



**MUSCULOSKELETAL  
PARTNERS NETWORK.**  
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# ‘The Budget Impact on your Business’

# Agenda



## **1. The key budget changes that will impact your business from the 1<sup>st</sup> of April 2025**

Increases in:

- 1.1 National Living Wage
- 1.2 Employers NIC
- 1.3 Capital Gains Tax

## **2. Changes to staff contracts**

- 2.1 What is the value of employment
- 2.2 Freelance / Self employed alternatives
- 2.3 See file note attached on IR35

## **3. How can we mitigate the impact of this cost increase**

- 3.1 Review of cost base / overheads
- 3.2 Identifying efficiencies
- 3.4 Growing revenue / price increases
- 3.5 Review clinician remuneration models

## **4. Q&A**

# Key Budget Changes



## 1.1 Increase in National Living Wage

- From April 2025, the National Living Wage will increase to £12.21 per hour from £11.44 per hour (+6,7%)
- The changes to Employers NICs will be applied at this higher rate

## 1.2 Increase in Employers NI

- The government is increasing the rate of Employers NICs from 13.8% to 15% from April 2025
- The government is also reducing the threshold at which employers become liable to pay NICs from £9,096 to £5,000

## 1.3 Changes to Capital Gains Tax

- This will be relevant for business owners looking to exit post the 1<sup>st</sup> of April 2025
- From October 2024, the lower rate of CGT increased from 10% to 18% and the higher rate increased from 20% to 24%
- The rate of Business Asset Disposal Relief (BADR) will rise from 10% to 14% from April 2025 and then to 18% from April 2026

\* For business owners who contribute to a pension scheme , an individuals undrawn pension fund will be included in their inheritance tax estate from April 2027

# Changes to Staff Contracts



## 2.1 What is the value of employment

- The ability to attract and retain high quality staff given the benefits of employment: financial security of a base salary, paid annual leave / \* paid sick leave / pension contribution / \* paid CPD
- The cultural benefits to your organisation that employment brings
- The ability to influence staff – you have the ability to ask more of them / element of control
- IR35 implications for staff working full time (depends on the size of your business / exit strategy)

## 2.2 Alternatives: Freelance / Self-employed

- Benefit of not paying 15% NIC, which could be a significant saving
- Less 'control' over staff and potentially harder to attract and retain quality people
- Potentially less time worked across the year compared to employed (take more time off, when they want)
- Consider IR35 implications

# Mitigate Budget Impact



## 3.0 Quantify the additional cost of the budget to your business, what is the ££ impact

- If you have not done so already, you need to understand what the budget changes mean for your business
- What is the size of the issue

### 3.1 Review Cost Base / Overheads

- Undertake a full review of your cost base and identify potential areas for cost reduction
- Make sure you are maximising the benefit of the commercial discounts / rebates for MSKPN members

### 3.2 Focus on Efficiency / Automation

- Efficiencies should be measured in terms of a reduction in time and/or cost
- There may be opportunities to turn efficiencies into cost savings

### 3.3 Revenue Growth

- Understand where inflation is at (RPI 3.6% LTM from Nov24)
- Self pay price increases, consider the % uplift and timing i.e. from April 2025
- Use the budget increases and impact on your business in your discussions with PMIs
- Review your clinical remuneration models to see if you can mitigate some of the impact

**Q&A**



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