UK steps up climate finance support for African countries

- Foreign Secretary announces fresh finance to support African countries to adapt to the impacts of climate change
- The UK funding pledged at COP27 in Egypt will help deal with severe drought and floods across the continent
- James Cleverly said the funding will go, via the African Development Bank, to “those most affected by the impacts of climate change”

The Foreign Secretary has announced a significant increase in the UK’s financial support to African countries on the frontline of climate change.

Speaking alongside African leaders at an event at COP27, the Foreign Secretary confirmed the UK will provide £200 million to the African Development Bank (AfDB)’s Climate Action Window (CAW).

The CAW is a new mechanism set up to channel climate finance to help vulnerable countries adapt to the impacts of climate change, from severe drought in the Horn of Africa to floods in South Sudan.

Foreign Secretary James Cleverly said:

> Climate change is having a devastating impact on countries in Sub-Saharan Africa facing drought and extreme weather patterns, which have historically received a tiny proportion of climate finance.
>
> This new mechanism from the African Development Bank will see vital funds delivered to those most affected by the impacts of climate change, much more quickly.
>
> Lack of access to climate finance for the world’s poorest countries was a central focus at COP26 in Glasgow. This £200 million of UK funding is helping us to make tangible progress to address this issue.

The President of the African Development Bank Group, Akinwumi Adesina, welcomed the additional funding from the United Kingdom and said:

> I applaud the UK government for this major contribution towards the capitalization of the Climate Action Window of the African Development Fund, as it seeks to raise more financing to support vulnerable low-income African countries that are most affected by climate change.
>
> This bold move and support of the UK will strengthen our collective efforts to build climate resilience for African countries.

> With increasing frequencies of droughts, floods and cyclones that are devastating economies, the UK support for climate adaptation is timely, needed, and inspiring in closing the climate adaptation financing gap for Africa.
>
> I came to COP 27 in Egypt with challenges of climate adaptation for Africa topmost on my mind. The support of the UK has given hope. I encourage others to follow this leadership on climate adaptation shown by the UK", said Adesina.

The Glasgow Climate Pact included a commitment from donors to double adaptation finance in 2025 from 2019 levels. Yesterday the Prime Minister announced the UK will surpass that target and triple adaptation funding from £500 million in 2019 to £1.5 billion in 2025. This funding package provided to the AfDB will be part of this commitment.

The Netherlands has also announced that it will contribute to the CAW alongside the UK funding, and the Foreign Secretary has called on other countries to contribute over the coming months.

The Prime Minister also confirmed yesterday that the UK is delivering the target of spending £11.6 billion on International Climate Finance (ICF). This comes alongside new and expanded solar and geothermal power plants in Kenya backed by British International Investment, UK export financing for Nairobi's ground-breaking Railway City and a major public-private partnership on the Grand Falls Dam hydropower project – including a $3 billion investment led by UK firm GBM Engineering.

Yesterday the Foreign Secretary announced a series of significant UK investments worth more than £100 million to support developing economies to respond to climate-related disasters and adapt to the impacts of climate change.

How HMRC assesses profits for some sole traders and partnerships to change

What is changing and when

The way HMRC assesses your profits if you're a sole trader or a partnership that uses an accounting date between 6 April and 30 March is changing. This change will not affect companies.

Your accounting date is the last day of the period that you prepare your accounts for. You choose your accounting date and will normally make your accounts up to that date every year.

If your accounting date is between 31 March and 5 April this change will not affect you.

From 6 April 2024 you will be assessed on your profits for each tax year that runs from 6 April to 5 April. This change will affect how you fill in your tax return if you use an accounting date between 6 April and 30 March.

There will be a transition year from 6 April 2023 to 5 April 2024, to allow any overlap relief that you may be due to be used against your profits for that tax year.

The changes will mean the amount of tax that you owe in the 2023 to 2024 tax year may change if you use an accounting date between 6 April and 30 March. You will be assessed on both the tax for profits for the:

- 12 month accounting period you have previously been using
- rest of the 2023 to 2024 tax year – minus any overlap relief that you may be due – spread over the next 5 tax years

You can spread the profits from the rest of the 2023 to 2024 tax year over a shorter period if you wish.

How your profits for the 2023 to 2024 tax year will be assessed

The way your profits are assessed if you use an accounting date between 31 March and 5 April will not change.

Profits for businesses with accounting periods ending between 6 April 2023 and 30 March 2024 will be divided and assessed over the 5 tax years starting on 6 April 2023. If you have any overlap relief available, that will be set-off against those profits first.

Any increased profits from the 2023 to 2024 tax year will be treated in a special way to minimise the impact on benefits and allowances.

Overlap relief

If you used an accounting date between 6 April and 30 March when you started your business, you may have paid tax twice on some of your profits and be entitled to overlap relief.

Usually, businesses can only use overlap relief to get this tax back when they stop trading or when they change their accounting date. However, we will allow any business that uses any accounting period and that has unused overlap relief to use it in the 6 April 2023 to 5 April 2024 transition year.

HMRC will publish guidance on how to check how much overlap relief you may be due in the future.

Example where overlap relief is used against profits

1. Your accounting period is from 1 October to 30 September.
2. Your assessable profit is £42,000 from 1 October 2022 to 30 September 2023.
3. Your assessable profit is £21,000 from 1 October 2023 to 5 April 2024.
4. You have £5,000 of unused overlap relief that you use to reduce your assessable profit for 1 October 2023 to 5 April 2024 to £16,000 (£21,000 minus £5,000).
5. The £16,000 profit is divided equally and assessed over the next 5 tax years at £3,200 a year (£16,000 divided by 5).
6. In the 2023 to 2024 tax year your total assessable profits will be £45,200 (£42,000 plus £3,200).

Changing your accounting period

You do not have to change your accounting period and can continue to use whatever accounting date suits your business.

However, you may want to consider changing your accounting date to 31 March or 5 April. If you do, this will align your accounting period with the end of the tax year and you will not need to apportion profits on your tax return every year.

The restrictions on changing your accounting date that are currently in place will be lifted starting from the tax return for 2023 to 2024. If you change your accounting date in your tax return for a year before 2023 to 2024 you will not be able to spread any extra profits that arise in the tax year that you have made the change in.

If you decide to change your accounting period, you'll need to complete box 11 on the self-employment (full) (SA103F) page of your tax return.

Get more information

You can find out more about accounting periods in sections 13 to 17 of Self Assessment helpsheet HS222.

Intervention at Liverpool City Council

[expanded to deliver value for money for taxpayers]

Levelling Up Secretary Michael Gove has today (8 November 2022) expanded the government's intervention into Liverpool City Council to get the city's finances back on a stable footing and deliver value for money for the taxpayer.

Stephen Hughes has been appointed as Finance Commissioner to oversee Liverpool City Council's financial management and help lead the Council to a brighter future.

New powers for Commissioners over governance, financial decision-making and recruitment have also been announced, to improve the running of the Council.

The move comes after the report on the council's progress revealed serious shortcomings, particularly around financial management and senior leadership. It also criticised the slow progress made in driving improvement measures.

Levelling Up Secretary Michael Gove said:

> I am committed to helping Liverpool City Council come out of this intervention as a stronger organisation and that is why I am taking further steps to put the Council on a firmer footing.
>
> Liverpool is a city of fantastic potential and under the guidance of the new Finance Commissioner I am confident they will be able to rebuild trust with those they serve and deliver for the taxpayer.

Liverpool City Council Lead Commissioner, Mike Cunningham, said:

> Our last report, written in June, identified significant areas of failure at Liverpool City Council. We welcome the Secretary of State's decision to expand the intervention, and warmly welcome Stephen Hughes' appointment as Finance Commissioner, who joins the team at a critical point in the intervention.
>
> We have been encouraged by the progress the Council has made under the leadership of the interim Chief Executive and interim Director of Finance in recent months. However, the Council faces substantial challenges in the next year, not least in agreeing a balanced budget, holding all out elections, and delivering a transformative improvement programme. We will continue to work closely with the Mayor and Council leadership to address these challenges in the year ahead.

Stephen Hughes is an experienced finance officer who has recently worked as a finance and management consultant and previously worked as interim chief executive at Bristol Council. The role is entirely new and created to assist the Council.

The new Finance Commissioner will use his expertise to ensure that the Council sets a balanced budget and uses its money wisely. This includes strengthening financial resilience, management and accountability across the council, ultimately rebuilding trust between the people of Liverpool and their council and helping level up the area further.

The Commissioners alongside the Liverpool Strategic Futures Panel will help Liverpool to level up and recognise its full potential.

- Further information on the Liverpool Strategic Futures Panel will be announced in due course.
- On 10 June 2021, the government intervened in Liverpool City Council, appointing 4 commissioners to oversee the councils' highways, property and regeneration functions of the council at the request of the former Secretary of State.
- Following the report, in addition to setting up the new Strategic Futures Panel, the former Secretary of State Greg Clark announced that he was minded to appoint a commissioner to oversee the authority's financial management and to transfer functions associated with governance and financial decision-making to the commissioners together with powers regarding recruitment to improve the running of the organisation.

Major step forward for £21m flood scheme to better protect communities in York

The second phase of a vital Flood Alleviation Scheme for Clifton Ings in York is underway, as the Environment Agency launches the Flood Action Week (7 November – 13 November) campaign to encourage those who live in flood risk areas to prepare for flooding this winter.

Led by the Environment Agency, the £21m scheme covers the Clifton and Rawcliffe areas of York and will better protect 135 homes from flooding and reduce the risk of flood water spilling onto Shipton Road – an important transport route into the city – providing protection for local businesses.

Phase one of the scheme completed in April this year and involved initial enabling works to prepare the site for development. This included building an alternative Sustrans cycle track for walkers, runners and cyclists to use whilst construction takes place in Rawcliffe Meadow.

Phase two is currently underway and expected to complete in summer 2024. Once complete, this will see the embankment raised and extended into Rawcliffe Country Park, a new pumping station for Blue Beck built, and habitat restoration works completed – including protection for the critically endangered Tansy beetle which lives in grassland on the site.

Due to the popularity of the green space around Clifton and Rawcliffe, the Environment Agency has worked to maintain visitor access to as many different parts of the Ings as possible. Throughout the construction period, most of the site will remain open and the main access routes along its length, from the northern to southern end, are still open to pedestrians. Restrictions and path closures that have been put in place are necessary to ensure visitor safety.

This year's Flood Action Week comes as the Environment Agency has now expanded its flood warning service to reach almost 50,000 new properties at risk of flooding and hopes to exceed its target to provide new warning capability for 62,000 properties at risk of flooding by this winter. It brings the number of properties registered with the service to 1.6 million.

The Agency is urging people to take three simple steps:

Brendan Sharkey, project manager at the Environment Agency, said:

> Clifton Ings is an important and much loved green space, used by many people in York, so we've designed this scheme very carefully to minimise impact on the environment, visitors and the local community.
>
> This is a vital scheme which will help reduce flood risk for homes in Clifton and Rawcliffe and make York more resilient to the impacts of climate change.
>
> However, despite our best efforts to increase flood resilience in the region, we cannot prevent all flooding. It's important that people know what to do in a flood and familiarise themselves with the Prepare, Act and Survive guidance. Knowing just one action to take can reduce the effects on your home and family, and even save a life.

Since work gained approval in 2019, the Environment Agency developed plans to minimise the impact of the work across the site, particularly in Clifton Ings and Rawcliffe Meadow, where rare meadow grassland species and the critically endangered Tansy beetle are found. A programme of habitat restoration, mitigation and management has been developed as well as extensive surveys of other plants and wildlife on site.

The Clifton Ings scheme forms part of the wider York Flood Alleviation Scheme, which will better protect over 2,000 properties in York and surrounding communities once complete.

To find out more about the scheme, including current path closures, visit the Clifton and Rawcliffe section on Environment Agency's York FAS page.

Sign up to newsletter updates on the scheme by emailing: yorkfloodplan@environment-agency.gov.uk

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Accommodation merger could mean worse deal for students in Birmingham

Image credit: iStock

The Competition and Markets Authority's (CMA) phase 1 assessment looked at how the proposed deal could impact students and universities across the UK, focusing on cities where GIC, Greystar and Student Roost have a significant combined presence.

The CMA found the acquisition would not lead to competition concerns in most cities because the combined businesses would continue to face sufficient competition from other accommodation providers. But in Birmingham, the CMA found that the combined businesses would not face enough competition across several university campuses, potentially resulting in higher prices and lower quality services for students.

GIC, Greystar and Student Roost have accepted the acquisition could raise competition concerns in Birmingham and intend to offer remedies to fully address them. The CMA expects to receive their formal proposal within the next 5 working days. Provided the proposed remedy addresses the CMA's concerns, the merger will be cleared without the need for an in-depth phase 2 investigation.

Colin Raftery, Senior Mergers Director at the CMA, said:

> Aside from fees, rent is the biggest expense students face, and the rising cost of living is putting even more pressure on student budgets.
>
> Many university towns and cities are already dealing with a student accommodation shortage, which is why it's crucial that private providers like those involved in this deal are competing effectively.
>
> We're concerned this deal could result in students in Birmingham seeing higher prices or lower quality services. GIC, Greystar, and Student Roost have accepted our concerns and have told us that they plan address them. A solution that fully resolves our concerns will avoid the need for a more in-depth investigation.

For more information visit the GIC Realty / Greystar / Student Roost case page.

Notes to editors:

1. A detailed summary of the CMA's decision is available on the case page. The full text of the decision setting out the CMA's investigation and analysis will be published in due course.
2. The CMA's competition concerns relate to 15 university campuses in Birmingham.
3. The parties have until 15 November to submit proposals to address the CMA's competition concerns. The CMA would then have until 22 November to consider whether to accept these in principle or refer the deal for an in-depth phase 2 investigation.
4. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
5. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.

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