NEWS ROUND-UP

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DOUBLE-CAB PICKUPS TO BE CLASSED AS CARS UNDER NEW HMRC POLICY

HMRC has confirmed that double-cab pickups will be taxed as cars from April 2025, following the latest Budget announcement.

This change, outlined in the Budget Red Book, reverses earlier decisions that caused uncertainty over the taxation of these vehicles.

Previously, HMRC had briefly classified double-cab pickups as cars in early 2024, only to revert to van status a week later. The reclassification now stems from the 2020 Court of Appeal case, Payne & Ors (Coca-Cola) vs R & C Commrs, which questioned the tax treatment of vehicles with a payload of one tonne or more.

Under the new rules, double-cab pickups will be treated as cars for corporation tax from 1 April 2025 and for income tax from 6 April 2025. The change will affect capital allowances, benefits in kind and certain business deductions. However, transitional arrangements will allow employers who purchase, lease or order these vehicles before the cut-off date to continue benefiting from the previous tax treatment until 2029.

HMRC has indicated that this ruling is aimed at ensuring consistency in tax treatment across similar vehicles.

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TUITION FEES SET TO RISE FOR FIRST TIME IN EIGHT YEARS

The Education Secretary, Bridget Phillipson, has announced an increase in tuition fees from £9,250 to £9,535 per year starting in September 2025.

This is the first fee increase in eight years, with further plans aiming to exceed £10,000 by the 2029/30 academic year. Phillipson outlined the rise as part of a strategy to support universities' financial stability and deliver "better value for money" for students and taxpayers.

The announcement was controversial, as details were leaked before being presented to Parliament, prompting Speaker Lindsay Hoyle to demand an inquiry into the source of the leak. Hoyle criticised the leak, calling for transparency and urging Phillipson to update the House on the investigation.

Phillipson expressed "deep regret" over the leak, adding that the decision reflects Labour's commitment to "breaking down barriers to opportunity" through a sustainable higher-education system.

Keir Starmer had promised to abolish tuition fees in 2020 when running for leader of the Labour Party — a pledge later abandoned, leaving many students feeling disillusioned.

Maintenance loans will also rise by 3.1%, increasing support for lower-income students. Additionally, fees for classroom-based access courses will be reduced to £5,760, supporting alternative pathways to higher education.

The increase, while controversial, means tuition fees remain lower in real terms than they were eight years ago, especially given rising inflation and the growing costs of delivering higher education.

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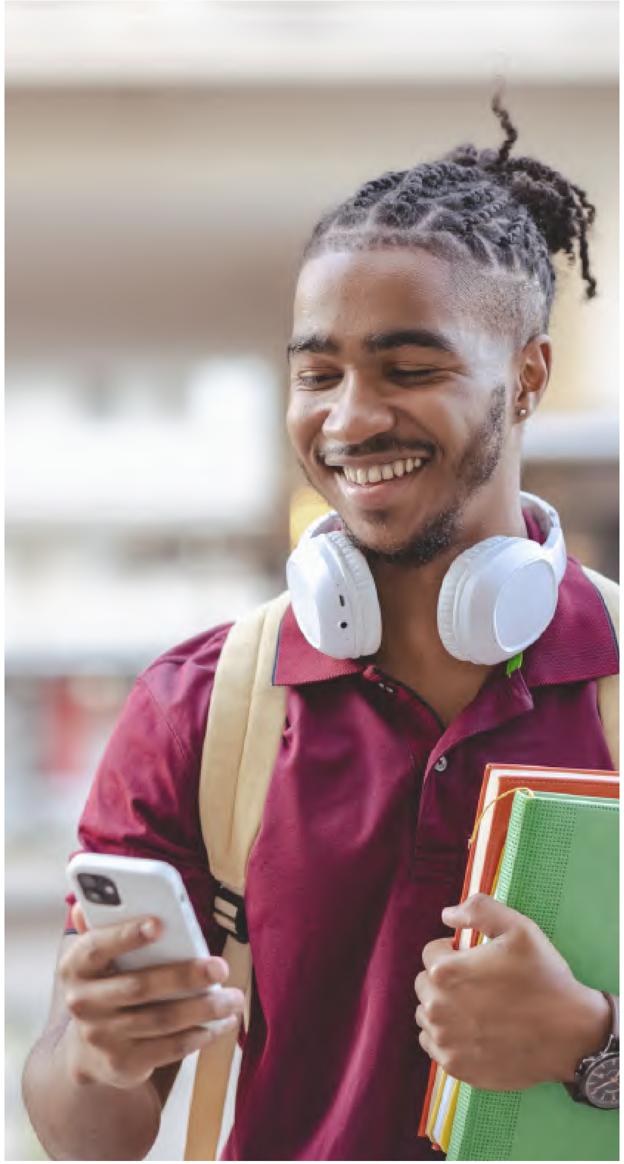

GOVERNMENT CHAMPIONS HEALTH BENEFITS OF WORK IN NEW INITIATIVE

The WorkWell programme aims to support health through work.

On 6 November 2024, the Secretaries of Work and Pensions, Liz Kendall, and Health, Wes Streeting, visited North Central London's WorkWell programme. They highlighted the importance of good health in fostering a productive workforce.

The WorkWell initiative, part of the government's broader "Get Britain Working" strategy, seeks to reduce long-term sickness absences by providing targeted support, such as physiotherapy and counselling, to keep people in work.

The WorkWell programme, launched with £64m of funding, is projected to assist 56,000 people across 15 pilot sites by 2026. In North Central London, the service has received 60 referrals.

It offers assistance for workplace health challenges and helps unemployed individuals with CV and interview advice. It aims to support 3,000 participants locally over the next 18 months.

With nearly 2.8 million people unable to work due to long-term health issues, Kendall stated: "Good work is good for health and good for our economy too. Our WorkWell programme provides practical help and support to employers and employees, because we know a healthy nation and a healthy economy are two sides of the same coin."

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BANK OF ENGLAND CUTS INTEREST RATES TO 4.75%

Monetary Policy Committee (MPC) reduces rates amid signs of easing inflation. This cut follows a previous hold, with the MPC voting to decrease rates from 5% to 4.75%.

The Bank of England (BoE) has reduced interest rates to 4.75%, marking the lowest level since June 2023. One MPC member preferred to maintain the rate at 5%.

The decision comes as inflation fell to 1.7% in September, slipping below the BoE's target of 2% for the first time in over three years. However, inflation is forecast to increase to approximately 2.5% by the year's end, with expected changes in energy prices impacting annual figures.

The MPC's decision reflects a continued decline in inflationary pressures, particularly as global shocks have subsided, though domestic pressures remain. According to the committee, the reduction aligns with the need to balance these risks while supporting economic resilience.

The BoE said: "The best contribution the bank can make to support economic growth and people's prosperity is to make sure we have low and stable inflation.

If inflation remains close to the target, we expect to reduce interest rates further. But there is a risk that inflation could be higher than expected. Despite overall inflation being at target, prices of some services are still rising too quickly. We need to be careful not to cut rates too much or too quickly, so that inflation remains low and stable for years to come."

Talk to us about your finances.

WANT TO TALK TO AN EXPERT?

If you've found the topics covered in this report to be of interest or you 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're 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.

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