



Navigating the latest Budget – A survival guide for Small Businesses

Jo Tomlinson BA(hons) ACMA

MD Business Works UK LTD

jo@businessworksuk.co.uk

www.businessworksuk.co.uk



After 20 years in Industry analysing company data to support commercial business decisions, I founded Business Works with a vision to offer real-world solutions to businesses.

We have grown into a trusted partner for companies seeking a better understanding of their numbers, great customer service, and business growth.

With a team of 12, we are large enough to provide all the finance support SME business owners need, plus the value-added services that help them to flourish and grow.

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••• The Budget 2024 changes that impact profit

- National Minimum Wage changes
- The rate on Employers National Insurance
- The threshold over which Employers National Insurance is charged
- The Employment Allowance



Assess the impact on your numbers



National Minimum Wage

- Legal impact
 - Age
 - Hourly rate
- Impact on other employees



Assess the impact on your numbers



National Insurance rate change

- Increase in the rate paid by employers from 13.8% to 15%

Lower threshold

- Employers National Insurance is paid by employers on any earnings over the lower earnings threshold
- Reduced from £9,100 p.a. to £5,000 p.a.



Assess the impact on your numbers



Employment Allowance

- Increased from £5,000 p.a. to £10,500 p.a.
- Per payroll, but you can only have it on one payroll if you own two companies
- Start paying per employers' national insurance once this allowance has been fully utilized in each tax year



Assess the impact on your numbers



Calculations

1. Likely employees from April 2025 onwards
2. Any changes in Min wage required due to change in rates or birthdays
3. Any other wage changes driven by min wage
4. Increased national insurance due to increased rate
5. Increased national insurance due to reduced threshold
6. Total employers' national insurance liability for the year, less the new employment allowance.
7. Net impact of changes

Example

Employee on minimum wage, full time and over 21 years old

	24/25	25/26	Diff	
Hours per week	40	40		
Hourly Rate	£ 11.44	£ 12.21	£ 0.77	7%
Weeks per year	52	52		
Weekly pay	£ 457.60	£ 488.40	£ 30.80	
Annual Pay	£ 23,795.20	£ 25,396.80	£ 1,601.60	
Monthly Pay	£ 1,982.93	£ 2,116.40	£ 133.47	

Example

Employee on minimum wage, full time and over 21 years old

Employers National Insurance

	24/25	25/26	Diff
Threshold	£9,100.00	£5,000.00	-£4,100.00
Rate	13.8%	15.0%	1.2%
Taxable for NI	£14,695.20	£20,396.80	£5,701.60
Employers NI	£ 2,027.94	£ 3,059.52	£1,031.58

Example

Multiple employees on minimum wage, full time and over 21 years old

Employment Allowance – only available for payrolls with at least 2 employees

No. of employees	24/25	25/26
1	£ 2,027.94	£ 3,059.52
2	£ 4,055.88	£ 6,119.04
3	£ 6,083.81	£ 9,178.56
4	£ 8,111.75	£ 12,238.08
5	£ 10,139.69	£ 15,297.60

Employment Allowance

£ 5,000.00	£ 10,500.00
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Assess the impact on your numbers



The budget changes will impact most businesses


What other cost increases are you likely to see?

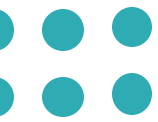
What are your options?





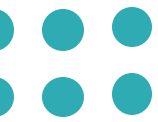
Increase Prices

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1. Routine price increases
 2. Analyse your profitability by product or service
 - I. Assess Direct Costs
 - II. Consider indirect costs
 3. Market Research
 4. Pricing Strategies



Pricing Strategies

1. Don't undervalue yourself, your products, your services
2. Understand why your clients/customers buy from you
 - I. Use this in Marketing
 - II. Talk about it before you give the price
3. Understand why you shouldn't win every customer on price
4. Upselling
 - I. Promotions
 - II. Bundles
 - III. Mid tier pricing
5. Extra Works Orders




Review Costs

Can we reduce costs without our customers noticing??

- Quality of materials
- Speed, reliability of supply
- Level of services
- Size of product or scope of service to meet the price point
- Bulk buying
- Make v Buy



Review Costs



Outsourcing – **Only do, what only you can do**

- Virtual Assistant
- IT Support
- Credit control
- Bookkeeping
- Hire temp staff during busy times



Review Costs



Check for unnecessary payments

- Check autorenewals
- Online subscriptions
- Things you don't use



Review Costs



Premises

- Size
- Location
- Lease v buy
- Sub let
- Work from home



Review Costs



People costs

- Review the current team
- Can tasks be automated/made more efficient/outsourced
- Payrises??? Bonus?
- Unnecessary benefits



Review Costs




Entertaining - Gifting

- Entertaining
 - Staff
 - Clients
 - Potential Clients
- Gifting
 - Corporate
 - Staff
- Charitable Donations



Explore new opportunities

- 
- New Routes to Market
 - New Markets
 - New products or services
 - Increase frequency – repeat purchase
 - Promotions
 - Refer a friend scheme
 - Loyalty scheme
 - Reviews – build trust



Planning for Success



For each change proposed

- What is the impact on
 - Revenue/Sales
 - Costs
 - Any upfront costs as well as ongoing costs
- Any risks associated
- Can you trail the strategy first
- Impact on cashflow including timing
 - Any additional funding required



One to One support



Limited number of hours available

Other webinars

Pricing for Profit

10 am

Thursday 16th Jan



Other webinars

Bookkeeping for Business Owners

10 am

Tuesday 22nd Jan



Other webinars

Owning a Business – what are my responsibilities

10 am

Thursday 30th Jan



Other webinars

Financial Management – Know your Numbers

10 am

Tuesday 4th Feb



Thank

You



Joseph.midgley@ynygrowthhub.com
www.ynygrowthhub.com