



**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.**

April 2026

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## **Is Your Business Ready for 2026/27?**

### **Stay ahead of three key changes**

With 6 April 2026, ushering in the start of the new tax year, there are some changes on the way that may affect how you run and plan your business. To help you stay ahead, we have highlighted three key updates worth having on your radar.

#### **Making Tax Digital**

For an estimated 864,000 sole traders and landlords, the new tax year marks the beginning of Making Tax Digital (MTD) for Income Tax. Many more will follow in April 2027 and April 2028.

Sole traders and landlords with gross income above £50,000 in 2024/25 are being mandated into MTD from April 2026. Being within MTD will mean keeping digital records and using software to submit quarterly updates to HM Revenue & Customs (HMRC), as well as an end-of-year tax return.

MTD will be a significant change in how income tax responsibilities are handled, and it pays to be as prepared as possible.

There are some limited exemptions available. Some are provided automatically, whereas others need to be applied for.

If you are within MTD from April 2026, you should have received a letter from HMRC telling you this and explaining how to sign up. Please note that you will not be automatically signed up. This is something you need to take care of.

If you are not sure what to do or whether MTD applies to you, please give us a call and we will be happy to help you.

#### **Reduction in capital allowances**

The main rate of writing-down allowance (WDA) is being reduced to 14% from 18%. This means you will get less relief on assets your business owns that are being given tax relief in this way.

However, a new 40% first-year allowance (FYA) was introduced in January 2026, and the annual investment allowance continues to apply. These allowances mean that it should be possible to gain favourable tax relief on many new asset purchases.

If you are considering a purchase and would like to ensure that tax relief will be available, please contact us and we will be happy to advise you.

#### **CIS rules become more stringent**

Changes to the construction industry scheme (CIS) from 6 April 2026 give HMRC increased powers.

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If a business knows or should have known that a CIS-related payment was connected to fraud, HMRC will be able to:

- Immediately remove gross payment status from the business.
- Make the business liable for the tax loss.
- Charge penalties to the business or the officers of the business.

The time limit for reapplying for a gross payment certificate after its removal will be increased from one year to five years.

These changes underscore the importance of remaining compliant with CIS.

If you would like help staying compliant with tax or to see whether there are ways to optimise your tax position for 2026/27, please get in touch. We would be happy to help you!

## **Boost in Grants for Installing EV Chargers**

### **Savings of up to £500 available**

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 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.

## **Employers: Are You Ready for a New Tax Year?**

### **Essential payroll tasks**

The end of the 2025/26 tax year will soon be here, which means a few additional tasks to carry out on your payroll, if you run one.

If you run a payroll, you will need to report information on the tax year that is ending to HM Revenue and Customs (HMRC). The tax year ends on 5 April 2026.

You will also need to prepare for the new tax year, which starts on 6 April.

HMRC provide the following handy list of tasks that need to be carried out and when.

- Send your final payroll report of the year on or before your employee's payday.

- Update employee payroll records and payroll software from 6 April.
- Give your employees a P60 by 31 May.
- Report employee expenses and benefits by 6 July.

If you would like help with any of these tasks, please do get in touch. We would be happy to help you!

## Health and Safety Campaign for Home Workers

### HSE reminds employers of their responsibilities

The Health and Safety Executive (HSE) has launched a campaign to remind employers that they have the same legal duties for home workers as office-based staff.

According to the latest figures from the Office for National Statistics (ONS), over a third of workers in Great Britain now work remotely or in hybrid arrangements, which makes this an important area for employers to cover.

The HSE campaign focuses on three essential areas for employers to pay attention to. These are:

- Stress and mental health.
- The safe use of display screen equipment (DSE).
- The working environment - including accidents, emergencies, and lone working.

HSE advise that it is not necessary to physically visit someone's home for an employer to fulfil their duties since, most of the time, the risks are low and the steps to manage them are straightforward. HSE suggests that managers:

- Keep in regular contact with their teams.
- Talk openly about workloads and training needs.
- Make sure people aren't under pressure to work outside their normal working hours.
- Have simple conversations about the staff member's physical environment by asking them to visually check that their equipment is safe and not damaged, keeping work areas clear of trailing wires or obstructions, and making sure they know what to do in an emergency.

The HSE provides free resources to help businesses carry out home-working risk assessments.

Businesses in Northern Ireland are overseen by Health and Safety Executive Northern Ireland (HSENI). HSE NI's website also provides [free resources](#) to help employers fulfil their legal obligations towards staff working at home.

## Government Responds to Late Payments Consultation

### First look at proposed changes to support businesses

The government has published its response to the late payments consultation that ran from July to October last year.

It is estimated that late payments cost the UK economy £11 billion every year, and most businesses are familiar with the pain of dealing with late payments.

Here we summarise the changes that the government intends to legislate for to help address the problems created by late payments.

## **Powers for the Small Business Commissioner**

The Small Business Commissioner will be given powers to:

- Investigate businesses suspected of poor payment practices or inaccurately reporting payment performance.
- Settle payment disputes outside of the court process.
- Fine businesses, including significant potential fines for large companies that persistently pay their suppliers late or fail to comply with late payment legislation.

## **Maximum payment terms and mandatory interest**

Other than for strictly limited exemptions, maximum payment terms of 60 days will be imposed.

A requirement will be introduced that all commercial contracts will contain a right to statutory interest at 8% above the Bank of England base rate.

## **Disputing invoices deadline**

A statutory time limit will be introduced for raising disputes and compensation required when deadlines are not met.

## **Scrutiny of payment practices**

Boards or audit committees of any persistently late-paying large company will need to publish a commentary on why payment performance is poor and what actions are being taken to improve this.

## **Construction retention payments**

The practice of deducting and withholding retention payments under construction contracts will be banned.

## **What happens next?**

The government have said that they intend to legislate these changes as soon as Parliamentary time allows.

In the meantime, take a look at our accompanying article that gives you three practical tips that can make a real difference to reducing late payments.

## **Three Practical Tips to Deal with Late Payments**

### **Minimise your stress when collecting payments**

If you run a small business, you will know that late payments can quickly turn from an irritation into a full-blown cash flow problem. The government's response to the recent late payments suggests that there will soon be additional legislation to help deal with the problem.

In the meantime, here are three practical steps you can take that can make a real difference.

#### **1. Make it easy and obvious for customers to pay**

Late payments from customers are not necessarily deliberate. At times, they are caused by confusion or missing information.

A few small tweaks can cut down on a surprising number of overdue invoices. For example:

- Put your bank details on every invoice and make them large enough to spot at a glance.
- Add a clear “Payment due by [date]” line in the top section of the invoice.
- Offer more than one payment method if possible.
- Send the invoice on the same day the work is completed. When a job has gone well and the customer is pleased, payment may be more rapid.

## **2. Set expectations early and repeat them often**

Embed payment terms into your communications with the customer throughout the work you are doing for them. For instance:

- Before you start work, confirm the price and payment terms in writing.
- Reconfirm those terms on the quote, on the invoice, and in the first reminder.

If you need deposits or staged payments, say so upfront. Many customers will take this well when it is framed as a normal part of your process. For example, you might say: “We take a 25% deposit to secure the work, with the balance due within 14 days of invoice.”

## **3. Be polite but firm when chasing, and follow a set routine**

Chasing overdue invoices feels awkward, so it can be tempting to leave it in the hope that the customer will pay before you have to say anything. However, that can mean leaving it too long.

A routine takes the emotion out and keeps things consistent. For instance, you might try:

- Day 1 after the due date has passed - Send a friendly reminder to check that the invoice has not been missed.
- Day 7 - Be firmer, include the invoice again and ask for a specific payment date.
- Day 14 - Let the customer know that late payment interest may be charged under the Late Payment of Commercial Debts Act. You do not need to actually apply the interest unless it is appropriate.

Some customers will still be slow, whatever you do, but many will respond well when you keep things polite, clear and businesslike.

## **In conclusion**

In practice, managing late payments is mostly about consistency and having a simple system that you stick to.

If you would like a hand setting up reminders in your accounting software or working out a set of payment terms that are fair and easy to communicate, please just let us know. We can look at what you are doing now, suggest a few practical adjustments and help you put something in place that’s straightforward for you and clear for your customers.