

31 January 2022

BUSINESS NEWS NORTHERN IRELAND

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!

Personal tax planning ahead of April 2022

The costs of keeping the country running through covid were huge and inflation is expected to add to the country's debt. The Office for Budget Responsibility has indicated that the treasury will need to find £45bn in interest, before even thinking about paying off the debt itself. As taxpayers we will be providing the extra cash!



From April, the Chancellor is not directly increasing the rates of income tax we pay, he is freezing the thresholds at which basic and higher rates of income tax are paid from April 2022 to April 2026, effectively increasing the amount we actually pay as inflation pushes up earnings.

There will also be an additional 1.25% contribution added to both employee and employer National Insurance from April and a similar additional charge on dividends. This is referred to as the Health and Social Care Levy. From April 2023 it will be extended to employees above the state pension age.

The changes will not end there. The Treasury has issued a raft of consultations which could all mean extra costs.

There will be greater scrutiny if you are self-employed, or if you become a new landlord, with the onus on you to report your new venture even before it turns a taxable profit.

There could also be increasing pressure for ‘timely payment’ or in other words, collecting tax sooner. This is still just a consultation at this stage, but the government is understandably keen to raise funds quickly.

These changes mean that it will be more important than ever to ensure that you are not paying too much tax – and there are two key areas to look at:

Are you claiming all your allowances?

Tax is complicated, and we may tend to simply rely on HMRC to tell us what we owe them. The fact is that they are only human and HMRC does make mistakes. In particular, they may have forgotten an allowance or two, particularly if your income has fluctuated over the past few months.

It can be well worth looking at your tax return. If you do find errors, there is a relatively simple way to query them. HMRC has a well-developed and surprisingly efficient appeals system which you can find here: <https://www.gov.uk/tax-appeals/decision>

Can you reduce your tax liabilities?

If you find that your current assessment is right, it might be time to take a more proactive approach to reducing your tax.

It could be time to:

- Maximise your pension contributions to make full use of tax relief
- Get a detailed pension forecast – to see the effect changes will have
- Make full use of your ISA entitlements
- Look at your investment portfolio and (if practicable) ensure you take advantage of the full £12,300 CGT allowance before 5 April 2022
- For Shareholder/directors, consider the timing of bonuses and dividends to mitigate the planned 1.25% rate increase
- Look at Salary sacrifice arrangements which can be particularly effective in mitigating income tax and national insurance contributions

These steps are all entirely legitimate, but the rules and regulations are complicated. Getting expert help may be vital. Please contact us about planning for the April tax changes. We can provide a full tax review which will help identify the marginal tax traps waiting for you – and help you to avoid them.

Rising Caseloads, A Disrupted Recovery, and Higher Inflation

The International Monetary Fund (IMF) world economic outlook update for January 2022 shows us in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The

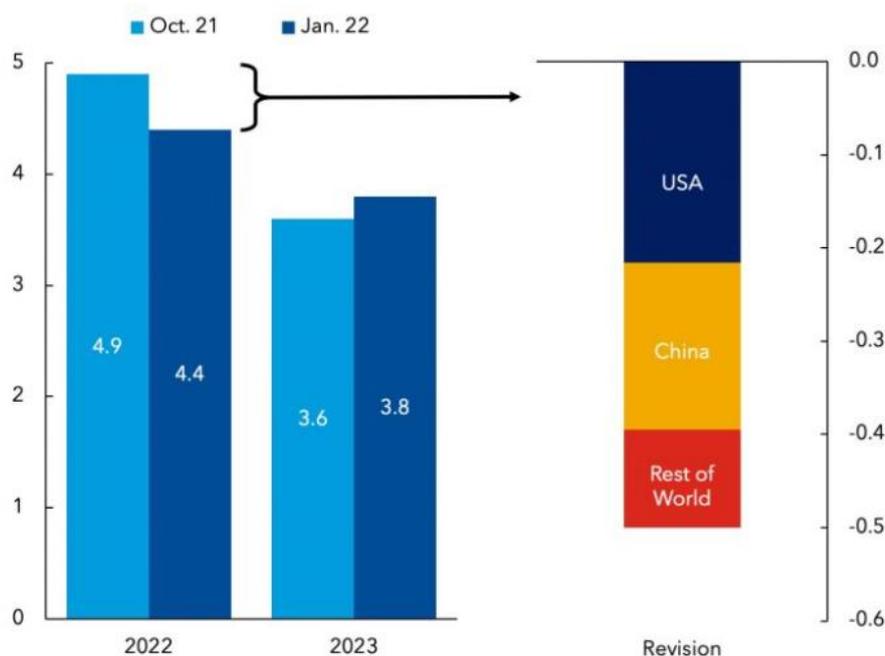
ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies of China and the United States.

Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide, and therapies become more effective.

A disrupted global recovery

Global real GDP growth has been revised down for 2022.
(percentage points)



Source: IMF, World Economic Outlook; and IMF staff calculations.
Note: Revision shows the difference between projections for 2022 global GDP growth in the Jan 2022 WEO Update and Oct 2021 WEO. The negative number indicates that growth has been revised down.



The UK economy will grow more slowly than expected this year as it recovers from the Covid pandemic, the IMF has said. The forecast for UK growth in 2022 has been cut to 4.7% from 5% in the IMF's latest world economic outlook. However, this will be the fastest in the G7 industrialised nations, as it was last year. It partly reflects a rebound from sharp falls the UK suffered during initial pandemic lockdowns two years ago.

Please talk to us about scenario planning and looking at a range of options – we have considerable experience in helping businesses plan ahead.

See: [A Disrupted Global Recovery – IMF Blog](#)

Mandatory digital waste tracking

The Department for Environment Food & Rural Affairs has revealed plans to transform the waste industry in the UK, making it easier to crack down on illegal exports and on waste crime.

The government is consulting on a digital waste tracking service.

The tracking service would make it mandatory for those handling waste to record information about what happens to it, from the point it is produced to the point it is reused, recycled, or disposed.

The consultation closes on 15 April 2022.

See: [Introduction of mandatory digital waste tracking - Defra - Citizen Space](#)

Health and safety Executive (HSE) urge businesses to ensure they have the right workplace facilities

HSE remind employers that they must provide the right facilities for everyone in their workplace, including people with disabilities.

You must have:

- welfare facilities – the right number of toilets and washbasins, drinking water and having somewhere to rest and eat meals
- a healthy working environment – a clean workplace with a reasonable working temperature, good ventilation, suitable lighting and the right amount of space and seating
- a safe workplace – well-maintained equipment, with no obstructions in floors and traffic routes, and windows that can be easily opened and cleaned

See: [Have the right workplace facilities - Overview - HSE](#)

COP President Alok Sharma outlines Presidency aims for the coming year

Mr Sharma's speech at Chatham House commented on the commitments made in Glasgow and urged world leaders to match the powerful rhetoric we heard with concrete action, honour the promises made in Glasgow and not to allow our success to wither on the vine.

He stated that unless the commitments made are turned into action this year, the chances of keeping global temperatures in check will be lost.

Mr Sharma outlined four key priorities for this year, the first of which involves getting countries to increase their actions on cutting carbon. He would be concentrating on getting the richer G20 group of nations to do more.

See: [COP President Alok Sharma outlines Presidency aims for the coming year - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/cop-president-alok-sharma-outlines-presidency-aims-for-the-coming-year)

Spherical Tokamak for Energy Production (STEP) closer to naming site of first fusion energy power plant

The UK Atomic Energy Authority (UKAEA) STEP programme will play a key role in fusion energy of the future and create thousands of highly skilled jobs. The location of the prototype fusion energy power plant is to be confirmed later this year; community engagement events will run until Feb 10.

Fusion energy is crucial in addressing climate change through a safe, efficient and low-carbon energy supply and residents and other local stakeholders from the shortlisted regions across the UK are invited to provide feedback on new proposals for a prototype fusion energy power plant, which may be built in their area. A series of virtual community forum events will take place online in each of the five selected regions from January 26 to February 10.

See: [STEP closer to naming site of first fusion energy power plant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/step-closer-to-naming-site-of-first-fusion-energy-power-plant)

Floating offshore wind fund announced

More than £31 million of UK government funding, matched by more than £30 million of industry funding for the development of innovative floating offshore wind technologies has been announced by the UK government.

Floating offshore wind projects will receive the public and private investment to develop new technologies that will enable turbines to be located in the windiest parts around the UK's coastline.

Research will focus on areas such as how turbines are moored to the seabed, undersea cabling and developing foundation solutions.

The UK government has announced 11 successful projects that will each be awarded up to £10 million as it puts forward a boost to the amount of clean renewable energy generated in the country. The aim is to drive green energy investment in specific parts of the country including in Aberdeen, Swansea and Yorkshire.

See: [£60 million boost for floating offshore wind - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/60-million-boost-for-floating-offshore-wind)

Northern Ireland Protocol and UK-EU relations: UK and EU joint statement

Foreign Secretary Liz Truss and European Commission Vice-President Maroš Šefčovič held talks on the Northern Ireland Protocol and UK-EU relations in Brussels on 24 January.

The statement states “the meeting took place in a constructive atmosphere with the aim to advance the talks. They agreed that officials would meet again this week, with the Principals

taking stock at political level next week. They also agreed that the EU-UK Joint Committee would meet in the course of February.

They reaffirmed their shared desire for a positive EU-UK relationship underpinned by our shared belief in freedom and democracy and cooperation on common global challenges.”

See: [Northern Ireland Protocol and UK-EU relations: UK and EU joint statement, 24 January - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/northern-ireland-protocol-and-uk-eu-relations-uk-and-eu-joint-statement-24-january-2022)

FAQs for businesses on current coronavirus regulations

Additional legal restrictions and guidance have been introduced in Northern Ireland to slow down the transmission of the COVID-19 Omicron variant.

Find a series of frequently asked questions and answers to help understand the latest regulations agreed by the Northern Ireland Executive on 20 January 2022.

See: [FAQs for businesses on current coronavirus regulations \(nibusinessinfo.co.uk\)](https://nibusinessinfo.co.uk/news/faq-coronavirus-regulations-northern-ireland)

Green Economy webinar for Armagh, Banbridge and Craigavon

The Green Economy Support Programme helps businesses in the Armagh City, Banbridge & Craigavon Borough Council area to reduce their carbon footprint and grasp opportunities from the emerging greener economy.

At the 'A Pathway To Net Zero Carbon' webinar, you will hear from industry experts who will profile the opportunities that exist in clean energy by encouraging innovation in renewable energy and low carbon technologies.

The webinar will look at the NI Energy Policy, Green Skills and the many funding opportunities available to local businesses to deliver on net zero carbon.

See: [ABC Green Economy Support Webinar](https://www.nibusinessinfo.co.uk/news/abc-green-economy-support-webinar)