



# NEWS ROUND-UP

N O V E M B E R 2 0 2 3



## UK ECONOMY RECOVERY SLOWS IN AUGUST

**Britain's economy partially recovered in August, with a marginal growth of 0.2% following a sharp fall in July.**

This slow growth has fuelled expectations that the Bank of England's (BoE) Monetary Policy Committee will vote to maintain its base interest rate at 5.25% next month.

The BoE halted its run of interest rate increases in September following signs of a slowdown.

Earlier this week, the International Monetary Fund predicted that Britain would be the slowest-growing G7 nation in 2024.

While the UK is not currently in recession, weak growth has been a concern, and the economy is likely to be a key issue in next year's election.

The Office for National Statistics said the economy needed to grow 0.2% in September to avoid reducing in the third quarter of 2023.

Commenting on August's GDP figures, David Bharier, head of research at the British Chambers of Commerce, said:

"The UK economy is holding up but remains in a precarious state.

"Our research is clear about the issues UK firms are facing – three years of economic shocks, high inflation and interest rates, skills shortages, and trade barriers with the European Union."

 **Get in touch about your finances**

## INSOLVENCY UP BY 16.5% COMPARED TO LAST YEAR

**The number of company insolvencies in September 2023 was 16.5% higher than the same month last year, according to official data published in October by the Insolvency Service.**

Corporate insolvencies decreased to a total of 1,967 compared to August's total of 2,319, but compared to September 2022's figure of 1,688, they increased by 16.5%.

Nicky Fisher, president of R3, the UK's insolvency and restructuring trade body, commented on the [corporate insolvency statistics](#):

"September 2023's corporate insolvency figures are the highest we've seen for this month in four years as a combination of economic issues, director fatigue, and

the post-COVID insolvency lag which has seen more firms turn to corporate insolvency processes to resolve their financial issues.

"It's clear that the challenging trading climate is taking its toll on businesses. Firms are operating in a climate where people are cutting back their spending on non-essential items, while at the same time the costs of operating a business remain high – and will only increase as the weather gets colder and the cost of borrowing and servicing existing debts get more expensive.

"Our message to company directors is simple: if you're worried about your business, seek advice."



**Talk to us about your business**



# INDUSTRY BACKLASH AT HS2 U-TURN

**Leading business organisations have criticised the Government’s decision to scrap the northern leg of HS2, despite its promises to divert £36 billion into new transport in the Midlands and north of England.**

High-Speed Rail Group, which represents rail and engineering firms, described the move as the “biggest and most damaging U-turn in the history of UK infrastructure”.



The replacement scheme, “Network North”, includes schemes already in progress or where funding was expected, alongside previously paused or cancelled projects.

Prime Minister Rishi Sunak said the “facts have changed”, and it was time to ditch the high-speed rail project between Birmingham and Manchester in the face of increasing costs.

He confirmed that, contrary to some ongoing fears, the HS2 line would still continue into central London, ending at a scaled-down Euston station.

As part of the plan, £9.6bn would be reinvested into the Midlands, including a rail hub for the region, and an additional £1bn for the West Midlands city region, whose Conservative mayor Andy Street had earlier indicated he was considering leaving the party if HS2 was scrapped.

The £19.8bn from scrapping HS2’s second phase would be spent on electrifying rail lines, with £2bn going to Bradford and £2.5bn for West Yorkshire, including the tram in Leeds.

Commenting on the decision, Chris Fletcher, greater Manchester chamber director of policy at the British Chambers of Commerce, said:

“Whilst this may sound like a better use of the money with new lines promised, we are still no nearer getting the transport network that we actually needed years ago to unlock the north’s potential.

“HS2 was a major investment opportunity for the UK that would unburden a worn-out network already at over capacity; boost the country’s net zero ambitions and open up labour markets and job opportunities on a scale like never before.

Plus, it was also a cornerstone of Northern Powerhouse Rail. Network North has to deliver all this, and more and in a shorter timescale.”

 **Talk to us about these changes**

## TREASURY TASK FORCE DETAILS CARBON REPORTING RULES

**A Treasury task force explained on the 9 October how listed companies and financial firms will have to outline plans to cut carbon emissions in the transition to a 2050 net-zero economy.**

The plans dovetail with pre-existing mandatory climate standards, which are set to be replaced by new measures from the International Sustainability Standards Board (ISSB).

The blueprint by the [Transition Plan Taskforce \(TPT\)](#) builds on the ISSB's plans and draws on work by the Glasgow Financial Alliance for Net Zero.

Listed companies and financial institutions will be expected to use the framework to disclose their transition plans for 2025 and onwards, which means the first reporting deadline will be in 2026.

Joanna Penn, a junior Treasury minister in Parliament's upper house, said making transition plans mandatory is an essential part of Britain's plans to become the world's first net zero financial centre:

"The transparency and accountability offered by transition plans are vital to the fundamental shift in business and finance required for the economy-wide transition to net zero and a climate-resilient future."

Michael Izza, chief executive of the Institute of Chartered Accountants in England and Wales (ICAEW), also praised the framework, saying:

"For the first time there is a definitive guide and insight into the risks and opportunities that surround the development and implementation of a climate transition plan."

Amanda Blanc, group CEO of insurer Aviva and co-chair of the taskforce, said in a statement: "Backing up net zero ambitions with high quality and clear transition plans is crucial if we are to collectively deliver net zero."



The net zero strategy builds on the Government's ['ten-point plan for a green industrial revolution'](#) published 18 November 2020. It set out policies and proposals for decarbonising all sectors of the UK economy to meet the Government's net zero target by 2050.

The Government stated net zero means "any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage."



**Contact us to learn more**

## WANT TO TALK TO AN EXPERT?

If you've found the topics covered in this report to be of interest or would like to delve deeper into any of them, we welcome the opportunity to engage in a more detailed discussion with you. Our team of experts is always keen to share insights, and we're confident that a conversation with us can provide valuable perspective.

We are also well-positioned to update you on the latest trends, opportunities, and challenges in the business world. As we all know, staying ahead of the curve is vital in today's fast-paced business landscape, and we are here to help you navigate it successfully.

If you're considering getting extra support, we invite you to explore the comprehensive solutions we offer.

To schedule a meeting or to get more information, please don't hesitate to contact us.

 **Get in touch with our accounting team**

