to do more in complying with the law.

See: <https://www.gov.uk/government/news/amazon-gives-undertakings-to-cma-to-curb-fake-reviews>

New Digital Hub for Technology Procurement

The UK government has announced a new digital marketplace that will change the way the public sector buys technology.

Plans are for the digital hub, which is still in early development, to help public sector organisations be able to benefit from collective buying power. The hub will also use AI to match organisations with suppliers based on their needs.

A recent State of Digital Government report showed that although many public sector organisations use similar tools, they source and negotiate contracts on an individual basis. The new digital marketplace will give users the ability to rate and review the technology they use, allowing other users to benefit from shared collective experiences.

What Could This Mean for Tech Suppliers?

- More opportunities: The platform is being designed to open the market to more UK tech firms. The target is for government contracts to increase the use of small businesses by 40% within 3 years, so more public sector opportunities could begin to appear for smaller tech businesses.
- Prioritising customer experience: In view of the increased exposure a rating and review system brings to customer experience, this is likely to need to become a higher priority in delivering services.
- An expectation of lower businesses: Part of the objectives of the digital marketplace is to give public sector organisations more bargaining power when negotiating tech contracts. This may mean needing to reduce costs to keep or win contracts.

The new digital platform is being created under the revised Procurement Regulations. A “digital playbook” detailing best practice in purchasing decisions is also being developed to help with public sector procurement.

Tech businesses who are, or would like to be, involved in public sector contracts will want to keep an eye on developments.

See: <https://www.gov.uk/government/news/one-stop-shop-for-tech-could-save-taxpayers-12-billion-and-overhaul-how-government-buys-digital-tools>

How to Protect Sensitive Personal Information

The National Cyber Security Centre (NCSC) has published new guidance to help businesses identify and protect against the risks of holding sensitive personal information.

The guidance can help you to understand what sensitive personal information is and identify any that your business holds. It also provides some principles that, if applied, can reduce risks from holding that data.

Here's a brief review of the guidance.

What is Sensitive Personal Information?

NCSC explains that there is no formal definition of what sensitive personal information (SPI) is. They explain that it's necessary to consider possible risks that are associated with sensitivities in information you hold about individuals. For instance, would a compromise of that information increase the risk of harm, harassment or prejudice to the individual.

Examples might include an individual's profession, their personal life characteristic, or their status.

Assessing the Risks

The guidance advises that the severity of the impact that could arise from misuse of the data should be used to determine how strong your data protections will be. NCSC cover a few questions that can help you in making your assessment.

Nine Principles

NCSC provide nine principles that can help protect SPI as well as some example measures you can use. The principles are:

1. Understand what data you have and the risks to it.
2. Ensure only appropriate access to sensitive data.
3. Ensure you know who is accessing data which contains SPI.
4. Make sure access to sensitive data cannot be misused.
5. Avoid putting too much sensitive data together.
6. When merging data, check if SPI becomes exposed.
7. When sharing data, check if SPI becomes exposed.
8. Ensure that the records of individuals with SPI do not appear to be stored, processed or handled differently to those without such sensitive data.
9. Keep access controls to SPI separate from routine data access controls.

Final Thoughts

Cyberattacks seem to be on the increase and a data breach can have serious consequences to a business. This may particularly be the case if the business is holding sensitive personal information about individuals.

Besides fines and penalties from the Information Commissioner's Office, there is also loss of customer trust, disruption to your business operations, costs of recovery and potential legal claims from customers or clients whose data was compromised.

If you hold sensitive personal information in your business, reviewing NCSC's new guidance could be well worth your time.

See: <https://www.ncsc.gov.uk/collection/security-principles-protecting-most-sensitive-personal-information-in-datasets>

Fisheries and Seafood Scheme: £6 Million of Funding Released

The latest round of funding from the Fisheries and Seafood Scheme (FaSS) has been opened to seafood and marine related businesses and organisations.

£6 million of funding is being made available to support projects in the 2025/26 financial year. Projects that contribute to increasing the sustainability and resilience of the seafood sector, reducing emissions and waste, cleaning up rivers, lakes and seas, and boosting growth in the seafood sector could be eligible to receive funding up to a maximum of £250,000.

To find out more about the eligibility criteria and the application process, see: <https://www.gov.uk/guidance/fisheries-and-seafood-scheme?msckid=cdb33983b67411ecaa29012ebdc14f21>

ICO Unveils Strategy for Protecting Information in the Age of AI

The Information Commissioner's Office (ICO) has launched a new AI and biometrics strategy designed to help ensure organisations develop and deploy new technologies lawfully.

New research has shown that many are concerned about the consequences when AI and biometric technologies go wrong. For instance, 54% of those surveyed were concerned that use of facial recognition technology by police could infringe on their privacy rights.

Speaking at the launch of the strategy, John Edwards, Information Commissioner said: "Public trust is not threatened by new technologies themselves, but by reckless applications of these technologies outside of the necessary guardrails."

The ICO's new strategy will help businesses to have certainty and reassure the public. It includes conducting audits, producing guidance and developing a statutory code of practice for organisations developing or deploying AI responsibly that supports innovation but safeguards privacy.

To review the strategy in full, see: <https://ico.org.uk/about-the-ico/our-information/our-strategies-and-plans/artificial-intelligence-and-biometrics-strategy/>