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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!

Interest Rates Cut, Trade Talks Shift - What It Means for Your Business

In the last couple of weeks, the Bank of England cut interest rates from 4.5% to 4.25%, and a new 'trade deal' was announced between the UK and the US. Let's see what these news items can tell us about the latest developments in the economy.

Split opinions

At its meeting to discuss the Bank Base Rate, the Monetary Policy Committee (MPC) voted by a majority of 5-4 to reduce it to 4.25%. Two of the opposing members voted for reducing the rate to 4.0%, while the remaining two voted for keeping the rate at 4.5%.

This represents a wide range of opinion, which is perhaps to be expected given the uncertainty both domestically and globally in recent months. It could suggest that your guess is as good as ours on what direction the economy will take in the coming months.

Inflation and growth

At 2.6% in March, inflation is still above the Bank's target of 2%. It was, however, a reduction from 2.8% in February and so is a step in the right direction.

Most tellingly, though, the MPC noted that this was close to their expectations in February. Perhaps this gives them added confidence in their predictions of how inflation is going to develop over the medium term.

The Bank believes that inflation will increase to 3.5% between July and September because of energy costs. However, the committee believes that inflation will fall back after that.

The latest growth figures showed 0.7% growth in the January-to-March period, stronger than the 0.6% that had been forecast. Critics point out that the period excludes the effects of the Chancellor's increase in employers' National Insurance Contributions.

This may mean that we should not expect big cuts to the base rate in the rest of 2025.

Trade news: Progress, but no big breakthrough

Just as the Bank was cutting rates, the UK government struck a limited tariff deal with the United States. This isn't a full trade deal (despite some headlines), but it does make it easier to sell certain goods to the US - like cars, steel and aluminium.

It's a step in the right direction, especially for manufacturers, but there are still a lot of loose ends. Many businesses won't see immediate changes, and the finer details - especially around quotas and product rules - still need to be worked out.

What does this mean for business owners?

You might be wondering how all this affects you and your business day to day. Here's the takeaway:

- Borrowing costs may ease a little. If you have loans or overdrafts tied to the base rate, the interest may drop slightly. But banks don't always pass on the full cut straight away.
- Exporters may see new opportunities, particularly in manufacturing. If you're selling to the US or considering it, this new tariff agreement could make a difference. But you may need to await the fine print - limits and paperwork still apply.
- Consumer confidence could improve. If the cost of borrowing continues to fall and inflation keeps steady, shoppers may feel a bit more comfortable spending again.
- Keep an eye on costs and planning. The economy is still unpredictable. While interest rates are lower, energy costs and trade uncertainties mean it's still worth budgeting cautiously.

A balancing act

The interest rate cut shows that the Bank believes inflation is under better control. However, they remain cautious about what will happen over the coming months.

So, while this may be a small bit of good news, the message is clear: we're not out of the woods yet.

Don't Miss Out: Parents of Teenagers Need to Extend Child Benefit by 31 August

If you're a parent of a 16 to 19-year-old who's staying in full-time education or training, HM Revenue and Customs (HMRC) is reminding families to extend their Child Benefit claim by 31 August to avoid the payments stopping altogether.

Why it matters

Child Benefit is worth up to £1,354.60 per year for your first child and £897 for each additional child. It's a welcome boost for many families, but it won't continue automatically once your child turns 16. Unless you confirm they're still in approved education or training, payments will stop at the end of August following their 16th birthday.

With many teens finishing GCSEs this summer, now is the time to get this sorted.

How to extend your claim

It's quick and easy to extend your Child Benefit online or via the HMRC app. If you're eligible, you don't need to wait for anything from HMRC, you can do it today. Alternatively, HMRC is sending out reminder letters between May and July that include a QR code to take you straight to the right page on GOV.UK.

What counts as approved education or training?

You'll still qualify if your child is studying full-time in non-advanced education (like A-levels, NVQs up to level 3 or home education), or attending approved unpaid training. It doesn't count if the course is part of a job contract.

Are you an employer? Here's what to keep in mind

If you employ parents of older teenagers, this reminder might be helpful to share. It's also worth being aware of changes coming for those affected by the High-Income Child Benefit Charge.

From this summer, families can now opt to pay this charge through their PAYE tax code instead of filing a Self Assessment return, a move designed to cut paperwork. This might reduce admin for some of your employees. You'll just need to look out for any updates to their tax code for payroll processing.

What about families who opted out of Child Benefit?

If someone in your team previously opted out because of the High-Income Charge, it's now easier to opt back in if circumstances have changed. They can restart payments through the app or website.

And don’t forget Child Trust Funds

If your teenager has recently turned 16, they can take control of their Child Trust Fund, which could be worth thousands of pounds. They’ll be able to withdraw the money once they turn 18. If they’re not sure where it’s held, there’s a free online tool to track it down on GOV.UK.

Next steps

- Parents: If your child is staying in education or training, log in to the HMRC app or GOV.UK to extend your Child Benefit claim before 31 August.
- Employers: Consider sharing this information with staff or including it in internal communications, especially for those balancing work and parenting teens.
- High-income families: Check if the new digital option for paying the Child Benefit Charge via PAYE could save you time.

As always, if you have questions or aren’t sure how this might affect your personal or business situation, feel free to get in touch.

See: https://www.gov.uk/government/news/parents-of-teens-reminded-to-extend-child-benefit-claim-online

New Immigration Changes: What Businesses Need to Know

The government announced major changes last week to the immigration system as part of its plan to reduce net migration and encourage more home-grown skills. If you run a business, even if you don’t currently recruit from overseas, it’s worth understanding what’s changing and how it could affect your future hiring plans.

Here are the key points and what they might mean for your business.

Hiring from overseas will get harder

If your business sponsors skilled workers from outside the UK - or you’ve considered doing so - it’s about to become more difficult and more expensive.

- The definition of a 'skilled worker' is being tightened. Roles will now need to be at graduate level or above to qualify and the minimum salary levels will go up.
- A special list that allowed some roles to be hired at lower salaries is being scrapped.
- From now on, only jobs facing long-term shortages - and where there’s a plan to train UK workers - will be allowed to bring in overseas staff.

In short, unless the role is highly skilled and in short supply,
filling it through immigration is likely to become a challenge.

No more social care recruitment from overseas

If you run a care business or provide care services, this one is especially important. The government plans to stop new overseas recruitment for social care roles. Those already here on care visas can stay for now, but no new applications will be allowed. This change will be phased in by 2028, but it's a clear signal that care businesses need to start planning for UK-based recruitment now.

There may be more pressure to train locally.

The government has said the measures will include new requirements to boost domestic training.

Fewer international graduates staying after their studies?

If you employ graduates, the government is planning to reduce the ability for graduates to remain in the UK after their studies to a period of 18 months. Universities will also face stricter rules for sponsoring students.

This may mean fewer international graduates entering the local job market, something to keep in mind if your business has hired from this group in the past.

Support for high-growth, high-skill businesses

On a more positive note, if your business is in a science, tech, or design-related field, you may benefit from plans to make it easier for top global talent to come to the UK.

What can businesses do now?

Even if your business doesn't hire from abroad, these changes are part of a wider shift in how recruitment and workforce planning will work in the UK. Here's what you might consider:

- Think local: Look at how you can train, promote or support current staff before looking externally.
- Review your hiring plans: If you're growing your team, consider the impact of fewer overseas candidates and a more competitive domestic market.
- Keep an eye on updates: These changes will roll out over the coming months and years, so it's worth keeping informed.

If you're not sure how these changes apply to your business or want to discuss your workforce plans, please get in touch. We're happy to help.

See: https://www.gov.uk/government/news/immigration-white-paper-to-reduce-migration-and-strengthen-border

New Free HSE Tool Helps Employers Tackle Work-Related Stress

Last week was Mental Health Awareness Week, and to mark the occasion, the Health and Safety Executive (HSE) launched a free online learning module to help employers better understand and manage work-related stress in their teams.

The new resource is part of HSE's Working Minds campaign, which aims to help businesses take practical steps to improve workplace mental health and meet their legal obligations.

Why does this matter to your business?

According to HSE, around half of all work-related ill health is down to stress, depression or anxiety. That's a significant figure, and one that many business owners are likely to recognise - whether it's seen in staff absence, reduced productivity, or just a general drop in morale.

Importantly, managing stress at work isn't just good for your people - it's also something the law expects employers to take seriously. As Kayleigh Roberts from HSE puts it: "Preventing work-related stress isn't just the right thing to do for your workers - it's also a legal requirement".

The new module offers guidance in conducting effective risk assessments, identifying the root causes of work-related stress and implementing solutions.

Six key areas to watch

The HSE has identified six main areas that can cause stress at work if they're not managed well: demands, control, support, relationships, role, and change.

A simple framework: The 5Rs

The module also builds on the Working Minds campaign's 5Rs, a straightforward approach to managing stress:

- Reach out and have conversations
- Recognise the signs and causes of stress
- Respond to risks by agreeing on action points
- Reflect on the actions taken
- Make it Routine to check in regularly

Next steps

If you're an employer, especially in a small business where everyone wears multiple hats, this is a helpful, free tool that can make a real difference to how you support your team.

To access the online learning module, you can register here.

See: https://press.hse.gov.uk/2025/05/12/hse-provides-free-online-learning-to-help-employers-tackle-work-related-stress/

Thinking About Your Tax Return?

H M Revenue and Customs have reported that a record number of people- nearly 300,000 - have already filed their 2024–25 tax return, just weeks into the new tax year. While the deadline isn't until 31 January 2026, it's worth thinking about it sooner rather than later.

Filing early can have a few helpful benefits:

- More time to budget: Knowing what you owe means you can plan ahead or spread the cost through regular payments.
- Faster refunds: If you've overpaid, you'll get your money back sooner.
- Less pressure later on: Getting things sorted now avoids the January rush.

If you think you may need to file a return, or you're not sure, just get in touch and we'll help you work it out. And if you're ready now, feel free to send over your information - we're happy to get a head start.

ICO Consulting on Updated Guidance on Encryption

The Information Commissioner's Office (ICO) has launched a consultation on its draft updated guidance on encryption.

The questions in the survey are split into four sections, as follows:

- Section 1: About you and your organisation.
- Section 2: Your views on our approach to encryption and data protection law.
- Section 3: Questions about the encryption scenarios that the guidance includes.
- Section 4: Any additional comments about the guidance.

The consultation will be running until Tuesday, 24 June 2025.

To access the draft guidance, see here.

To respond to the consultation, see here.

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What's Making Employees Angry at Work - and What Employers Can Do About It

A recent ACAS survey has revealed what's really getting under employees' skin at work and the results may strike a chord with many business owners.

Top of the list? Nearly half of workers (49%) said the thing that angers them most is seeing colleagues who aren't doing their job properly. Not far behind, 44% resent it when others take credit for their work, and 39% said an over-demanding boss causes the most frustration. Rude behaviour, whether from customers or other staff, also made the list at 37%.

These types of workplace tensions are more than just minor irritations. Left unchecked, they can affect morale, productivity, and ultimately, your bottom line. According to ACAS, workplace conflict is estimated to cost UK organisations £30 billion a year.

So, what can businesses do?

Stewart Gee from ACAS says the key is to address issues early, before they escalate: "Anger over a lack of recognition, rudeness, their boss or a colleague seen as not pulling their weight can impact productivity and escalate to conflict if left unresolved at work".

Often, a quiet word or informal conversation is enough to clear the air. Encouraging open communication and setting clear expectations can go a long way. Where issues persist, mediation or support from an HR professional may help avoid the need for formal processes.

Some practical steps for employers could include:

- Encourage early conversations before frustrations build up
- Lead by example in how you treat staff and handle conflict
- Offer clear training and inductions so expectations are understood
- Check in regularly with your team, especially in busy periods

Taking a thoughtful, proactive approach to resolving workplace frustrations can help foster a more positive and productive environment for everyone. Sometimes, simply making space for honest conversations is the best place to start.

See: https://www.acas.org.uk/colleagues-not-doing-jobs-properly-makes-staff-angriest-at-work