Grant Thornton UK’s 2014 Budget wishlist

Ahead of next week’s Budget, leading business and financial adviser Grant Thornton UK LLP recommends four key measures to ensure the continued growth of the UK’s mid-sized businesses (MSBs) which – as the firm revealed in its ‘Agents for growth’ report – are strongly outperforming smaller and larger companies and driving our economic growth.

With total turnover of mid-sized companies up 7.5% last year to £712 billion, compared to 6.5% and 0.8% for large and small businesses respectively, it’s important that the Chancellor addresses the key challenges of the battle for talent, international expansion, access to finance and the regulatory environment to improve the growth prospects of this segment, and all other companies across the country.
Andrew Westhead, partner in tax at Grant Thornton in the North East, comments on the firm’s recommendations for this year’s Budget:

**Battle for talent**

“As the economy starts to motor and the labour market becomes more competitive, finding, retaining and growing talent becomes increasingly important. To help businesses with this challenge we recommend the Chancellor provides an NIC exemption for employers and employees for the duration of an apprenticeship to further encourage businesses to invest in equipping people with the right skills for today’s market.”

**International expansion**

“If UK businesses are going to become less reliant on the EU as an export market and capitalise on the emerging BRIC and MINT economies, legislation and regulation need to be addressed. To encourage growth, we’d like to see an export tax credit introduced together with the mentoring of businesses looking to export into new markets.”

**Access to finance**

“Traditionally, UK businesses are typically conservative in their strategies for financing growth. Improving credit flow to encourage businesses to invest and expand is crucial to securing our economic future. As alternative lending channels become increasingly important, now is the right time to reintroduce the Corporate Venturing Scheme, both to improve access to finance and foster strategic partnerships.”

**Regulatory Environment**

“Businesses remain overwhelmed by the range and detail of tax legislation today. 40% of mid-sized businesses state that regulatory requirements are more of a challenge now than 12 months ago. The customer relationship managers assigned by HMRC to the largest companies have certainly helped to provide greater communication and understanding on these issues. There is now real value in replicating this model for medium and smaller sized companies to help them navigate an increasingly complex regulatory environment.”

Andrew concludes: “The importance of MSBs in driving the UK economic recovery is crystal clear and these measures are an important step to protecting and further enhancing their growth prospects.”

Grant Thornton UK has launched a dedicated Budget website [www.grant-thornton.co.uk/budget2014](http://www.grant-thornton.co.uk/budget2014) which includes comment and insight from Jonathan Riley. This site will be updated throughout the 2014 Budget, providing a host of information such as summaries of key measures, instant reaction videos and tweets at #GTbudget (you can also follow Jonathan @jonathan_rile or us @GrantThorntonUK)

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Photo shows: Andrew Westhead, partner in tax at Grant Thornton in the North East

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Notes to editors

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