



Welcome to our latest monthly newswire. We hope you enjoy reading this newsletter and find it useful. Please contact us if you wish to discuss any issues further.

November 2025

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## Government borrowing rises in September

### What it could mean for businesses ahead of the Budget

Official figures show that UK government borrowing reached £20.2 billion in September - the highest for the month in five years. The figures, released by the Office for National Statistics (ONS), underline the financial pressures facing the Chancellor as preparations continue for next month's Budget.

Borrowing, which measures the gap between government spending and income from taxes, was £1.6 billion higher than in September last year. The ONS said that although the government raised more through taxes and National Insurance, this was outweighed by higher spending, particularly on debt interest and inflation-linked costs.

### Implications for the upcoming Budget

Higher borrowing means there is less room to manoeuvre in November's budget. The rise in debt interest costs - nearly £10 billion in September alone - reduces the funds available for tax cuts or new spending commitments.

These figures are likely to make the Chancellor's job more difficult when setting out her Budget plans. The Office for Budget Responsibility will update its forecasts alongside the Budget, setting out how much "headroom" the Chancellor has under her own fiscal rules. Many expect that the chancellor will need to raise taxes to meet those rules.

Analysts at Capital Economics estimate that around £27 billion may need to be raised, with households expected to carry much of that burden.

### What might be in the Budget

Chancellor Rachel Reeves has been keen to emphasise that the government remains committed to manifesto promises not to raise the rates on income tax, VAT or National Insurance.

She has also made promises on taking "targeted action to deal with cost of living challenges" in the Budget. One idea suggests that the current 5% rate of VAT charged on energy could be reduced.

This suggests that any tax rises will at least be framed in such a way as to avoid the impression that people are receiving less in their pay packets.

Speculation around where tax rises could come from includes:

- Freezing tax thresholds. This is a stealthy way of bringing more people into higher rates of tax and increasing tax yield without being immediately felt by most.
- Cutting the employee rate of National Insurance, while adding the same amount to income tax. This would have a limited effect on those who are employed, but increase tax collected from pensioners, landlords and the self-employed.

- Reforming property taxes, such as replacing stamp duty with a property tax, making landlords pay more and removing principal private residence relief.
- Reducing the tax relief available on ISA and pension saving and the size of the tax-free lump sum that can be withdrawn.

### **Keep calm and carry on**

Inevitably, the period leading up to a Budget is marked by speculation. Any actual changes will be known only when the Budget is announced. In the meantime, the best approach is to stay informed and carry on with business as usual.

We will keep you updated following Budget day on the measures likely to affect you. If you would like personalised advice on your tax situation, please call us at any time. We would be happy to help you!

## **Digital ID to Become Mandatory for Right to Work Checks**

### **Consultation later this year**

The government has announced its plan to introduce a new digital ID scheme, which will become the standard way to complete Right to Work checks by the end of the current Parliament.

The digital ID will be available to all UK citizens and legal residents and will be stored securely on mobile phones in the same way as the NHS App or contactless payment methods.

The new system should make compliance simpler for employers carrying out Right to Work checks. Guidance will follow as the roll-out progresses, with a consultation later this year to help shape how the service will work.

The government has confirmed there will be options for people unable to use smartphones, and security will be built in through encryption and authentication technology.

For now, employers should watch for updates and prepare for digital checks becoming mandatory.

## **Minister urges businesses to take cyber security seriously**

### **Free tools to help businesses of all sizes**

The Security Minister, Dan Jarvis, has urged business leaders to act now to strengthen their cyber resilience, warning that cybercrime is one of the biggest threats facing the UK economy.

Speaking at the launch of the National Cyber Security Centre's (NCSC) 2025 Annual Review, he reminded businesses that cyber security is no longer just a technical issue - it's a board-level one.

### **A growing threat**

The numbers tell the story. The NCSC handled more than 200 serious cyber incidents in the past year - more than double the previous year. These are the types of incidents that can disrupt essential services, cause financial damage, or even threaten national security.

Big names like Marks & Spencer, The Co-op and Jaguar Land Rover have all faced attacks this year. But Jarvis was clear that businesses of all sizes can be affected by cyber-attacks.

## **Tools to help businesses**

The good news is that practical help is available. NCSC is expanding its support for businesses of all sizes.

- [Cyber Action Toolkit](#): Designed to help sole traders and small firms take their first steps in protecting their systems and data.
- [Cyber Essentials](#) certification: A recognised badge showing that a business is protected against common threats. For small organisations (under £20m turnover), full certification also includes automatic cyber liability insurance.
- [Early Warning service](#): Over 13,000 organisations now receive alerts about potential cyber-attacks, giving them valuable time to act.
- [Takedown Service](#): Has removed over 1.2 million phishing campaigns, with half taken down within an hour.

## **Why this matters for business owners**

For many businesses, cyber security is often treated as a low-priority issue until something goes wrong. Jarvis encouraged that this approach change. He said, “It’s not a case of if you will be the victim of a cyber-attack, it’s about being prepared for when it does happen.”

Beyond any immediate financial cost, reputational damage can last far longer. Customers, suppliers and investors increasingly want to know that the businesses they work with are taking security seriously.

## **It’s not just an IT issue**

Jarvis’s speech revealed that government ministers and security chiefs have written a letter to the CEOs of all companies in the FTSE 100 and FTSE 250, as well as a number of other leading UK firms.

The letter requests that these businesses make cyber risk a Board-level priority and sign up to NCSC’s Early Warning service.

Interestingly, the letter also requests that these companies require Cyber Essentials in their supply chain. This is because supply chain cyber-attacks are increasing, but it appears that only 14% of UK businesses assess the cyber risks posed by their immediate suppliers.

## **What to do next**

If your business hasn’t reviewed its cyber protections recently, now’s the time.

1. Start with the basics: Visit the NCSC website and make use of the [Cyber Action Toolkit](#).
2. Consider [Cyber Essentials](#) certification: In view of the direction being encouraged, you may find that your customers start to expect that you hold this certification. You could also consider whether requiring it of your suppliers would benefit you.

The message for business owners from the Minister’s speech is simple: act now, not later. Cyber security isn’t just an IT issue - it’s part of protecting your livelihood, your team and your reputation.

## Charity Commission Warns on Key Risks for Charities

### What should trustees be aware of?

A “Charity Sector Risk Assessment” recently published by the Charity Commission identifies some of the serious risks charities in England and Wales are facing.

The report draws on data from annual returns, serious incident reports and casework. It notes several pressures that are making it harder for many charities.

### What the risk assessment found

Some of the headline issues include:

- **Rising operating deficits:** In the 2023 Annual Return, 22.5% of charities reported a deficit (i.e. spending more than they bring in), up from 20% in 2022.
- **Increasing demands vs costs:** Many charities are seeing more demand for their services, while costs are rising and inflation is eating away at the value of their funding.
- **Use of reserves:** Having a deficit doesn't mean a charity is insolvent. However, many charities are relying on their reserves to cover the gap between income and expenditure. Overuse of reserves can quickly leave little safety net.
- **Risks to public trust:** Though relatively rare, misuse of charity property, unauthorised payments, false claims for Gift Aid, or setting up charities for private benefit were flagged as significant because of the damaging effect even isolated incidents can have on public trust.
- **Other concerns:** Governance, safeguarding, fraud, cyber threats, and external pressures such as geopolitical instability are also in the mix.

### What should trustees do?

The Charity Commission have included some guidance for trustees in the report. The importance of careful forecasting and planning and being able to respond quickly to any early warning signs, is emphasised.

The Charity Commission has a range of guidance to help trustees fulfil their responsibilities around financial stewardship, and it is planned to promote these further in a new awareness campaign this autumn.

To review the report in full, see [here](#). If you would like personalised assistance with your charity, please get in touch. We would be happy to help you!

## Preparing Your Business for Life Beyond You

### Five tips on how to help your business thrive when you step back

When Spotify's founder, Daniel Ek, announced he would step down as chief executive, it made headlines. After nearly 20 years running one of Europe's most successful tech companies, he's shifting into a chairman role and leaving day-to-day control to two long-serving deputies.

For most business owners, the sums and scale are very different - but the principle is the same. At some point, you may want (or need) to step back. Perhaps that's for retirement, maybe to focus on new opportunities, or simply to avoid burning out. The question is: how do you prepare your business to thrive without you in the driver's seat every day?

Here are some practical steps worth thinking about

### **1. Build a capable leadership team**

EK's handover wasn't sudden. His deputies have been running much of the business since 2023, which means staff and customers are already used to them leading.

For a smaller business, this might mean gradually giving key managers more responsibility. Let them make decisions, even if you'd sometimes do things differently. Better to iron out issues while you're still around than to hand over untested.

### **2. Separate ownership from management**

Many founders assume stepping back means selling up. Not necessarily. Ek is still chairman and still guiding long-term strategy, for the time being at least, but no longer managing the day-to-day functions.

As a business owner, you could consider keeping your shares and remaining involved at the board level, while hiring or promoting someone to run day-to-day operations. That way you benefit from the company's growth without being tied to the grind.

### **3. Get your systems in order**

The bigger the reliance on "what's in your head", the harder it will be for anyone else to run things. This isn't always easy to detect, particularly if you enjoy being in the middle of things.

You could ask yourself: how many decisions come my way during a typical day? Do all those decisions need my input? If some of the business processes were written down, could staff get things done without waiting?

Having up-to-date procedures, good accounting systems, and clear contracts with customers and suppliers can all help. The more clarity there is, the less your team has to guess.

### **4. Think about your own role differently**

Ek is shifting his focus to strategy, capital allocation and regulatory efforts - this long-term, strategic work is likely to be work that he is best placed to do. This is a useful way of thinking about your own role.

Ask yourself: what are the tasks that genuinely require you? And what could be delegated?

Freeing yourself from day-to-day firefighting gives you time to work on the bigger picture.

### **5. Plan the story you'll tell staff and customers**

Spotify's share price dipped when EK's decision was announced, a reminder that transitions can unsettle people. The same is true in smaller businesses - staff may worry about job security, and customers may have concerns about service quality.

Good communication can help. Explain the plan, show confidence in your team, and reassure people.

### **A final thought**

You don't need to be running a global giant to learn from this. Every founder has a choice to make about how long they stay hands-on. Planning your own "step back" early can help to make your business stronger, give you more options, and protect the value you've worked so hard to build.

If you would like tailored advice for your business situation, please get in touch. We would be happy to help you!