



wellway INSIGHTS

MARCH 2026

SPRING FORWARD

WITH FINANCIAL CONFIDENCE

Don't miss
our Spring
Forecast
Summary



TAX

What Does the Spring Forecast Tell Us About Tax?

Tax Planning is now becoming more important than ever.

Page 4



BUSINESS

How Your Business Can Cut Through Uncertainty

Learn how the "traffic light system" can fuel your business.

Page 9



TAX

Making Tax Digital (MTD) is Nearly Here!

We're continuing to work with a number of our clients as they prepare for MTD for income tax.

Page 3



Personal Tax Changes Coming in April 2026

It's not long until the beginning of a new tax year where a new round of tax changes take effect from April 2026.

Page 5

TAX

- 3 Key Tax Dates for Your Diary
- 3 Making Tax Digital (MTD) for Income tax: Time is Ticking
- 4 What Does the Spring Forecast Tell Us About Tax?
- 5 Personal Tax Changes Coming in April 2026
- 6 Overpayment Relief from HMRC
- 6 Sourcing Labour From Third Parties? Due Diligence Required!
- 7 Advisory Fuel Rates For Company Cars
- 8 Employer-Provided Vehicles and Taxable Benefits in Kind

BUSINESS

- 9 How to Help Your Business Cut Through Uncertainty
- 10 How Clear Are Your Prices
- 10 Boost in Grants for Installing EV Chargers
- 11 New Business Rates Relief for Pubs and Live Music Venues
- 12 A Practical Look at the Cycle to Work Scheme for Employers
- 13 UK Unemployment Rises as Wage Growth Slows
- 13 Get Ready: Employment Rights Act
- 15 Internal Audit: Is It Just for Big Business?

Main highlights for March from the Wellway team...

This month we're delighted to start with a celebration! One of our directors, Janet Travis, is marking **30** wonderful years at Wellway. We would like to take this opportunity to thank her for her dedication, expertise, and the unwavering support she has given both our team and our clients over the years. It's a fantastic milestone, and we're very proud to celebrate it with her (with lots of brownies and goodies!)

In contrast, it was a pleasure to welcome a new work experience student to the office this month. It's been incredibly rewarding for our team to help someone at the very beginning of their potential future career! We were delighted to hear how much they learned and enjoyed their time with us.

As we continue to move through March and catch glimpses of sunshine and spring, our team is still busy supporting clients with year-end tax planning. This is always an important time to review your tax position, make the most of available allowances, and plan ahead effectively. We've also been working closely with many clients to prepare for Making Tax Digital, which will begin to affect self-employed individuals and landlords with an income of more than £50,000 from April 2026. MTD will require digital record-keeping and quarterly updates to HMRC, so now is the time to ensure you're ready with the right software!

In the days ahead, the Wellway team is looking forward to our well-earned team meal following the recent tax return season. It will be a wonderful opportunity to celebrate everyone's hard work! Bring on the pizza!



EASTER CHALLENGE:

For a little springtime fun, we've hidden some Easter eggs in this newsletter! The challenge is on! The first person to correctly guess how many eggs there are will win a special prize. Let the egg hunt begin!

Key Tax Dates for Your Diary

19/03	PAYE & NIC deductions, and CIS return and tax, for month to 05/03/2026 (due 22 March if you pay electronically)
01/04	Corporation Tax for year to 30/06/2025, unless quarterly instalments apply
01/04	National Minimum Wage rate increases take effect.
05/04	End of the 2025/26 tax year – many tax planning actions need to have been taken by this date, including making use of 2025/26 allowances).
06/04	Start of the 2026/27 tax year. Updated tax rates, thresholds and statutory payment rates take effect.
06/04	Commencement of the Making Tax Digital for income tax regime.
19/04	PAYE & NIC deductions, and CIS return and tax, for month to 05/04/2026 (due 22 April if you pay electronically)
30/04	Annual Tax on Enveloped Dwellings (ATED) returns and payment for the chargeable period starting on 1 April 2026.



MAKING TAX DIGITAL (MTD) FOR INCOME TAX TIME IS TICKING

Are you ready for MTD for Income Tax? We're now only days away! At Wellway Accountants, we're continuing to work with a number of our clients as they prepare for Making Tax Digital (MTD) for income tax.

MTD for income tax is the regime for self-employed individuals and landlords that will start to apply from April 2026 if they have business and/or property income (i.e. total takings, not net profits) of more than £50,000 per annum. The regime requires digital record-keeping and quarterly updates to HMRC, with the first such update due by 7 August 2026.

Last month, HMRC published a press release to confirm that the changes will

affect 860,000 individuals. They are keen to encourage action now and to highlight the benefits of spreading tax compliance administration throughout the tax year.



If you are one of the 860,000 individuals moving into the new regime from April 2026, HMRC are also keen to stress that a normal annual tax return will still be required for the tax year to 5 April 2026. This means that in addition to providing HMRC with quarterly updates on the year to 5 April 2027 during that tax year, your annual 2025/26 tax return will still need to be filed by 31 Jan 2027.

Please do reach out if we are not already planning your digital transition!

TAX NEWS

What Does the SPRING FORECAST Tell Us About Tax?



During a time dominated by news of the Middle East conflict, on 3 March 2026, Chancellor Rachel Reeves presented the Spring Forecast to Parliament. The Chancellor told MPs she had “restored economic stability” as she presented the Office for Budget Responsibility’s (OBR’s) economic forecasts.

The Chancellor focused on how the government’s policies are delivering economic growth, particularly when looking at Gross Domestic Product (GDP) per person. However, the OBR’s report indicates a more nuanced picture and notes that the fiscal context for the next Budget will remain challenging.

As part of the government’s policy of one major fiscal event a year, the Chancellor announced no new tax or spending policies. However, the OBR’s forecasts do provide some early clues about future tax and spending pressures.

What does this mean for tax?

From a tax perspective, the OBR’s report points to a tax environment that will feel increasingly heavy over the rest of the decade. Taxes as a share of GDP are projected to climb to 38.5% by 2030/31, a post-war high.

Much of this increase comes from the freeze on income tax thresholds, which will continue until April 2031. Combined with rising wages, more people are being pulled into paying higher tax rates, even if their circumstances have not changed.

The state pension creates an interesting complication: from 2027/28 it is expected to exceed the personal allowance, bringing an estimated 600,000 more people into tax in 2026/27 and around 1 million by 2030/31. The government has said it does not intend for pensioners whose only income is the basic or new state pension to pay income tax during this Parliament. However, the final details on this policy and how it will work in practice have not yet been announced.



The OBR notes that the increase in employer national insurance contributions, which took effect last April, is also playing a significant role in the higher tax take. These increased costs are potentially feeding into business hiring decisions at a time when unemployment is forecast to rise to 5.3% in 2026, before falling to 4.1% by 2030.

Self assessment payments are also expected to rise sharply in 2026/27, partly due to the non-domiciled tax regime being abolished in 2025/26 and a subsequent temporary repatriation facility being offered. If you have overseas income or

assets, it is still important to carefully review your tax planning.

The strong performance of UK equity shares in recent months means that the OBR are expecting receipts from capital taxes to rise. If you hold UK equity shares, this may be a good time to review your holdings and consider whether crystallising gains now, rebalancing your portfolio and/or making use of available allowances would put you in a better tax position. Any such planning needs to carefully navigate what are known as ‘bed and breakfasting’ rules (effectively selling to re-purchase), so please do get in touch if this situation applies to you.

The practical message from the OBR’s report is that tax planning is becoming ever more important, and capital taxes and transactions are likely to remain on the government’s radar. For individuals and businesses, this means keeping a closer eye on allowances, thinking about the timing of income, gains and dividends, and making sure you are using the reliefs available. Reviewing arrangements such as pension contributions, profit extraction techniques, and the way assets are held within a family may also lead to simple, practical steps that could help to keep future tax bills under control.

 **wellway can help!**

As always, we’re here to help you navigate tax changes and put you in the best position possible.

TAX NEWS

Personal Tax Changes Coming in April 2026

What You Need to Know



With just a few weeks to go until the beginning of a new tax year, a new round of tax changes take effect from April 2026. While many people won't see a big difference in their day-to-day tax position, there are some areas worth looking at. Here is a run-through of some of the changes you may want to be aware of.

Dividend tax rises

Tax rates for dividends are rising from April 2026. The basic and higher rates are each increasing by two percentage points to 10.75% and 35.75%, respectively. The dividend additional rate remains at 39.35%. Many company owners rely on a combination of salary and dividends for their pay. If that's you, it's important to review how you draw income and whether your current mix of salary and dividends still makes sense.

Thresholds remain frozen

The tax-free personal allowance and income tax thresholds all remain frozen and are set to stay that way until 2030/31. That ongoing freeze will continue to pull more people into higher rates of tax.



National Insurance and Voluntary Contributions

People with gaps in their national insurance contribution (NIC) record, those who are self-employed with low profits, or those who work overseas often consider making voluntary contributions. From 6 April 2026, the rate for Class 2 NICs (applicable to the self-employed) will be increased from £3.50 to £3.65. The rate for voluntary Class 3 NICs will increase from £17.75 to £18.40. Aside from the increase in rates, a major change is that voluntary Class 2 NIC will no longer be an option for periods spent abroad. Making voluntary Class 3 contributions will be possible, but the qualifying criteria have been tightened.



Capital Gains Tax (CGT)

Business owners thinking about selling or restructuring should be aware that capital gains that are subject to business asset disposal relief or investor's relief will be taxed at 18% for 2026/27, an increase from 14% in 2025/26. Reliefs for disposals to employee ownership trusts have also been scaled back and the rules for share reorganisations have been tightened. Both changes are already in force. These changes won't affect everyone, but if you are considering business succession or restructuring, getting the timing and your approach right continues to be key.

Inheritance Tax - Agricultural and Business Property Relief Changes

As has been widely publicised, changes to Inheritance Tax (IHT) to Agricultural Property Relief (APR) and Business Property Relief (BPR) will come into force on 6 April 2026. These reliefs were previously unlimited, but from April, 100% relief will be capped at £2.5 million of combined agricultural and business assets. Thereafter, the relief reduces to 50%. Unused amounts can be passed to a spouse or civil partner.



The £2.5 million limit is higher than initially proposed, but those who may be affected by the new cap may want to consider whether there are ways to rearrange their estate that would be effective in saving tax.



We can help!

If you are affected by any of these changes for 2026/27 and would like help in making sure you are in the best tax position possible, please get in touch. We would be happy to help you!



OVERPAYMENT RELIEF FROM HMRC

If you have paid too much tax, perhaps because you made an error on a return, or because you believe a sum determined by HMRC as being due is incorrect, there is a general rule that a refund cannot be claimed more than 4 years after the end of the relevant tax year. For example, a refund claim in relation to the 2021/22 tax year would need to be made by 5 April 2026.

However, if you do believe you've paid too much tax in the past, you may be able to claim it back through a mechanism known as "overpayment relief". This is a formal claim made to HMRC, and it serves as a vital safety net. Understandably, HMRC checks on any such claims are thorough and a number get rejected.

HMRC has recently updated its guidance to help individuals successfully claim back any tax monies owed. In particular, overpayment relief claims must be made in writing and must state:

- that the claim is for overpayment relief
- the tax year for which the claimant thinks they have paid too much tax, or too much tax has been assessed
- why too much tax has been paid or assessed
- how much has been overpaid or over-assessed
- if an appeal has, or has not, been previously made for the same payment or assessment (the term "appeal" must be used)

The claim must also include a declaration saying the details given are correct and complete to the best of the information and belief of the person making the claim and it must be signed by them personally.

Undertaking the right steps in the right order is critical and we would be pleased to support with this, should you believe you have paid too much tax.

SOURCING LABOUR FROM THIRD PARTIES? DUE DILIGENCE REQUIRED!

Just a final reminder for any businesses sourcing workers from third parties (e.g. through agencies or 'umbrella companies') that new rules come into effect from 6 April 2026 that may make you jointly and severally liable for the PAYE and NIC costs of those workers, should the third party fail to pay HMRC. To avoid unexpected tax costs, we strongly recommend that supply chains are reviewed and the new rules are understood.



At Wellway Accountants, we can help you to understand what's expected of you and help avoid costly mistakes!

TAX NEWS

**Advisory Fuel Rates
For Company Cars**

HMRC have published new advisory fuel rates from 1 March 2026. These are the suggested reimbursement rates for employees' private mileage using their company car. Where the employer does not pay for any fuel for the company car, these are the amounts that can be reimbursed in respect of business journeys without the amount being taxable on the employee. The petrol, diesel and home charging rates have remained static this quarter, while the LPG and public charging rates have changed. **The new rates per mile are:**

Engine Size (N/A for fully electric cars)	Petrol	Diesel	LPG	Electric* (Home charger)	Electric* (Public charger)
1400cc or less	12p (12p)		10p (11p)	7p (7p)	15p (14p)
1600cc or less		12p (12p)			
1401cc to 2000cc	14p (14p)		12p (13p)		
1601 to 2000cc		13p (13p)			
Over 2000cc	22p (22p)	18p (18p)	21p (21p)		

*Previous rates are shown in brackets. *Fully electric cars only. Note that for hybrid cars, you must use the petrol or diesel rate. You can also continue to use the previous rates until 31 March 2026.*

Employees using their own cars

For employees using their own cars for business purposes, the Advisory Mileage Allowance Payment (AMAP) tax-free reimbursement rate continues to be 45p per mile (plus 5p per passenger) for the first 10,000 business miles, reducing to 25p per mile thereafter.



Input VAT

Within the 45p/25p AMAP payments, the amounts in the above table represent the fuel element. The employer is able to reclaim 20/120 of the fuel amount as input VAT provided the claim is supported by a VAT invoice from the filling station. For a 1300cc petrol-engine car, 2p per mile can be reclaimed as input VAT (12p x 20/120).

TAX NEWS

Employer-Provided Vehicles and Taxable Benefits in Kind

In the topic of company cars, it should be remembered that as we head into a new tax year, the flat-rate figures used in the computation of some employer-provided vehicle benefits-in-kind calculations will be increased for inflation. From 6 April 2026:

- The flat-rate van benefit charge will be increased from £4,020 to £4,170.
- The flat-rate van fuel benefit charge will be increased from £769 to £798.
- The multiplier for the car fuel benefit charge will be increased from £28,200 to £29,200.

Where an employer provides an employee or a director with a company car, this is usually a taxable benefit-in-kind. The taxable amount of the benefit depends on the vehicle's power supply, its manufacturer's list price and CO2 emissions. A reduction is given for any periods where the car is unavailable.

Pool cars owned by the employer and used by a number of employees will not normally lead to a taxable benefit-in-kind. Certain conditions need to be met, including the car only having very low or incidental private use and it being used by different employees, none of whom normally take it home at night.

Great care needs to be taken with company vehicles and tax. Indeed, in a recent tax tribunal case, a company director learned this lesson the hard way, after relying on an informal agreement reached with HMRC over 25 years earlier.

In MWL International Ltd and Maywal Ltd v HMRC [2026], the business had treated a number of cars as pool cars and reported no benefit in kind for over two decades.

During a later PAYE audit, HMRC decided the vehicles did not genuinely qualify as pool cars because the conditions had not been properly met. Significant National Insurance bills then followed.

The company fought back but the Upper Tribunal ruled that HMRC cannot be prevented from applying the correct tax rules, regardless of any past informal agreement.

The case is a stark reminder that a vehicle must genuinely satisfy all of the pool car conditions in practice, not just on paper, and that an informal nod from HMRC, however long ago, offers no lasting protection.



We can advise on company car tax rules and ensure benefit-in-kind reporting is correct to help avoid unexpected costs or mistakes.

NEED HELP WITH TAX ?

Businesses & Individuals:
We've got you covered



Let us guide you through the complex world of tax. We'll keep you compliant, boost your tax efficiency, and take the stress off your plate - so you can focus on what matters most.

- SELF-ASSESSMENT
- VAT
- CORPORATION TAX
- PERSONAL TAX PLANNING
- CAPITAL GAINS TAX
- INHERITANCE TAX
- HMRC ENQUIRIES & INVESTIGATIONS

And more!

Get in touch today

01670 514433

enquiries@wellway.uk.com

Try the "Traffic Light System" to Help Your Business Cut Through Uncertainty



A leading think tank has criticised the fiscal rules that the Chancellor uses to determine the government's tax and spending plans. The Institute for Fiscal Studies (IFS) has suggested that reducing complex finances to a pass-or-fail number misses the bigger picture.

The Treasury, on the other hand, has said that the rules are helping to keep borrowing costs down and support long-term investment.

Of course, which view is correct when it comes to managing the country's finances could be an endless debate. However, the IFS proposal brings up an interesting idea that many businesses are using with success.

The IFS proposals

The IFS are advocating moving to a fiscal "traffic light" system. Rather than judging the economy against the one requirement for "headroom", a broader set of indicators should be assessed. And given a green, amber or red status.



Why this idea might feel familiar to businesses

This traffic-light idea is something many businesses already use informally. For instance, it's very common to track financial health and business performance using a dashboard of red, amber and green indicators.

Business owners can get an 'at-a-glance' look at the different areas of the business and quickly flag potential problems.

Applying a traffic-light system to your own business

A simple set of indicators is often all that is needed. Three or four core measures can help to assess the business and check its day-to-day resilience. For example:

- **Cash flow** - green if you have several months' operating expenses covered; amber if cash is tightening; red if you're relying on short-term borrowing.



- **Debt levels** - green if repayments are comfortable; amber if interest is creeping up; red if refinancing is looming or facilities are nearly maxed out.



- **Profitability** - green if margins are holding; amber if costs are rising faster than prices; red if losses are recurring.



- **Sales pipeline** - green if opportunities are converting; amber if lead volumes drop; red if future revenue is unclear.



Businesses using a traffic-light approach tend to make decisions earlier - whether that's tightening costs, adjusting pricing, or negotiating with lenders. It also helps everyone in the business get a picture of what's happening without necessarily needing to dive into pages of accounts.

We can help!

If you would like help building a simple financial traffic-light dashboard tailored to your business, we would be happy to work with you in developing something that is based on the metrics that matter most to your business.

How Clear Are Your Prices?

The Competition and Markets Authority (CMA) has launched a Clearing Pricing campaign aiming to encourage businesses to be upfront, transparent and fair in their pricing.

Teaming up with TV and radio presenter Alexander Armstrong, the campaign highlights a 'Three Step Pricing Check' businesses can use to make sure their pricing is on the right side of the law.

The three steps are:

1. Show the total price up front.
2. Include all mandatory charges.
3. If you can't give a total yet, is it clear how customers can work it out?

Under the Digital Markets, Competition and Consumers Act 2024 (DMCCA), it is now illegal to introduce additional mandatory fees, such as a booking or delivery fee, taxes or other charges late in the purchase process.

The Act also gives the CMA the powers to fine businesses that break consumer law up to £300,000 or, if higher, up to 10% of their global turnover.

For businesses that are not clear about the new laws, [guidance is available from the CMA](#) that explains how to present prices clearly. The guidance provides examples of what should and shouldn't be done when it comes to delivery charges, administration and booking costs, and periodic payments and could be a useful resource.



Boost in Grants for Installing EV Chargers

The government has announced an over 40% increase in charge point grant amounts that will mean businesses, landlords and renters could save up to £500 on installing an electric vehicle (EV) charge point. Previously, the grant provided a discount of £350.

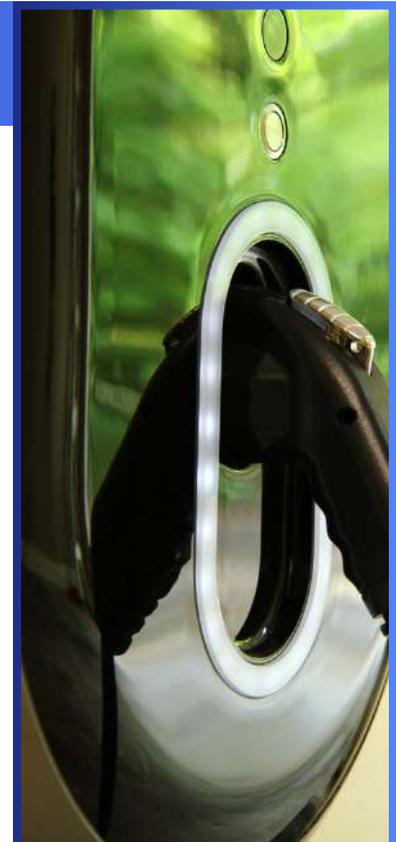
The uplift could cover almost half the typical installation costs and make it easier for EV users to access cheaper electricity rates at home or work to charge their EV. Schools will also be eligible for grants of up to £2,000 per socket.

Updates to the scheme will also simplify the current EV charge point support schemes available by reducing eight grant types down to five, which should make the system easier to navigate.

The electric car grant, which provides a discount on buying an EV, continues to be available. This can offer savings of up to £3,750.

Support is also available through local authorities for residents who do not have driveways to be able to install discreet, embedded pavement channels, meaning those with on street parking can install an EV charge point. This is in addition to the £500 installation grant.

EVs continue to receive preferential tax treatment, and this can also be worth exploring if you are considering buying a new vehicle.



BUSINESS

Guidance Released

New Business Rates Relief for Pubs and Live Music Venues



The government has released fresh guidance on the new business rates discount for pubs and live music venues in England for the 2026/27 tax year. If you run a hospitality business, or a venue that hosts live performances, the new relief could reduce your rates bills over the next 3 years.

As announced in January 2026, eligible properties will receive a 15% reduction on their 2026/27 business rates bill. Those rates bills will then be frozen in real terms for 2027/28 and 2028/29. Further guidance will be provided nearer the time on how that freeze will work.

Which properties qualify?

To receive the relief, the property needs to be occupied and be wholly or mainly used as either a pub or a live music venue.

What is a pub?

A property is a pub if all the following apply:

- It's open to the general public.
- It lets people in for free (except when occasional entertainment is provided).
- Customers can drink without having to buy food.
- Drinks can be bought at a bar.

Restaurants and cafes, nightclubs, and hotels are unlikely to be considered pubs for the purpose of the relief.

What counts as a live music venue?

A live music venue must be wholly or mainly used for live music performances put on to entertain an audience.

Ancillary activities, such as selling food and drink to the audience, would be unlikely to disqualify a property. The same would be true if there was infrequent use of the property to host a polling station or a community event. Premises mainly used as nightclubs or theatres, based on planning use classes, are unlikely to be considered a live music venue.

There may be grey areas, especially when deciding whether an activity is a live music performance or instead the playing of recorded music. Guidance in the Licensing Act 2003 will be used to help with such situations.

How much will the relief be worth?

The discount is applied daily, at 15% of the business rates charge for each qualifying day. The discount is applied after any mandatory reliefs due and certain other discretionary reliefs have already been given. The relief is not subject to any cap.

What should businesses do now?

Local authorities are tasked with calculating the relief automatically once they have put their local scheme in place. Therefore, if the property meets the criteria, you should automatically receive any relief due on your 2026/27 rates bill.

In the meantime, it may be worth checking whether your current description and use of the property clearly match the definitions provided in the guidance.

OUR BUSINESS SERVICES

AUDIT

AUTO-ENROLMENT

BOOKKEEPING

BUSINESS PLANNING

START-UP ADVICE

COMPANY FORMATION

SECRETARIAL SERVICES

EXIT PLANNING

OUTSOURCING

PAYROLL

COMPLIANCE

VAT SERVICES

MAKING TAX DIGITAL

Let's grow your business

01670 514433

enquiries@wellway.uk.com

A Practical Look at the Cycle to Work Scheme for Employers



The Cycle to Work scheme continues to attract interest from employees and employers alike looking to optimise their salary package and perhaps gain a tax break.

Below is an overview for businesses considering running a scheme or reviewing their existing arrangements.

The Basic Structure

The scheme allows an employer to provide a bike and eligible safety equipment tax free to their employees.

This is often done in conjunction with a salary sacrifice agreement where the employee's gross pay is reduced for a set period to cover the costs. The salary sacrifice means the employee pays less income tax and national insurance, and the employer pays less employer national insurance.



Bikes can be provided in different ways.

- The bike and equipment can be loaned to the employee.
- A voucher can be provided so that the employee can hire the bike and equipment.
- Pool cycles can be made available for the general use of employees.

At the end of the hire period, employees can either continue hiring, return the bike, or buy it at a fair-market-value payment based on HMRC guidance.

Conditions That Must Be Met

To be compliant with the rules:

- The employee must not own the bike during the hire period.
- The bike must be used mainly (>50%) for commuting or work-related travel.
- The scheme must be available to the whole workforce.

Practical Considerations for Employers

Most employers work with a third-party provider to manage the administration work, although there is no reason it cannot be run in-house.

HMRC does not expect employers to monitor the non-work use employees make of the bike, nor are employees expected to keep detailed records of their bike use to justify how it is being used.

If salary sacrifice is being used along with the Cycle to Work scheme, there is a need to be careful that the scheme still meets the requirement to be available to all employees.

Subject to partial exemption rules, VAT can be reclaimed on any bikes and equipment purchased by the employer.

In Conclusion

Cycle to Work remains a straightforward way for employers to provide tax efficient support to their employees.



We can help!

If you would like personalised advice on whether or how a scheme could work in your workplace, please get in touch. We would be happy to help you!

UK Unemployment Rises as Wage Growth Slows

BUSINESS

The UK's unemployment rate has risen again, according to the latest data from the Office for National Statistics (ONS). In the three months to December 2025, unemployment increased to 5.2%, up from 5.1% in the three months to November. This marks the highest rate in almost five years. Alongside the rise in unemployment, annual wage growth has slowed to 4.2%, its weakest pace in close to 4 years. The combination of slower wage growth and rising unemployment suggests a cooling labour market.

Businesses Reacting to Higher Costs

Part of the slowdown may be linked to increased employment costs. The 2024 Budget raised employer national insurance contributions and increased the minimum wage. Some businesses appear to have chosen to delay recruitment or leave vacancies unfilled as they review budgets for the year ahead.

Younger Workers Bearing the Brunt

The unemployment rate for 16–24-year-olds has risen to 16.1%. For school leavers and graduates, securing an entry-level role has become increasingly competitive. Analysts have also raised concerns that investment in artificial intelligence could reduce the number of traditional starter roles over time, adding further pressure to new entrants to the job market.

Interest rates

The slowdown in wage growth may influence the Bank of England's next decision on interest rates and could give room for a further rate cut.

Looking ahead

For your business, a softer labour market might make it easier to fill certain vacancies, with more applicants available. However, it could also hint at weaker consumer confidence that may lead to slower sales. If you are planning investment, recruitment or borrowing in the coming months, this may be a useful moment to revisit those plans rather than rush decisions.

Get Ready: Employment Rights Act

A new website has been launched by the Department for Business and Trade (DBT) offering practical guidance and support on the changes that the Employment Rights Act will introduce and what they can do to get ready. The website provides details of upcoming changes, including several that come into force from April 2026. These include:

- **Statutory Sick Pay** - No earnings threshold and no 3-day waiting period
- **Day-one family leave** - Paternity Leave and Unpaid Parental Leave a right from day 1 in a job.
- **Bereaved Partner's Paternity Leave** - New right for time off following death of a child's mother/primary adopter.
- **Collective redundancy protections** - The protective award for non-compliance is being increased.
- Stronger protections for workers who report sexual harassment.
- **A new body called the Fair Work Agency** will work to uphold workers' rights and support businesses with compliance.



The website can be found [here](https://www.business.gov.uk/campaign/employment-changes/): <https://www.business.gov.uk/campaign/employment-changes/>

Internal Audit: BUSINESS Is It Just for Big Business?

An internal audit is an systematic, objective evaluation of an organisation’s operations, risk management, and control processes, designed to improve efficiency, governance, and compliance. In the world of small and medium sized businesses, where every decision can make or break success, the role of internal audit can often be underestimated, and helps to navigate uncertainties and mitigate risks.

6 Reasons to Consider an Internal Audit

RISK MANAGEMENT



Businesses of all sizes face risk, from financial mismanagement to inefficiencies in the way they operate. Internal audit, whether of the finances or of procedures, helps to identify risks early on. This allows you to proactively implement effective controls and procedures to mitigate them.

ADAPTING TO CHANGE



Regularly assessing processes and controls means that the business will be frequently measuring itself against changes that are occurring in the business world. This ongoing evaluation helps to ensure that your business stays agile and responsive to change.

PREVENT FRAUD



The smaller the business, the more devastating fraud can be. Internal audit plays a crucial role in detecting and preventing fraudulent activities by checking on the finances and any internal controls.

STRATEGIC DECISION-MAKING



Internal audits can contribute to providing you with reliable information/insights about the business in areas not easily seen in the day-to-day business information. This can help explain patterns in business data, or provide an insight into something that is currently hidden from business management.

IMPROVE BUSINESS PROCESSES



By conducting systematic reviews, internal auditors can pinpoint bottlenecks, streamline workflows, and enhance the operational efficiency of the business. Optimising the business can reduce costs and boost productivity, helping your business stay competitive.

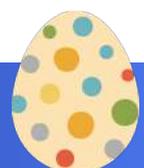
INCREASE IN EMPLOYEE RESPONSIBILITY



Depending on business size, a full-time internal auditor may not be feasible, so, perhaps task an employee(s) to devote part of their working time to internal audit work. Objectively stepping back from their normal day-to-day work will make them more aware of the need to consider risks and efficiencies in all their work.

In conclusion, internal audit can be an extremely helpful tool for small and medium sized businesses looking to thrive in today’s competitive marketplace. It can help you proactively manage risks, streamline processes, prevent fraud, make informed decisions, drive continuous improvement, and develop your staff. Ultimately internal audit can help you to achieve your business goals.

For help on this matter, we’re happy to talk it through.



Thank you for reading!

As always, if you have any questions about how these updates affect you or your business, please don't hesitate to get in touch with our team of experienced accountants and financial advisers.

See you next month! Have a lovely Easter!

Disclaimer: The information contained in this newsletter is for general informational purposes only and does not constitute accounting, tax, financial, or investment advice. Although every effort has been made to ensure accuracy at the time of publication, no guarantee is given as to the completeness, reliability, or suitability of the information provided. Readers should not act on the basis of this content without seeking professional advice tailored to their individual circumstances.



**Talk to our team
today**

 01670 514433
 www.wellway.uk.com
 enquiries@wellway.uk.com

 Borough Hall,
Morpeth,
NE61 1BN