

Written by 23 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!

### **Should You Own a Property Through a Company - or Personally?**

If you're considering buying a property, especially as an investment, one of the key decisions you'll face is whether to hold it personally or through a limited company. This choice can have long-term tax, financial, and administrative implications, and there's no one-size-fits-all answer.

Here's a look at some of the main considerations.

#### Tax on Profits

One of the most common reasons people use a limited company is the difference in how profits are taxed.

If you own a property personally, rental profits are taxed as income. If you are a higher-rate taxpayer that could mean a tax rate of up to 45%. Mortgage interest relief is also restricted under current rules, meaning higher-rate taxpayers can no longer deduct all their finance costs.

With a limited company, rental profits are subject to corporation tax, and all mortgage interest can be treated as a business expense.

However, if you want to take money out of the company, usually done through dividends or salaries, there is likely to be further tax to pay. So, the benefits depend on what you plan to do with the income.

#### Tax on Selling the Property

If the property is sold at a profit, there are differences in how Capital Gains Tax (CGT) applies.

Individuals have a CGT tax-free allowance with the rate of tax paid depending on their income and the property type. Companies on the other hand simply pay corporation tax on the gain. However, companies have no tax-free allowance and there can be different rules that apply to how the gain is calculated.

Again, the right route depends on your plans - whether you're building long-term wealth inside a company or want easier access to the proceeds personally.

#### Mortgage Availability and Costs

Getting a mortgage through a limited company can be more complicated and is often more expensive, with fewer lenders and potentially higher interest rates. Lenders will also usually require a personal guarantee from the directors.

## Administrative and Legal Responsibilities

A company comes with extra administrative and legal responsibilities. There's filing annual accounts, confirmation statements, corporation tax returns, and keeping proper records that all need to be considered. If you already run a company, this might not be an issue, but if not, it's important you factor in the time and cost.

## Inheritance and Succession Planning

Owning property through a company can offer more flexibility in passing wealth on to family members. Shares in a company can be gifted or passed on more easily than physical property - though care is still needed because of tax implications.

## So What's Best?

The best option depends on your goals: whether you need the income now, plan to reinvest profits, want to keep things simple, or are thinking long-term about passing assets to others. There's no single answer - and the rules can change over time.

We have a 'Property – in or Out?' tool that we can use to help you determine whether it is better for you to own property inside or outside of a company. If you're unsure which route suits you best, this tool is a great place to start. Please get in touch and we would be happy to help you!

## **New Small Business Commissioner Appointed to Tackle Late Payments**

Emma Jones CBE, founder of Enterprise Nation, has been appointed as the new Small Business Commissioner. Taking up the role on 23 June 2025, Jones succeeds Liz Barclay and will lead efforts to address late payments and improve payment practices across the UK.

The role of the Small Business Commissioner was created to support the UK's 5.5 million small businesses, particularly in their dealings with larger firms. Late payment remains a persistent issue for small business owners and the self-employed. Recent research from Intuit QuickBooks found that, on average, SMEs were owed £21,400 in late payments during 2024.

During Liz Barclay's tenure, the Fair Payment Code was launched in December 2024. The code encourages businesses to commit to faster and fairer payment practices, and over 300 businesses have already signed up. Barclay also helped shape upcoming proposals for further legislation aimed at improving payment terms - with a major consultation expected later this year.

The new Small Business Commissioner said: "Having done it myself, I know the commitment it takes to start and grow a successful business."

In her new role, Jones is expected to continue developing practical tools and guidance to help small businesses resolve payment disputes and access support.

See: <https://www.gov.uk/government/news/government-appoints-emma-jones-cbe-as-new-small-business-commissioner-to-help-tackle-late-payments>

## **No Change for the Bank of England Base Rate**

The Monetary Policy Committee (MPC) has decided to keep the Bank of England base rate at 4.25% following its latest review last Thursday.

Their decision was not a great surprise. Inflation is currently standing at 3.4% for May, which is a slight drop since April but is still a significant high after reductions in the rate earlier this year. The MPC considers that inflation will now remain at this level for the rest of the year before falling back towards 2% next year.

The MPC also noted their concerns over a softening in the labour market and continued global economic uncertainty, referencing the recent escalation in the conflict in the Middle East.

### What this means for your business:

- Borrowing costs remain steady for now. The MPC's comments suggest that further rate cuts could be made later in the year and lenders may respond to that by dropping their rates, even in advance of any future cut.
- No change for returns on savings. You should review any cash reserves you hold to ensure they're earning interest.
- The inflation figures suggest that costs remain a concern, and this is likely to remain the case for the rest of the year. So, it could be important to plan conservatively for the coming months.

The Bank continues to take gradual, cautious steps when it comes to interest rates. If you'd like to review your funding or cash flow strategy, we're happy to help.

See: <https://www.bankofengland.co.uk/>

## **Bidders on Public Projects Face Local Jobs and Skills Requirements**

The UK government plans to change procurement rules so that businesses working on major public infrastructure projects help create local jobs and provide skills training.

The changes, currently under consultation, will apply to large-scale public investments in roads, railways, hospitals and schools. For businesses in sectors such as construction, civil engineering, transport infrastructure, and building services, this shift could influence how contract bids are assessed - and who wins the work.

## What's changing?

Under the new plans, public bodies will be expected to favour bids that clearly show how the business will benefit the local community. This might include commitments such as:

- Providing apprenticeships and T-level industry placements
- Opportunities for young people leaving the care system
- Helping people get into work and stay in work in that area

This follows earlier moves to encourage public bodies to consider "social value" when awarding contracts - but the new proposals would make such requirements mandatory on major infrastructure projects.

## Why it matters

For small and medium-sized businesses working in construction, maintenance, or infrastructure-related sectors, these changes could become a defining part of how work is won.

Firms that already focus on local employment or work with apprentices may find themselves in a stronger position to compete. On the other hand, businesses that rely heavily on subcontracting without clear community benefit plans might need to rethink their approach.

The government has signalled it will also crack down on empty promises made during the tendering stage by introducing stronger monitoring to ensure companies follow through on job creation and training pledges.

See: <https://www.gov.uk/government/news/boosting-british-jobs-and-skills-key-for-firms-to-win-major-infrastructure-projects>

## **Inflation Falls Slightly to 3.4% for May**

According to the latest figures released by the Office for National Statistics, the main rate of inflation decreased from 3.5% in April to 3.4% in the year to May.

Looking at the figures behind the headline rate shows that food prices have increased for the third month in a row. At 4.4%, this represents the highest inflation rate for food since February 2024.

Some feel that these increases are because businesses are passing on the costs of April's increase in employer's national insurance.

However, this is not the only factor at play. Prices for chocolate have increased by 17.7% in the year to May. This is primarily due to bad harvests in areas that produce cocoa meaning that stocks of chocolate have been low and pushing prices up.

The figures showed some good news though in the form of cheaper travel prices.

While inflation had reduced in the earlier part of the year, the current figures show that inflationary pressures continue to be felt.

See: <https://www.bbc.co.uk/news/articles/c5ygdqp922vo>

## **Government Launches £16bn National Housing Bank to Support Housebuilding and Regeneration**

The UK Government has announced the creation of a new National Housing Bank, backed by £16 billion in financial capacity, aimed at delivering over 500,000 new homes and unlocking £53 billion of private sector investment.

The Bank will operate as a subsidiary of Homes England and one of its aims is to support small and medium sized housebuilding businesses by working with private sector lenders to offer more funding options – such as revolving credit – to help them grow and speed up the delivery of new homes.

### Key objectives

According to the government, the National Housing Bank will:

- Accelerate housebuilding, helping to unlock sites that are currently considered too risky or complex to get up front lending
- Offer new finance options tailored to small and medium-sized housebuilders
- Support the development of affordable and social housing, in part through £2.5 billion of low-interest loans

This announcement follows the recent Spending Review, which included a £39 billion commitment to affordable housing over the next ten years, and precedes the release of a £725 billion 10 Year Infrastructure Strategy expected to outline a broader national investment plan.

### What it means for businesses

For businesses operating in property, construction, finance, or housing delivery, the creation of the Bank may present new opportunities:

- Developers could benefit from a more consistent and stable source of finance for challenging or capital-intensive projects
- There may be improved access to finance, especially for those seeking to grow or take on larger developments
- Investors may see new routes into public-private partnerships designed to share risk and support long-term returns

The creation of the National Housing Bank marks a shift in the way government supports the housing sector - moving toward a more direct, investment-led model aimed at unlocking supply and stimulating private sector involvement. For UK businesses engaged in housing delivery, finance, or construction, this may create new avenues for growth, investment, and collaboration.

See: <https://www.gov.uk/government/news/over-500000-homes-to-be-built-through-new-national-housing-bank>

### **Longer SQM Accreditation Period to Cut Admin for Legal Aid Providers**

Legal services providers accredited under the Specialist Quality Mark (SQM) will benefit from a major change later this year. From 1 October 2025, the SQM accreditation period will be extended from three years to five years, meaning SQM holders will not have to be audited as frequently – a welcome relief from admin work!

#### Who will this affect?

The extended accreditation period will apply to any provider undergoing either a Pre-Quality Mark Audit or a Post-Quality Mark Audit on or after 1 October 2025.

For example, a provider who completes their audit on 3 October 2025 and is awarded the SQM shortly after will receive a five-year accreditation.

#### Need to know more?

Further information can be found at:

- [Legal Aid Agency quality standards](#)
- SQM at [Recognising Excellence](#)

See: <https://www.gov.uk/government/news/change-to-specialist-quality-mark-accreditation-period>

### **Support on the Way for Oxford Businesses Hit by Rail Works**

Some small businesses in Oxford hit hardest by delays to the Botley Road railway works may soon get a financial boost. The government has confirmed up to £850,000 in goodwill payments from Network Rail to recognise the disruption caused.

Network Rail will contact affected businesses directly this week, with more details on how to apply coming soon.

While the full project – part of the Oxford Station Enhancement Project – isn't expected to finish until 2026, the project is back on track after delays and the free Botley Flyer bus and other local support measures remain in place to help affected businesses and customers.

See: <https://www.gov.uk/government/news/oxford-businesses-to-receive-goodwill-payments-for-botley-road-disruption>