



## Highlights from the King's speech: What impact may they have on your business?

Last week King Charles delivered the King's Speech. This is a speech traditionally delivered at the State Opening of Parliament and it sets out the government's plans and priorities for the coming year.

The Speech outlines the legislation that ministers of the new government aim to pass and while it's delivered by the King, it's actually drafted by the government of the day.

### **Overview**

The Speech mentioned 40 new pieces of legislation that could have a direct impact on businesses and the financial security of individuals.

Here are some highlights:

### **Economic outlook**

The government is focusing on bringing about economic stability. Via the Budget Responsibility Bill they are planning for the Office of Budget Responsibility (OBR) to independently scrutinise significant spending and tax charges. This should contribute to better financial decision making.

There are plans to improve the UK's trade agreement with the European Union and to help everyone move on from the cost of living crisis and help businesses fund new jobs and investment.

As mentioned in the Labour manifesto, legislation will be introduced to remove the VAT exemption from private school fees. The Speech made no mention of any other tax changes, so this is all being reserved for the budget which is likely to take place in September or October.

### **Business and regulatory reform**

Additional government intervention and control is planned for the audit market. The Audit and Corporate Governance bill is aimed at improving investor confidence in UK business and will establish the Audit Reporting and Governance Authority (ARGA) as an oversight body. This may mean some changes are coming for company's whose accounts are audited.

Artificial Intelligence (AI) will also receive further regulation as the government looks to introduce appropriate legislation.

## **Employment and pensions**

The Pension Schemes Bill will provide some reforms for the pensions system. It will drive investment in homegrown businesses so as to deliver greater returns for pension savers.

The Employment Rights Bill and the Draft Equality (Race and Disability) Bill are planned to enhance employment rights, ban exploitative practices and enshrine the full right to equal pay in law.

The government intends to reform the Apprenticeship levy. They will also establish 'Skills England' as a new partnership with employers.

## **Housing and infrastructure**

The Renters' Rights Bill will give people renting their homes greater rights and protections. For instance, it will end no fault evictions and reform grounds for possession. These measures were already included in the Renters' Reform Bill introduced by the previous government, however due to holdups the process is effectively being restarted.

Draft legislation is also going to be published on leasehold and commonhold reform. While legislation in this area recently received Royal Assent, Labour plan to go further, banning new leasehold flats and ensuring commonhold is the default tenure. They will also tackle ground rent charges and unfair maintenance costs.

The Planning and Infrastructure Bill was already strongly hinted at in Rachel Reeves first speech as Chancellor and is designed to reform the planning process and speed up the delivery of high quality infrastructure and housing.

## **Energy**

Also in line with the Chancellor's first speech, the Speech confirms that the Great British Energy Bill will be introduced to set up Great British Energy, a publicly owned clean power company that will be headquartered in Scotland. It will focus on investing in renewable energy, such as offshore wind.

## **Transport**

The Rail Reform Bill will reform railway franchising and the Passenger Railway Services (Public Ownership) Bill will bring 8 train operators into public ownership.

The Better Buses Bill will also allow local leaders to take control of their bus services.

## **Health**

Through the Mental Health Bill, the government will ensure mental health is given the same focus and attention as physical health.

To address poor health, the Tobacco and Vapes Bill will gradually increase the age at which people can legally buy tobacco and will impose restrictions on the sale and marketing of e-cigarettes.

Legislation is also coming to regulate the marketing of junk food and restrict the sale of high-caffeine drinks to children.

### **Conclusion**

There were very few surprises in the King's Speech as it generally just confirmed Labour's intention to deliver on many of their pre-election promises.

Takeaways for businesses may include the possibility of greater stability in decision-making if the government's plans are successful. Energy costs may reduce as renewable sources are harnessed. However, the regulatory burden on businesses may increase from some of the proposed measures.

Tax remains somewhat of an unknown while we wait for the next budget, which we are expecting to happen in September or October.

For the speech in full please visit: <https://www.gov.uk/government/speeches/the-kings-speech-2024>