



Newsletter 25/8/26

A large, dark purple-tinted image of an office interior. In the background, several people are visible, some standing and some sitting at desks, working. The image is semi-transparent, allowing the text to be clearly visible over it.

WELCOME

TO THIS WEEKS NEWSLETTER

This is our round up of the latest business news for our clients.
Please contact us if you want to talk about how these updates
affect your business. We are here to support you!

[contact us](#)



Free ICO training helps SMEs strengthen data protection

The Information Commissioner's Office (ICO), the UK's data protection regulator, has launched a free online training programme called 'Data Protection Essentials', aimed at small and medium-sized organisations and sole traders across the UK.

The course is designed to help organisations and their staff understand data protection requirements and apply them confidently in day-to-day operations. It includes real-world examples tailored to different sectors and addresses common activities such as sharing information, managing records securely, marketing and customer engagement, and reducing the risk of data breaches.

According to the regulator, the programme was developed in response to research showing many smaller organisations want more clarity on what data protection means in practice and how to apply it day-to-day, especially where there's no dedicated data protection expertise.

Key benefits for businesses taking part include:

- Improving how they manage and protect people's information.
- Using personal data confidently while reducing risk.
- Involving colleagues to build shared knowledge across the organisation.
- Understanding legal responsibilities more clearly.
- Demonstrating a commitment to protecting personal information and building trust.

Individuals completing the training receive a digital certificate that they can share publicly. Organisations can also undertake a short self-assessment and once completed, also earn a certificate and the option to be listed on a public Data Protection Essentials register.

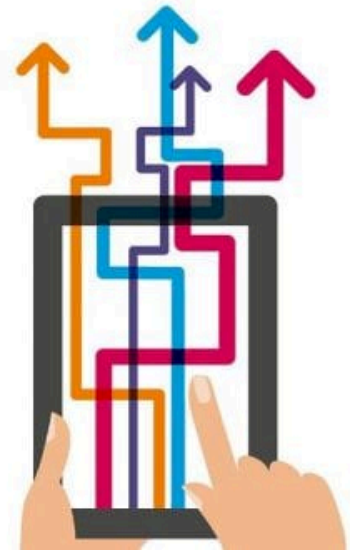
Faye Spencer, the ICO's Head of Business Services, said the programme was designed "to be flexible, self-paced and easy to fit around busy working days. It breaks data protection

into achievable steps that help build confidence over time. Our aim is to give organisations the confidence to use personal information responsibly and effectively, helping them build trust, reduce risk and achieve their goals”.

If your business handles personal data but does not have dedicated compliance expertise, this free training could be a cost-effective way to improve staff awareness and reduce risk. The ICO’s Data Protection Essentials page can be found [here](#).



MAKING TAX DIGITAL



Making Tax Digital for Income Tax first quarter statistics published

Under Making Tax Digital (MTD) for Income Tax, sole traders and landlords with income of more than £50,000 have been required to keep digital records and send quarterly updates to HMRC since 6 April 2026.

The first quarterly submission deadline, covering the first three months of the 2026-27 tax year, passed on 7 August 2026. HMRC have since issued a press release confirming that 436,000 taxpayers filed their first quarterly tax update by the deadline and reminding those who have not submitted their update to do so using HMRC-recognised software.

Slow uptake

HMRC’s press release reveals that as of 12 August 2026, over 570,000 taxpayers had signed up for MTD for Income Tax.

In August 2025, based on 2023-24 figures, HMRC estimated that some 864,000 taxpayers would need to sign up from April 2026, meaning that around one third of taxpayers who should have registered for MTD for Income Tax from April 2026 had not signed up.

HMRC’s response

From September, HMRC will sign up taxpayers who are required to use MTD for Income Tax for 2026-27, but who have not yet registered for the service themselves.

- Taxpayers can avoid being signed up by HMRC by signing themselves up now, ensuring their MTD details are correct at the outset.

- HMRC will publish guidance in late August to explain what taxpayers need to do if they receive a letter from HMRC about being signed up.

MTD for Income Tax should not be ignored, with HMRC reminding taxpayers that it is a legal requirement for sole traders and landlords earning more than £50,000 from self-employment and property to comply, unless exempt (e.g. due to digital exclusion).

Taxpayers are also reminded that from April 2027, those earning more than £30,000 from self-employment and property will be required to comply.

Penalties

While HMRC have confirmed that there will be no penalty points for late quarterly updates in 2026-27, penalties will still apply for late tax returns and late payments.

Quarterly updates do not replace the Self Assessment tax return. Those within scope of MTD for Income Tax must submit their quarterly updates in order to file their tax returns by 31 January.

A points-based penalty system will be introduced from 6 April 2027. Taxpayers will receive one point for each missed quarterly deadline and a £200 fixed penalty once four points have accumulated.

If you have not yet registered for MTD for Income Tax and are concerned that it may apply to you, contact us as soon as possible so we can help you assess your obligations.

See [436,000 sole traders and landlords make their tax digital - GOV.UK](#)



UK vacancies fall to lowest level since 2014 as hiring slows

The National Cyber Security Centre (NCSC) have new response and recovery guidance that can provide a framework for dealing with a highly disruptive cyber incident and its aftermath.

Anyone who had structure.

- Secure the services of an NCSC-assured cyber incident response (CIT) provider.
- Decide whether to disconnect or shut down systems.
- Incident ority. The guidance sets out what this can look like.

Rebuild

As a business moves beyond crisis response and business gets back to normal, the rebuild phase is about strengthening the business so it is better prepared for the future.

Because cyber incidents can place heavy demands on people, it is also important to provide the staff involved with time and support so that they can recover.

The guidance provides ideas on what business leaders can do and the areas that may need attention.

To review the guidance in full, see: <https://www.ncsc.gov.uk/collection/what-to-do-when-cyber-attacks-disrupt-your-organisation/recovering>



What should your employment law reform priorities be?

Acas's Julie Dennis has set out how HR teams should approach the Employment Rights Act 2025, one of the most significant changes to UK employment law in recent years, which became law on 18 December 2025 and is being phased in through 2026–2027.

Several changes are already in force, including:

- Statutory sick pay from day one (with the lower earnings limit removed).
- Day-one paternity and unpaid parental leave rights.
- A new bereaved partner's paternity leave.
- Stronger whistleblowing protection for those reporting sexual harassment.

For these changes, employers should have already reviewed related policies, payroll, and manager guidance, and communicated with staff. It is important to be clear that day-one leave rights don't always mean day-one pay rights.

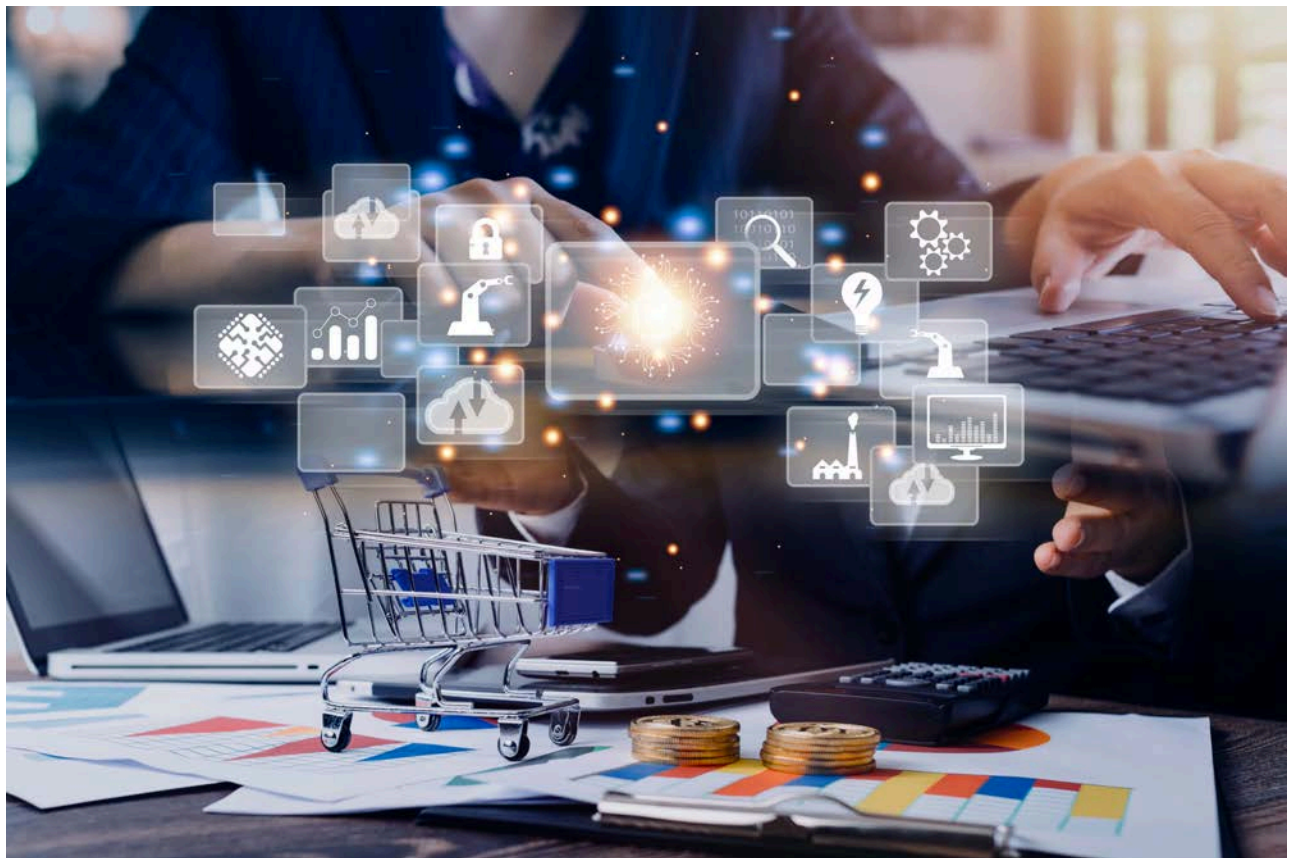
Further reforms are still to come, covering unfair dismissal, harassment, flexible working, and zero-hours contracts, meaning businesses need a staged plan rather than treating this as a single change with one start date. This should not be a single compliance project; regular policy reviews will be essential, and businesses should not wait for the remaining reforms to take effect.

The compliance environment is also tightening. The new Fair Work Agency will consolidate enforcement powers, and employers must keep compliance records for six years, including holiday pay and annual leave records.

Acas recommends businesses:

1. Know the timeline: separate what has already changed from what is expected later.
2. Prioritise policy and contract review, especially sickness, family leave, flexible working, harassment, dismissal and records.
3. Train line managers. They need to understand the processes they are expected to follow and feel confident having early, fair and consistent conversations.
4. Strengthen compliance systems. Review how decisions are recorded, how evidence is kept and how employees are told about their rights.

Acas points readers to its dedicated [Employment Rights Act 2025 hub](#) and a [free recorded webinar](#) for further detail.



Cost of business crisis for British SMEs

UK businesses are facing a “cost of business crisis”, according to the British Chambers of Commerce (BCC). Its new cost-stack calculator shows government policy alone has pushed up an average firm's expenses by 70% over the past decade, adding roughly £827,000 a year in costs for a typical mid-sized business. About a quarter of the rise stems from the increase in employer National Insurance contributions, with the higher minimum wage and mandatory pension auto-enrolment also major contributors.

The BCC warns this cost burden is pushing firms into a “risk-aversion cycle”, denting SME investment and confidence. The 70% figure excludes tariffs, inflation, and Brexit effects, meaning real cost increases are likely higher.

While businesses cannot control policy costs, they can review pricing, supplier contracts and operating efficiencies. Benchmarking your position against similar businesses may also help identify where cost increases can be recovered or reduced.

You can use the BCC's cost-stack calculator to see how your business compares and submit your figures anonymously to help demonstrate the true scale of cost pressures facing British businesses.

Contact us if you would like assistance with cashflow forecasting, margin and pricing review or client profitability analysis.

See [Government policies push business costs up by 70 per cent in a decade](#) and [Cost Stack Calculator - British Chambers of Commerce](#)



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