

# A Summer of Tax Savings



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## June's message from the Wellway team...

**W**elcome to the June edition of our monthly tax and business newsletter, where we share a selection of the key updates you need to know, alongside a little glimpse into what's been happening behind the scenes at our lovely and lively Morpeth office.

We'd love to begin by wishing a few of our team members the very best of luck as they sit their upcoming professional exams. We're so proud to support them as they continue to build their accounting and financial services knowledge, helping them progress in their careers while bringing even greater expertise to our clients. Go smash it!

To balance out the studying, we're also looking forward to a bit of friendly competition in the office as our World Cup office sweepstake gets underway! While no accounting qualifications are required, we're excited to see whose forecasting skills extend beyond tax returns and financial planning and who might be able to predict the winning team. And of course, c'mon England!

Finally, we're also delighted to share that we've been nominated for the My Local Awards **Financial Advisory Business of the Year**. It's a fantastic recognition of the hard work and commitment of our team, and we'd be incredibly grateful if you could spare a moment to vote for us. Your support means a great deal and helps us continue delivering the service our clients value! Simply follow this link to vote: [bit.ly/4vtbfTU](https://bit.ly/4vtbfTU). Voting closes June 8th!

Thank you for reading!

WELLWAY WEALTH MANAGEMENT  
HAS BEEN NOMINATED FOR

# FINANCIAL ADVISORY BUSINESS OF THE YEAR



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**MY LOCAL AWARDS**

## Key Tax Dates for Your Diary

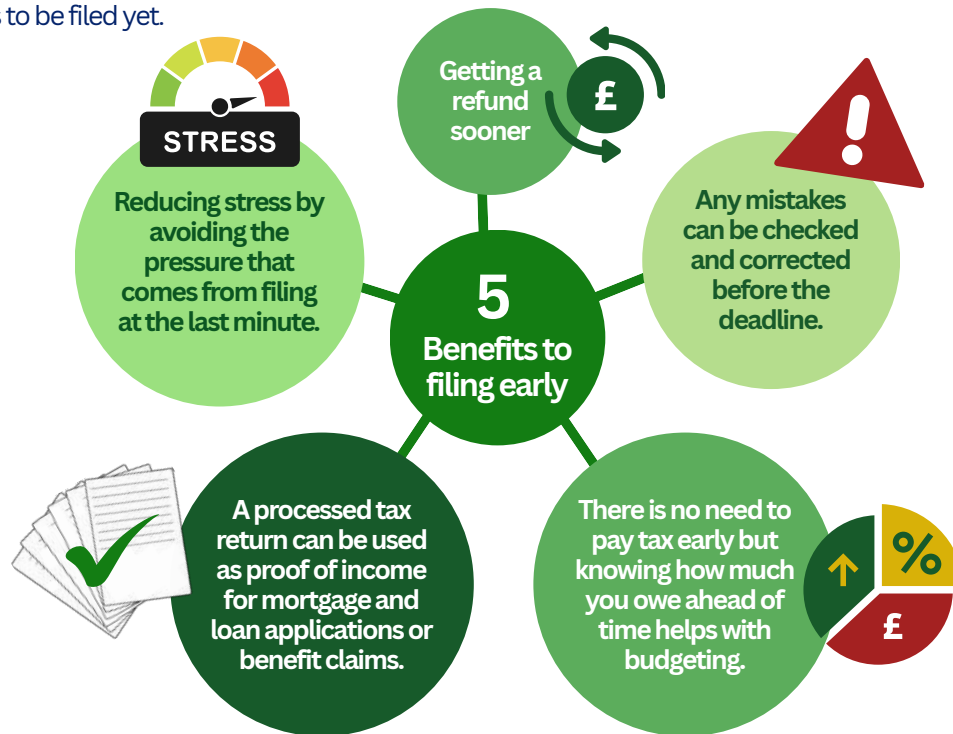
19/06	PAYE & NIC deductions, and CIS return and tax, for month to 05/06/2026 (due 22 June if you pay electronically).
01/07	Corporation Tax for year to 30/09/2025, unless quarterly instalments apply
19/07	PAYE & NIC deductions, and CIS return and tax, for month to 05/07/2026 (due 22 July if you pay electronically).
31/07	Due date for the second self assessment payment on account for 2025/26 (if applicable)



## Record Month for Tax Return Filing

**A**pril was a record month for tax return filing! HM Revenue and Customs (HMRC) have reported that 298,905 people filed their Self Assessment tax return in the first week of the tax year, with a record total of 737,891 returns being filed during the month of April 2026.

More than 12 million tax returns are due to be filed by 31 January 2027, so there are still plenty of returns to be filed yet.



If you would like help in preparing and filing your 2025/26 tax return, please do get in touch. We would be happy to help you!

# Summer Savings!

## Temporary VAT reduction on children's meals, tickets and family attractions.

The government has announced a temporary reduced rate of VAT for children's meals in restaurants and family leisure activities over the summer.

VAT will be reduced from 20% to 5% between 25 June and 1 September 2026 for qualifying activities as the government tries to ease pressure on household budgets and promote activity for tourist businesses.

The temporary VAT reduction applies in England, Wales, Scotland and Northern Ireland. In addition, children in England aged 5-15 will qualify for free bus travel during August.



The dates the relief applies between are set to coincide with the start of the Scottish school summer holiday on 25 June, and the end of the school holidays in England, Wales and Northern Ireland on 1 September.

### Which services are eligible for the reduced rate?

The reduced 5% rate will apply to:

- Children's meals served in restaurants for consumption on the premises. These need to be served from a dedicated children's menu and marketed, presented and priced as such.

- Children's and family tickets for cinema, theatre, exhibitions, shows and concerts.



- Admission tickets for children and adults to attractions such as amusement parks, fairs, circuses, museums, zoos, adventure parks, soft play and observation attractions.



*Takeaway meals and sporting activities will not qualify for the reduced rate.*

### How will the reduced rate apply to season tickets and advance purchases?

Season tickets that permit repeat entries with the relief period (25 June - 1 September) will qualify for the reduced rate. However, where a ticket allows repeat entries before or after the relief period it will not qualify for the reduced rate, unless it is priced the same as a standard single-entry ticket.

The reduced rate can be applied to advance and prepaid sales where the admission will take place during the relief period. This includes those that were made before the government's announcement.

If a business has already paid over standard rate VAT on such a sale on their VAT return, they can make an adjustment on their next return to be refunded the VAT. The government does however expect businesses to refund any overpaid VAT back to the customer.

### How will businesses pass the savings on?

The government expects businesses to lower their prices so that the VAT cut is passed directly on to the customer. This may require work in updating signage, tills, accounts software and websites to deal with the revised pricing for the summer. However, this may be justified by the increased footfall.

Affected businesses should check how the rules will apply in their specific circumstances. Detailed [HMRC guidance](#) is available to help businesses.



### We can help!

If you need any help in dealing with the temporary VAT reduction, please feel free to contact us. We would be happy to help you!

# Tax-free Mileage Rates

**A** 10p per mile increase in tax-free mileage rates will apply in the 2026/27 tax year, backdated to April 2026. The increase relates to the amount per business mile driven that attracts tax relief and affects both employees and the self-employed. HMRC's mileage rates guidance has been updated as follows:

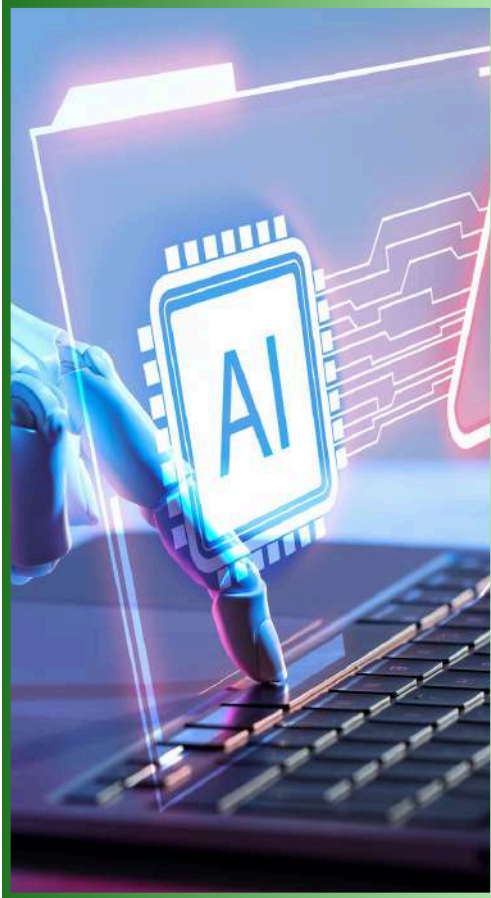
**For the self-employed:**

Vehicle	Flat rate per mile for 2026/27	Flat rate per mile before 6 April 2026
Cars and goods vehicles – first 10,000 miles	55p	45p
Cars and goods vehicles – after 10,000 miles	25p	25p
Motorbikes	24p	24p

**For employees:**

Vehicle	Flat rate per mile for 2026/27	Flat rate per mile before 6 April 2026
Cars and vans – first 10,000 miles	55p	45p
Cars and vans – after 10,000 miles	25p	25p
Motorbikes	24p	24p
Bicycles	20p	20p

**Note that only the rate for cars and vans for the first 10,000 miles has increased; other rates are unchanged.**



## AI Providing Misleading Advice on VAT Return Filing

**I**ncorrect advice provided by Artificial Intelligence (AI) and other websites is contributing to a growing trend of late VAT return filing and payment.

HM Revenue & Customs (HMRC) are reminding VAT-registered businesses that there is no extension to the statutory due dates when they fall on weekends or bank holidays. HMRC's systems do allow for VAT returns to be submitted at weekends or on bank holidays. However, if a business cannot do that, then the return must be submitted by the last working day before the due date. HMRC will not accept weekends or bank holidays as a reason for filing a VAT return late.

The rules for VAT return payments are similar. When the due date falls on a weekend or bank holiday, payment must clear into HMRC's bank account by the working day before the due date, unless a taxpayer's bank allows faster payments on weekends and bank holidays.

Missing the due dates for submitting VAT returns and making payments can result in interest and penalties, so it is important to have a good reminder system to ensure the deadline is met.

If you need any help with filing your VAT returns or any other aspect of VAT advice, please do get in touch. We would be happy to help you!

## Export to the EU: Low-Value Parcel Rules Change on 1st July

**S**tarting 1 July 2026, a fixed customs duty of €3 will be applied to small parcels valued at less than €150 exported to the EU.

The rate will be applied to all goods exported to the EU by non-EU businesses that are registered in the EU's Import One-Stop Shop (IOSS) for VAT purposes.

Whether the rate will also be applied to goods sold by traders that are not registered in the IOSS remains under review.

The new fixed customs duty is a temporary measure that will stay in place until a permanent solution to eliminate the customs duty relief threshold comes into force. At that time, all goods under €150 will have customs duty applied at the normal EU tariffs for individual products.

A so-called 'handling fee' is also under discussion by the EU Council, however, this is separate to these measures.

Government [guidance](#) is available on how to register for the VAT IOSS scheme to report and pay VAT due on imports of low-value goods to consumers in the EU, Northern Ireland, or both.



## TAX NEWS

# Employment Status of Professional Football Match Officials

In *Professional Game Match Officials Ltd (PGMOL) v HMRC*, the First-tier Tribunal (FTT) concluded that football referees engaged by PGMOL were not employees for tax purposes.



The decision followed a long procedural history, including appeals up to the Supreme Court, and focused on the correct application of employment status principles.

PGMOL provides referees for professional football matches. HMRC argued that match officials should be treated as employees, meaning that PAYE and National Insurance contributions should have been applied to match fees.

The case had already been considered by multiple courts. The Supreme Court confirmed that when a referee accepted a match appointment, there was sufficient mutuality of obligation and a framework of control. However, it sent the case back to the FTT to determine the overall employment status using a comprehensive test. The FTT considered the overall relationship between PGMOL and the referees. Key findings included:

- **No ongoing obligation:** PGMOL was not required to offer matches, and referees were not required to accept them.
- **High level of flexibility:** Referees could decline appointments or withdraw without sanction.
- **Short, discrete engagements:** Each match appointment was a separate, limited arrangement.
- **Limited integration:** Refereeing was generally undertaken alongside other full-time work.

The FTT concluded that, viewed as a whole, the relationship lacked the characteristics of employment. The referees were self-employed, and therefore PGMOL was not required to operate PAYE or account for employer National Insurance on the payments made to them.

This case shows the numerous factors that must be considered when determining whether a worker is employed or self-employed.



If you have any questions regarding your employment status, or of the status of individuals you engage, please get in touch – we'd be happy to help.

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## Dividends on the 2025/26 Self-Assessment Tax Return

**F**or taxpayers required to submit a self assessment tax return, new boxes on the 2025/26 employment page form will require the following information for each directorship held by an individual:

- If the company was a close company;
- The company's name and registration number;
- Dividends the taxpayer received from the close company during the tax year; and
- The highest percentage shareholding that the taxpayer held during the tax year.

A penalty of £60 may apply for failing to provide the required information. It is therefore important that you notify us of each directorship that you held during the year. In light of HMRC's recent scrutiny of close company dividends, it will be wise to make sure that dividend procedures are tight, lawful and compliant. **Please do contact us if we can assist in this regard.**

## HMRC Introduces Targeted Advance Assurance Service for R&D Claims

Originally proposed in last autumn's Budget, HM Revenue & Customs (HMRC) have introduced a targeted advance assurance service for Research and Development (R&D) tax relief claims. The service, which is a pilot, aims to provide businesses with clarity on complex or high-risk areas before they make a claim.

HMRC are now offering two types of advance assurance for R&D claims. The new service will run alongside the existing full claim advance assurance service. Full claim advance assurance has not been popular and only applies to companies that are claiming R&D tax relief for the first time. However, targeted advance assurance is open to any eligible small or medium-sized enterprise (SME).

The pilot for this service will run until May 2027 and will help HMRC to test demand and decide which parts of the service are most useful to businesses. Companies will now need to choose which advance assurance service they want to use. It is not possible to apply under both targeted and full claim advance assurance for the same period or project.

Under targeted advance assurance, companies can seek assurance on:

- Whether a project meets the definition of R&D for tax purposes.
- Whether overseas expenditure qualifies for relief.
- Whether R&D relief can be claimed where work is contracted by one company to another.
- Whether the exemption from the PAYE and National Insurance contributions cap applies.

Targeted advance assurance is however limited to providing assurance on a maximum of two areas of the R&D work or project for the same period. An application can only include one project and one area of R&D relief. For companies seeking assurance on a second project or area, a second application will have to be submitted.

Requesting advance assurance is not the same as making a claim. A company will still need to make a claim in the usual way.



**If you think the targeted advance assurance could be useful to you, or you would like help on any aspect of your R&D tax relief claim, please do get in touch. We would be happy to help you!**

# Consultation Launched on Details for High Value Council Tax Surcharge

## How the New Tax Could Work in Practice

The government has opened a consultation on the details for the High Value Council Tax Surcharge (HVCTS) that is expected to come into force in England from 1 April 2028. HVCTS will apply to owners of residential properties in England worth £2 million or more and is payable in addition to the existing Council Tax. It is estimated that the charge will affect less than 1% of properties. The consultation reveals the proposed details on how HVCTS will work in practice, showing how properties will be identified, valued and placed in a band for the surcharge. Here we highlight some of the proposals.

### How will properties be valued?

The Valuation Office will be carrying out a targeted valuation exercise to identify which properties will fall into the scope of HVCTS. Properties will be placed in one of four bands based on the value of the property.

To determine the value of a property and its band for HVCTS purposes, the Valuation Office will look at the sales prices of similar properties as well as other attributes of the property. Revaluations will be carried out every five years, with the next valuation taking place in 2033.

Properties built after April 2028 will be valued either on completion or from the day the property is occupied. In most cases, where a property has been significantly improved or changed, it will be revalued when disposed of or when the next general revaluation takes place, whichever is sooner.

### What type of properties will HVCTS apply to?

HVCTS will apply to dwellings, which are defined as a self-contained unit of residential

property used as living accommodation. Properties with a mixed use where the residential element is distinct and self-contained will be included. Gardens, garages and private storage buildings that form part of the dwelling will be included.

### Who will be liable for HVCTS?

The legal owner of the property, rather than the occupier, will be liable to the surcharge. Where a property is jointly owned, the owners will be jointly and severally liable. The beneficial owner of a property could be different to the legal owner. For instance, trustees may legally own a property until a minor, the beneficial owner, comes of age. In such situations, it is the legal owner who will be liable.

The government has confirmed that trustees will be liable to pay the charge, even in bare trust arrangements. The government is proposing to charge HVCTS to the leaseholder, rather than the freeholder, if the lease they hold is defined as a long lease. This means that the lease was initially granted for more than 21 years or the law treats it as such. Where the lease is not a long lease the surcharge will be assessed on the freeholder.

### Are there any exceptions?

For those eligible, a deferral scheme will be made available which allows HVCTS payments to be delayed until the property is disposed of. Proposals show the deferral will be available to those with income and capital savings below thresholds used in the welfare system, and where the property is the main home of someone who is disabled/mentally impaired. Some property types will also be exempted/discouted.

### How will HVCTS be billed?

The first HVCTS bills will be sent out in March 2028, and payment will be collected by local authorities in the same way as Council Tax. The default will be to make 12 monthly payments, but it will be possible to request 10 payments.

### Will there be a premium charged to non-UK resident owners?

As part of the consultation, the government is also collecting information that it will use to explore whether to charge an additional HVCTS premium to non-UK resident owners of homes that are liable for the tax.

### Is there a way to challenge or appeal HVCTS?

Owners who believe that their property band is incorrect or that their property is not within the scope of HVCTS will be able to challenge and appeal the Valuation Office's decision.

The same is true if they receive a bill but do not believe they are the liable person or the bill has been calculated incorrectly.

We can help!

If unhappy with the outcome of the challenge, it will be possible to appeal to the Valuation Tribunal for England.

### Consultation timeframe

The consultation will run until 14 July 2026.



# Four Simple Ways to Improve Business Profit Within 12 Months

**M**ost businesses don't need big ideas or complicated plans to improve profit. In practice, profits will usually increase by tightening up a few everyday things and being more deliberate about how time and effort are applied. Almost everything you can do to improve profit fits into one of four areas:

1. Get more customers.
2. Sell more to your existing customers.
3. Put prices up.
4. Reduce costs and waste.

## Getting more customers

Some customers cost you more to serve than they give you. Avoiding these kinds of customers and finding more profitable ones can make a big contribution to your bottom line. First, you may want to analyse your customers to find out which ones make you money, and which don't. Many businesses find that most of their profit comes from a small proportion of their customer base. Once you know which customers are profitable, identify the characteristics they have in common. This will help you identify what your ideal customer looks like. Then consider what you can do to attract more of those customers.

## Selling more to existing customers

This is often the easiest and cheapest way to improve profit. You already have customers who trust you. Many of them would be happy to buy more if you provided the right opportunity.

Start by making a list of your top 20 customers and ask:

- What else do they buy elsewhere that we could provide?
- Do they already ask us for things we don't supply yet?
- When did we last speak to them properly?

You could consider scheduling some time each quarter to email or call previous good customers. Let them know about a current offer or a seasonal service that may them.

## Raising prices without losing good customers

Increasing your prices is another way to improve profitability, but it is often avoided due to the fear of upsetting customers.

Using your analysis of which customers don't make you money, look especially at those where work seems to overrun or generate complaints or rework, or customers that feel stressful to deal with compared to what they earn for you. Put the price up on this work so it becomes profitable for you. If the customer accepts the new price, then all well and good. If they decide to go elsewhere, the effect on your profit could be minimal. You will gain time to find a customer who will pay better.

Other things you could think about include:

Don't discount by default. If a discount is always expected, it's not a discount; it's your real price. If discounts are the norm in your type of business, then at least ensure that the discounted price is the price you need to get. If someone pays full price, that's a bonus.

- Charge for extras. Make sure that you price extras rather than absorbing them. Extras could include variations to the work agreed, urgent work and additional meetings.

Reducing costs and wasted effort  
Cost savings don't need to feel painful if they focus on waste rather than essentials.

A prime candidate for cost savings is unused or rarely used subscriptions. Check for software, apps, memberships and other tools that are no longer useful for your business and cancel them. Review your suppliers and consider whether you could get a better deal by switching to someone else. Are you paying for a service level you don't need? Have prices been creeping up and you're no longer getting a good deal?

## Final thoughts

Improving profit doesn't require a new business model or a lot of complicated tools. Picking one of these main areas and concentrating on it for a time often yields good results. With the uncertainty the economic climate presents, ensuring that you are maximising profitability will help to make your business more resilient and better able to weather any storms.



## Companies House and the IPO BUSINESS Warn About Fake Payment Requests

**C**ompanies House and the Intellectual Property Office (IPO) are asking businesses to take special care of misleading requests for payment sent by fraudulent organisations.

Invoices are being sent to companies that request payment for Companies House and IPO services. They may be posted to a company's registered office address or sent by email.

The invoices request payment for services at inflated prices that are available for a much lower fee, or even free of charge, directly from legitimate sources.

Payments are often requested for things like:

- Setting up or claiming the company's Companies House online account.
- Authenticating the company's Companies House account or verifying details.
- Renewing a trade mark or including it on an 'exclusive online register'.

Companies House and the IPO are advising companies that where they are not sure if a request for payment is genuine, they can:

- Check any website and email addresses in the letter or email to see whether they are provided through GOV.UK.
- Look for disclaimers stating the organisation is not affiliated with government.

Contact Companies House or the IPO directly to verify any requests.



## Late Payment Legislation Laid Before Parliament

**F**ollowing its mention in the King's Speech, the Small Business Protections Bill has now been put before Parliament.

The Bill introduces measures that are designed to help alleviate some of the difficulties smaller businesses face in getting paid. They include:

- A 60-day cap on payment terms for large businesses paying small suppliers.
- Mandatory interest on late payments. This is to be set at 8% above the Bank of England base rate.
- A prohibition on withholding retention payments in construction contracts.
- New powers for the Small Business Commissioner to be able to investigate businesses that have poor payment practices, arbitrate in disputes and fine persistent late payers.
- A requirement for the boards or audit committees of large companies to publish explanations of late payment performance and what steps are being taken to improve.

Smaller businesses will be keenly watching the Bill's progress through its Parliamentary processes to see when these measures will come into force.



# Credit Control: The Quiet Discipline that Keeps a Business Alive

**R**unning a business in recent times has been a lesson in resilience. Costs continue to increase and customers are cautious. Cash is proving tight for many businesses and credit control is a core discipline for keeping a business afloat in such times. When businesses get into financial trouble, it is often because they have run out of cash and not because they are unprofitable on paper. Credit control sits right at the centre of solving that problem.

When sales are made on credit, cash can often arrive weeks or even months later than expected. VAT, PAYE and suppliers, on the other hand, still need paying on time. A single large customer who pays 30 days late can put a major strain on a small business.

Effective credit control can help to turn sales into cash in a more predictable way. So, what is involved in credit control?

## Agree payment terms and issue invoices promptly



Good credit control begins before the invoice is raised. Having clear payment terms that are agreed with the customer before work starts helps set expectations on both sides. Try to avoid any delays in sending invoices out. For instance, if invoices are due when work reaches a certain stage, ensure you are keeping track of the work done and send the invoice as soon as the trigger point is passed. The earlier an invoice, the earlier you stand to receive payment.

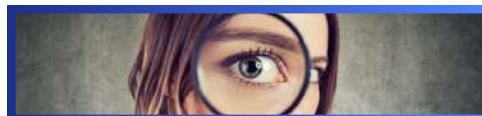
## Enforce your payment terms



Having agreed your payment terms, you then need to enforce them. If customers are routinely allowed to drift beyond your stated terms, you are telling them that your deadlines are flexible. For instance, if you include a 14-day term on your invoice but only start chasing at 45 days, you may find that most customers do not pay until around the six-week mark. On the other hand, if you follow up politely the day after the 14 days have passed, the difference in cash flow can be dramatic.

It can feel awkward to chase payment, and you may be concerned it will damage your relationship with your customer. However, most well-run businesses expect to be chased if they miss a due date. Clear communication and timely reminders show that you run an organised business. Keeping your tone consistent and professional helps normalise the process and makes it clear that payment is simply part of how you do business, not a personal criticism of the customer.

## Spot problems early



Good credit control can help you spot problems early. When a reliable customer starts to delay payment, that's usually because something has changed.

Sometimes it is simply an administrative adjustment, but it can also be the first sign that they are experiencing some financial difficulty. If you catch that early, you may have some options e.g. you may be able to tighten credit terms, request payment upfront, or pause work before you are out of pocket. You may be surprised at how helpful it can be to regularly review your aged-debtor report.

## Make it a routine part of your business

On that subject, the most effective credit control systems are regular and documented. Make credit control a regular part of the week, rather than something only considered once non-payment has become a problem. A weekly review of outstanding invoices and standard reminder emails takes the emotion out of things. Your accounting software may be able to automate some parts of the process for you too.

## Conclusion

Businesses that take credit control seriously are less likely to face sudden cash crises. It is not about mistrusting customers, but rather helping ensure that the value you create for your customers is turned into cash in a timely and reliable way.

## We can help!

If you would like help reviewing your current credit control processes and understand what your debtor figures are telling you, or putting something more robust in place, please get in touch. We would be happy to help you!



## Nationwide Crackdown on Dodgy High Street Shops

**A** major police offensive was announced last week that will tackle dodgy shops linked to organised crime. Rogue high street businesses will face raids, closures and cash seizures.

New police officers are being recruited across the country in an initiative that aims to build intelligence and have more dedicated officers tackling organised crime on the ground. Training will help operatives to identify suspicious businesses.

The National Crime Agency estimates that some £12 billion of criminal cash is generated each year in the UK, with £1 billion laundered through high street businesses like mini-marts, barber shops, vape stores and sweet shops. Some businesses are also involved in selling fake goods, tax evasion, illegal working and illegal drug supply.

Trading Standards is also set to receive an additional £6 million to bolster its response to sham businesses.

A new High Street Organised Crime Unit involving government departments, policing partners and Trading Standards is being set up to help identify what else is needed.

Business leaders have welcomed the initiative. Association of Convenience Stores Chief Executive Ed Woodall said: “Local shops tell us that rogue traders on high streets are causing massive damage to their businesses and the wider community, so we strongly welcome this government action to back responsible retailers and crack down on the organised crime gangs that are fuelling illicit trade.”

## Fit Note System to be Overhauled

**T**he government has launched four new pilots as it looks for the best way to reform the fit note system for workers who fall ill.

The pilots will last up to a year and cover up to 100,000 appointments. A variety of methods are being explored so that the current fit note system will eventually be replaced by personalised ‘stay in work’ and ‘return to work’ plans.

According to published government information, only three out of ten Healthcare Professionals in Primary Care consider fit notes to be a good use of GPs time. Six in ten employers think the current process is ineffective at supporting their employees’ work and health needs.

During the pilots, patients will be offered either an initial fit note from a GP and then referred to community health workers or will instead be supported by a separate service staffed by clinical and non-clinical practitioners without an initial fit note from a GP.

A range of work and health support will be provided. This could include three-way conversations between patients, employers, and trained professionals that cover reasonable adjustments and keep people connected to their workplace.

The areas covered by the new pilots are Birmingham and Solihull, Coventry and Warwickshire, Cornwall and the Isles of Scilly, Lancashire and South Cumbria. Findings from the pilots will inform decisions and legislation for reforming the fit note system.



**BUSINESS**

# Pensions Commission Highlights Challenges in Retirement Saving

The Pensions Commission has published an interim report showing that many people are not saving enough for retirement.

The report estimates that 15 million people are under-saving for retirement and this could increase to 19 million if no action is taken.



Findings in the report include:

- Around half of low and middle-earners are only saving at minimum Automatic Enrolment levels with little else to fall back on.
- 45% of working-age adults are not saving into a pension at all.
- Statutory minimum contributions made by employers mainly benefit higher earners.
- Only one in 25 of wholly self-employed workers is saving for retirement. For younger self-employed people, it is even fewer.
- Based on current trends, around three in 10 private pension pots are accessed at the earliest opportunity, with half of all pots taken out in full. Nearly half of these are spent on things like a car, a holiday or renovations.

The Pension Commission is looking at why tomorrow's retirees risk being worse off than today's and will make recommendations on how to reverse this.



A final report will be published in early 2027. Baroness Jeannie Drake, Pensions Commissioner, said: "The recommendations we present in our final report will address the need to secure adequate income in later life and a pension system that is fit for decades to come."



### We can help!

If you would like help with your retirement savings plan, please feel free to get in touch anytime. We would be happy to help you!

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## Companies House Reviewing Company Records Retention Period

**C**ompanies House are currently reviewing how long they hold the records of dissolved companies. Concerns have been raised about whether records should be held for longer than 20 years.

Currently, Companies House keeps company records for as long as a company is active. Once a company is dissolved, the records are kept for 20 years. At that point, selected records are transferred to the appropriate Public Records Office. Unselected records are destroyed.

While the review is ongoing, Companies House has paused any destruction and transfer of records. If the review concludes that a change to the retention period is needed, a public consultation will be run to get views on any new proposals.

## Independent Review Commissioned on Face-to-face Banking Access

**A**n independent review will consider what needs to be done to protect access to face-to-face banking in the UK. The report's findings will influence government policy and actions where banking access is at risk.

Bank and building society closures continue to make news headlines and many businesses now choose to bank online. However, for businesses and consumers who rely on in-person banking services, the closures are creating some considerable headaches. The independent review will be headed up by Richard Lloyd, who has previously served as a Which? director and a board member of the Financial Conduct Authority. The review will gather evidence on the impact of branch closures, identify who is most affected and assess whether further action is needed to protect access. A report and recommendations are expected by October 2026.



## Government Commits to Self-driving Technology

**T**he government has announced it has signed a new partnership with Wayve, a British company that is developing self-driving vehicle technologies.

The partnership will focus on shared research that will support the ongoing development and deployment of automated vehicles. It is hoped that the partnership will act as a catalyst for new investment, skilled jobs and long-term growth across the UK car industry.

A Memorandum of Understanding sets out how the Department for Business and Trade and Wayve will collaborate on research helping to take self-driving vehicles from prototypes through to commercial reality.





## UK Unemployment Rises to 5% but Inflation Drops to 2.8%

BUSINESS

Official figures from the Office for National Statistics (ONS) show that the unemployment rate in the three months to March 2026 has risen to 5% from 4.9%. Combined with a drop in the number of job openings and slowing wage growth, the figures paint an uncertain picture for the labour market in the coming months.

Some analysts are suggesting that the figures are showing the effect of the Middle East war on the jobs market. The ONS also reported that inflation fell to 2.8% for the year to April. This compares to 3.3% in the year to March.

The drop is largely attributed to lower gas and electricity bills. Analysts still expect inflation to increase over coming months due to the conflict. Some estimates suggest that inflation could reach 4% by the end of the year.

Slowing wage growth and increasing unemployment usually create the expectation that the Bank of England will cut interest rates. However, with the jury still out on how the Middle East conflict will impact inflation this seems unlikely in the short term.

The Bank of England will next meet to decide on interest rates on 18 June 2026.

## Businesses Encouraged to Sign Up to Cyber Resilience Pledge

The government is encouraging businesses to boost their resilience and strengthen their cyber defences.

Developments in Artificial Intelligence (AI) are making it easier for cyber criminals to find vulnerabilities in IT systems and carry out attacks in ways that would not have been possible a year ago. Hostile cyber activity is growing more intense, frequent and sophisticated. Government figures suggest that 43% of UK businesses experienced a cyber breach or attack in the last year.

Cyber Security Minister Baroness Lloyd said that computer security is now fundamental to economic growth, job creation and the resilience of services that people rely on each day. She said, "As threats evolve, businesses of all sizes need to step up and take practical action now."

Businesses are being encouraged to sign up to a Cyber Resilience Pledge. The Pledge will launch later in 2026 and sets out three actions for businesses to take.

1. Make cybersecurity a board-level responsibility.
2. Sign up for the free Early Warning Service run by the National Cyber Security Centre (NCSC).
3. Require all businesses in their supply chain to have Cyber Essentials certification. Taking these actions will not guarantee protection from cyber attacks, but they can have a positive impact on a business's resilience.





Thank you for reading!

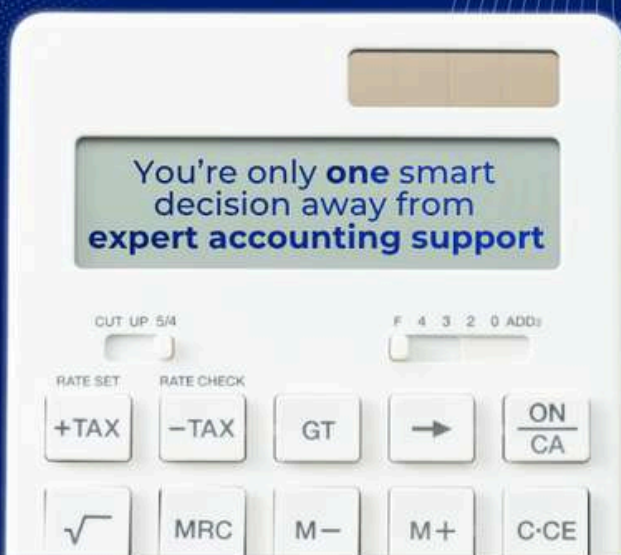
As always, if you have any questions about how these updates affect you or your business, please don't hesitate to get in touch with our team of experienced accountants and financial advisers.

**See you next month!**

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