

“Red tape and higher taxes will cost firms billions”

Just when it was impossible to believe that things could get much worse, along came a veritable avalanche of red tape and increased taxes likely to add billions to struggling businesses.

Despite some of the toughest trading conditions experienced in decades, the government has steamed full ahead with such changes that are likely to threaten jobs and push more and more businesses to the brink of bankruptcy.

The changes include an increase in business rates and the extension of family-friendly working hours to some 4.5million workers who have children under 16.

“Despite calls to freeze the rise, businesses have now been hit with a rates rise of 5 per cent pegged to the retail price index figure from September last year. The government has also dismissed pleas to delay the extension of the right to request family-friendly hours which could lead to thousands of applications. In reality the additional cost to businesses is likely to be some £4.4 billion with a bill to the taxpayer of some £183 million. The self-employed will certainly not be immune having been hit with a 4 per cent increase in their National Insurance contributions. It would appear that the government is wholly focused on attempting to fill the ever expanding black hole in its finances whatever the cost, said Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons.