



October - November - December 2025

connect

The Institute of Accountants and Bookkeepers



**The future of
the National
Living Wage:
Change ahead**

**Looking Ahead: Agility
and Opportunity in a
Changing Profession**

SUPER- POWERS

**CPD - A Path
to Growth
for Finance
Professionals**

**Volunteering -
Can boost your
career, your
business and
your community**

**Staying Alert
to Everyday
Money
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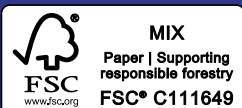
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Welcome

Welcome to the final edition of 2025. This issue carries an underlying theme of *superpowers – your superpowers*. Throughout the many presentations, events, and meetings I've attended this

year, the themes shaping our industry have been remarkably consistent. In my article, I reflect on these themes, and on the mindset required to embrace them: one of **agility and seeing the opportunity**.

As finance professionals, the knowledge we hold is a true superpower. The ability to build trusted relationships – with clients, colleagues, and stakeholders – is uniquely yours. In this

edition, we explore how you can strengthen that impact through CPD, volunteering your skills in the community, and even tackling issues like money laundering at a local level with the knowledge that you hold.

I hope these perspectives leave you with renewed confidence in your ability to make a difference, succeed, and thrive. When hosting the August Coffee Morning, it was good to hear your views on HMRC's Raising Standards Consultation. We encourage you to continue sharing your thoughts with us on these matters – your voice is vital in shaping the future of our profession.

Sarah Palmer
Chief Executive Officer

Virtual coffee mornings

Connect with fellow members in a relaxed setting and stay up to date on the latest in technical industry developments, new software tools, and practical business guidance. **Each session offers valuable insights and earns you 1 verified CPD point.**

Keep an eye on your inbox for reminder emails – we look forward to seeing you there!



Monthly meetings on:

- 14th January 2026
- 18th February 2026
- 18th March 2026





Ask someone why they volunteer, and they'll often speak with enthusiasm about giving back to their community and the fulfilment it brings. And while that's true, there's another layer to the story: volunteering your financial skills isn't just good for charities - it's one of the most powerful ways to strengthen your professional future - whether as an individual or an employer.

Charterpath is a small charity with a big ambition - to grow the number of people with financial skills volunteering in the charity sector from just 1 in 10 people, to 1 in 2.

Why? Because thousands of charities, schools, and community groups across the UK providing vital services from foodbanks to mental health support, hospices and domestic abuse shelters, are under increasing financial pressure. Over 80% of charities in the UK are classified as small, with income of < £100k. Many don't have anyone with formal financial training, let alone a qualified bookkeeper. Yet they're expected to manage tight budgets, meet reporting requirements, and keep up with a growing demand for their services.

From

skills to superpower:



How volunteering can boost your career, your business and your community

For them, the everyday skills you use as a bookkeeper or accountant are nothing short of a superpower - the difference between staying afloat or closing their doors.

But here's the best part: volunteering your financial skills isn't a one-way street, it is a true win-win-win. While charities gain expertise they desperately need, individuals boost their skills, networks, and well-being and employers enhance their teams, reputation, and business prospects.

Using the IAB's scalability framework we can demonstrate how volunteering can transform everyday financial skills

into a genuine superpower - for you, your business, and your community at every stage of your career or business.

1 Stage 1: Starting out

When you first set out on your own, your technical knowledge is fresh, but your practical experience may be limited. Volunteering gives you a low-risk, high-impact way to bridge that gap.

By supporting a small charity, you learn how your financial skills apply across sectors, and you gain insight into new challenges that stretch both your technical and softer skills - communication, influencing, problem-solving.

“Volunteering is one of the fastest ways to gain real-world experience when you’re starting out.”

When working alone, volunteering is also a great way to combat isolation. You’ll meet people you’d never normally cross paths with, whether trustees, fellow volunteers or donors, creating networking opportunities that can lead to mentorship, collaborations, and even new business. For someone just starting out, these connections can be career-shaping.

“Volunteering opens doors to mentors, collaborators, and clients you’d never meet otherwise.”

Yes, time is scarce in the early days. But those who make space for volunteering consistently say they gain more than they give. At this stage, it’s a way to boost confidence, build reputation, and strengthen your career foundations, while making a real difference to an organisation that may never otherwise access professional financial support.

2 Stage 2: Operating as a Sole Trader

Once you’ve established yourself as a trusted practitioner, volunteering continues to be a powerful accelerator.

At this stage, you already deliver strong financial expertise to your clients. Volunteering allows you to broaden your perspective, stepping into areas like business development, marketing, or governance for a charity. This cross-functional experience can be invaluable if you’re considering scaling your practice into a business.

80% of volunteers say they’ve developed stronger communication, leadership, and problem-solving skills. – Education and Employers report

Volunteering raises your visibility in the professional community and reinforces your brand as someone who contributes beyond the balance sheet. It also opens the door to leadership experiences, from chairing a finance committee to serving as a trustee, this stretches your managerial skills and prepares you for future board or non-executive roles.

3 Stage 3: Transitioning into a business

As you take the step from practice to business, volunteering becomes not just a personal choice but a strategic one.

Employees today are looking for more than a payslip. They want purpose, fulfilment, and employers who share their values.

Offering volunteering opportunities such as corporate charity days or skills-based placements is an increasingly popular way to deliver this.

The data is compelling: *40% of employees would consider leaving if their employer didn’t support them in making a positive impact (Deloitte 2023).*

Employers who support volunteering consistently see higher retention, stronger employee pride, and improved productivity. It’s an investment in culture that pays back many times over.

“Volunteering isn’t just good for society - it’s a powerful way to attract and retain top talent.”

By embedding volunteering into your business model, you can attract top talent, strengthen culture, and support employees to grow in ways that benefit your firm long term.

4 Stage 4: Leading a successful business

For established firms, volunteering can be harnessed as a tool for both people development and reputation building.

Encouraging employees to step into trustee or committee roles gives them access to leadership experiences that are often hard to replicate internally - chairing meetings, managing risk, overseeing capital projects. They bring those enhanced skills back to your business, boosting succession planning and internal progression.

“Trustee roles give employees board-level experience that directly strengthens your leadership pipeline.”

Externally, embedding volunteering into your culture strengthens your Environmental, Social, and Governance (ESG) credentials. Clients, investors, and regulators increasingly expect businesses to show tangible community impact. Volunteering is a credible, authentic way to do this - demonstrating not only that your firm delivers financial excellence, but that it also contributes positively to society.

And let’s not overlook the commercial opportunities. Firms with strong

volunteering cultures often uncover new partnerships and clients through the connections they make.

The constant: well-being and purpose

Across every career stage, volunteering offers perhaps the most important superpower of all: enhanced wellbeing and resilience.

Research shows that 77% of volunteers say it improves their mental health. The “feel-good factor” of contributing to something bigger than yourself can’t be overstated. In a profession where long hours and stress are common; volunteering provides a reset - reconnecting you with purpose and giving perspective.

Make your skills a superpower

Whether you’re employed, starting out, growing a practice, building a business, or leading a successful firm, volunteering your financial skills is more than a charitable act. It’s about turning your skills into a superpower - for you, your business, and the sector.

The win-win-win is clear:

- ✓ **Charities gain expertise they could never otherwise afford**
- ✓ **Individuals grow their skills, networks, confidence, and well-being**
- ✓ **Employers build stronger teams, stronger reputations, and stronger futures**

Since 2020, Charterpath has supported over 300 charities by connecting them with financial professionals who’ve already contributed more than 30,000 pro bono hours - creating over £1.3m in value for the charity sector.

Ready to get started? Join our growing community at www.charterpath.org.uk to explore live opportunities, book a virtual **volunteering roadshow** and discover how your financial skills can truly become a superpower - for you, your team, and your community.

Charterpath is a charity registered in England and Wales (no: 1207509)

Charterpath™
Charting a path between charities and volunteer financial skills



*your business
supercharged*

MTD FOR IT: THE ESSENTIAL BOOKKEEPER'S HANDBOOK

MTD for IT presents opportunities to attract new clients
and deepen existing relationships.

Find out more



CPD: More Than a Requirement -

A Path to Growth for Finance Professionals



The world of finance rarely stands still. Regulations evolve, technology advances, and client expectations rise year after year. In such a fast-moving landscape, standing still can mean falling behind. That's why Continuing Professional Development (CPD) isn't just a compliance obligation – it's a career and business growth strategy.

CPD as a Career Constant

Whatever stage you are at—whether you're ambitious for business growth, aiming for personal development, or simply content with how you are – your knowledge still needs to be up to date and relevant. CPD is the tool that makes this possible. It's not about ticking boxes; it's about staying sharp, confident, and credible in a profession where accuracy and trust are everything.

All IAB members must complete **30 hours of CPD every 12 months** (30 CPD points), with at least 10 points being verifiable. Verifiable CPD comes from structured learning – such as accredited courses, e-learning courses, or HMRC-run training. The IAB helps you boost this by providing 1 x verified point for attending our monthly virtual coffee morning.

Non-verifiable CPD is broader, covering technical reading, peer discussions, or preparing seminars. A great way to boost this monthly would be to join one of our ambassador groups.

also access the use of a CPD tracker and 1 x CPD module a month which will result in verified points. The tracker is also accepted by IAB membership as a valid record.

Why CPD Matters Beyond Compliance

Meeting the minimum requirement is one thing, but the real benefit lies in how CPD shapes your professional status and future.

- **Staying technically sharp:** From tax law changes to new payroll systems, CPD helps you keep pace with technical updates.
- **Future-proofing your role:** As automation streamlines routine bookkeeping, professionals who develop skills in advisory services, technology, and management will stand out.
- **Boosting credibility:** Clients and employers alike value professionals who invest in themselves – CPD demonstrates reliability and dedication.
- **Personal growth:** CPD isn't limited to technical learning. It includes developing leadership, communication, and business skills, essential for moving into senior or advisory roles.

The Self-Employed Perspective

For those running their own practices, CPD can be more than professional upkeep – it can align with the key pillars in the IAB scalability framework and contribute directly to business growth.

Making Time for CPD

The biggest challenge most professionals face is time. With client deadlines and compliance demands, fitting in CPD can feel impossible. But with the right approach, it becomes manageable.

- **Integrate learning into routines:** Podcasts, webinars, or industry newsletters are an easy way to stay up to date on the go.
- **Make use of quieter periods:** Seasonal lulls, such as after year-end, are ideal for booking training or completing online courses.
- **Opt for flexible formats:** E-learning and webinars allow you to learn at your own pace, without sacrificing client time.
- **Treat it like client work:** Block out CPD time in your calendar and give it the same priority as you would a meeting or deadline.

Think Bigger Picture

CPD is not just about compliance, it's about positioning yourself and your business for long-term success. For employed professionals, it keeps you competitive in a changing job market. For the self-employed, it fuels business development, client trust, and professional credibility.

With everything else going on CPD can seem a chore and can easily be a task to squeeze into your year-end checklist. But it's a deliberate investment in your future, ensuring you stay relevant, reliable, and resilient in a profession that never stands still. Done well, CPD doesn't just keep you compliant – it keeps you competitive.



REMEMBER 1 HOUR = 1 POINT VERIFIED OR NON-VERIFIED!

The key is maintaining a clear record – certificates, receipts, or notes of activities – so you can evidence your learning at your annual membership renewal. On the IAB website in the CPD area you will find a CPD log to help you record your progress and submit it at renewal. We recommend that you update your log on a **weekly** basis to make sure you capture everything. Members who have signed up for their free Navigate Lite content with Croner-i can

Finance

Sharing your CPD with clients builds trust, sets you apart, and reassures them their finances are safe – making them more likely to choose you, stay with you, and see stronger profits for both of you.



Marketing

Sharing CPD updates in newsletters, on your website, or via LinkedIn is a subtle yet powerful way to build trust and authority.



Systems

Mastering new software, tax strategies, or payroll systems gives you the opportunity to add services, increase revenue, and attract a wider client base.



Recruitment

By integrating onboarding and training into your CPD, you strengthen your team, retain staff, and enhance your business's overall.





HIDDEN IN PLAIN SIGHT:

Why Bookkeepers and Accountants Must Stay Alert to Everyday Money Laundering

Money laundering is often portrayed as a shadowy, complex crime involving offshore accounts and sophisticated networks. For many who serve local clients in small towns it's hard to believe it can be happening a lot closer to home – and far more ordinary looking. The IAB compliance team came across recent headlines about the sudden boom of barber shops across Welsh towns. We thought sharing this would serve as a powerful reminder that illicit money doesn't always hide in dark corners. Sometimes, it's sitting right there on the high street.

Taking a step back, in basic business terms the stats speak for themselves. In Porth, a small town with just 6,000 residents, there are reportedly 13 barber shops operating within a short stretch of road. That works out to about one barber for every 227 men in the area. On the surface, it looks like a quirky trend or a reflection of changing grooming habits, but the National Crime Agency's recent crackdown tells a different story. Their three-week operation targeting cash-heavy businesses froze over £1 million in assets, made 35 arrests, and safeguarded 97 people suspected of being victims of modern slavery. Many of the businesses raided were barbershops.

For bookkeepers and accountants, stories like this are more than news – they're warnings. We work with businesses of all shapes and sizes, from startups to family-run shops. While most are genuine, hardworking enterprises, some can be used – knowingly or not – as vehicles for laundering dirty money. The challenge for us is knowing how to tell the difference.

Looking Beyond the Books

As professionals, we focus on the numbers: turnover, invoices, cash flow. But real-world awareness means asking whether those numbers actually make sense in context.

“

One of the most striking aspects of the NCA's operation was the discovery of people working under exploitative conditions, with modern slavery at play behind the façade of everyday shops. That's a sobering thought.

If a high street already has more barbers than customers, yet another opening should raise questions. **Does the business model stack up? Are the cash flows realistic?** Do ownership changes happen unusually often? None of these signs prove wrongdoing on their own, but they are red flags worth noting.

Professional skepticism isn't about distrusting every client – it's about staying curious. It's about being willing to pause and ask, “Does this add up?” and then documenting your thought process.

The Human Side of the Problem

One of the most striking aspects of the NCA's operation was the discovery of people working under exploitative conditions, with modern slavery at play behind the façade of everyday shops. That's a sobering thought. Money laundering isn't just about numbers on a spreadsheet – it can be tied to very real human suffering.

During her presentation at Accountex London in May, IAB CEO Sarah Palmer touched on the ethical and social responsibility of finance professionals in the context of AML.

“AML isn’t just about staying compliant. It’s about protecting people and those most vulnerable in our society.”

By staying alert, bookkeepers and accountants aren’t just protecting their own reputations and practices. They’re helping to disrupt criminal networks and safeguard vulnerable people. That’s something to take pride in.

A unique position

Our profession has a unique vantage point. We see the financial heartbeat of businesses in a way few others do. That puts us in a position of trust – and responsibility. If we take things at face value, we risk missing warning signs. If we develop a habit of professional skepticism, we can spot patterns that others might overlook.

This isn’t about becoming investigators or policing every client relationship. It’s about blending technical skills with everyday common sense. Numbers should tell a story, and if the story doesn’t ring true, it’s our job to question it.

Money laundering isn’t an abstract issue tucked away in financial centres – it’s on our doorsteps. The barber shop boom in Wales shows just how easily suspicious activity can blend into everyday life, you may see a synergy with your local high street.

As professionals we can’t afford to take things at face value. By staying skeptical, aware, and willing to question the story behind the numbers, we not only protect ourselves and our clients – we also play a vital part in protecting our communities.



“

AML isn’t just about staying compliant. It’s about protecting people and those most vulnerable in our society.

Sources:

Nation.Cymru



The Guardian



Practical Ways to Stay Alert

- **Trust your instincts:** If something feels “off,” don’t ignore it.
- **Know your client’s world:** Be aware of local economic realities. If ten similar businesses are fighting over a small customer base, consider how sustainable it really is.
- **Look for patterns:** Frequent changes of ownership, unusual cash volumes, or reluctance to provide basic information should stand out.
- **Talk openly:** Sometimes asking a few simple questions clears things up. Sometimes it doesn’t – and that’s when you need to dig deeper.
- **Keep learning:** Stay up to date with trends in how criminals operate. Stories like the barber shop boom are reminders that tactics evolve.
- **Submit a SAR:** Report your suspicions to the NCA through a Suspicious Activity Report (SAR). Not only a legal obligation for accountants and bookkeepers, this passes valuable intelligence on to law enforcement so that they can build a clearer picture of potential criminality and take action.
- **Why me?** Always ask yourself why a client has chosen you. Is your practice conveniently close to the client, have you been recommended as an expert in their industry or the service you offer, or is the opposite true? Being unfamiliar with the industry a client operates in makes it harder to spot red flags, splitting services across multiple practices prevents any one professional from spotting aspects of the business that don’t align and keeping a geographical distance reduces the likelihood of you visiting the client and seeing discrepancies between claimed and real operational output.

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Beyond the numbers:

Why HR shouldn't be the elephant in the room

Coffee, conversations and client questions with **Louise Aldous-Critchley**, Head of Partnerships at Breathe



On a recent IAB coffee morning, it didn't take long for the conversation to move on from legislation changes and tax returns. I spoke about something that affects every small business but doesn't always get much airtime: people.

Because while clients might come to you for help with VAT, pensions, or cash flow, they often bring much broader questions too. Questions like: "What should I do if someone's always off sick?" or "Can I change this contract?" or "How do I manage an unhappy team member?"

They're people problems. And more often than not, they end up with you.

Not because you set out to become an HR adviser. But because your clients trust you. You're their sounding board. The one who understands the pressures of running a business. And the one they turn to when something feels uncertain.

It's a responsibility. But it's also an opportunity.

A growing need for people support

Managing people can be messy. For small business owners juggling 101 other tasks, HR admin is often pushed to the bottom of the list, until something goes wrong. And that's where you come in.

You're already in the room when those conversations happen. And the more confident you feel about what's out there to help, the more value you can offer.

That's where Breathe comes in.

“

And it's not just for your clients. You can use Breathe in your own practice, too. Whether you've got a growing team or just want to tighten up your internal processes, it's a refreshingly easy system to get to grips with

Simple, effective HR software built for small businesses

Breathe is cloud-based HR software that takes care of all the admin that tends to slow things down. Holiday requests, absence logs, onboarding checklists, rotas, expenses, it's all in one place. No spreadsheets. No email chains. No chasing sick logs.

Staff can update their own details through a secure portal. Managers can run reports in minutes. Business owners can spend less time on admin, and more on running their business.

And it's not just for your clients. You can use Breathe in your own practice, too. Whether you've got a growing team or just want to tighten up your internal processes, it's a refreshingly easy system to get to grips with.

Why it matters to bookkeeping and accountancy firms

So, what's in it for you?

When a client next asks, "Do you know a good way to manage our HR?" you'll have a confident answer. You can recommend Breathe and earn commission by becoming a Breathe partner.

As part of the Breathe Partner Programme, you can:

- Add extra value to your existing service
- Open up new revenue streams (whether you just refer clients to us or manage their accounts)
- Build deeper client relationships by solving real-world problems
- Save time internally with software that makes people admin easier

It's not about replacing HR professionals. It's about spotting the signs early, giving clients the tools to stay compliant, and pointing them in the right direction when support is needed.

An exclusive offer for IAB members

As you're part of the IAB network, there's an extra bonus:

- 50% off Breathe's Micro plan for your own practice for 1-4 employees (for 12 months)
- 80% off for any clients you onboard within your first six months as a partner of Breathe

It's a practical way to try Breathe for yourself and see the value it brings before recommending it to others.

“

It's not about replacing HR professionals. It's about spotting the signs early, giving clients the tools to stay compliant, and pointing them in the right direction when support is needed

“Can I change this contract?”

“What should I do if someone’s always off sick?”

“How do I manage an unhappy team member?”



What other firms are saying

This isn't just theory. It's already working for small and growing businesses:

“Breathe is the perfect solution for small to medium-sized businesses like ours. It's user-friendly, intuitive and has a really clean interface.”

Kirsten Wells, Family Law Partners

“Without Breathe, we'd have likely needed to hire a dedicated training manager, so this is saving us a lot of money.”

Jane Theaker, PBD Biotech

“Overall, Breathe is a reliable tool that everyone knows how to use, fitting perfectly into our focus on trust and accountability.”

Giles Hatch, Chrisanne Clover

These are teams doing complex work, just like the clients you support every day.

How firms are using it in practice

Across the IAB community, we've seen all kinds of firms bring Breathe into their work:

- Payroll teams reduce errors by syncing Breathe with payroll software
- Bookkeepers use it to prompt conversations about systems and compliance
- Larger practices package it into their wider advisory services
- Solo practitioners use it to professionalise their own processes

The key thing? It's simple. There's no jargon, no steep learning curve, just a straightforward tool that helps you help your clients.

Looking at the bigger picture

Running a business is more complex than it used to be. Hybrid working, new compliance rules, and rising expectations around employee wellbeing all add pressure.

For accountancy and bookkeeping firms, that creates an opportunity to step up. You don't need to become an HR expert. You just need to know what's out there and be ready to guide your clients towards the right support.

That's where your value really shows. And that's why the IAB community is so powerful: you're not just number-crunchers. You're trusted partners. Problem-solvers. Allies.

Final thought

That morning's conversation was a reminder that your support doesn't stop at the numbers. Clients come to you for clarity, for confidence, and for help navigating the trickier parts of running a business.

By joining the Breathe Partner Programme, you can offer even more of that support, with an HR tool that's smart, simple, and made for SMEs.



Explore this offer in more detail by visiting Member Benefits in the Members area of www.iab.org.uk

Because when you help clients manage their people, you're helping them protect their business and create the space they need to grow.



Sarah Palmer
IAB CEO



Looking Ahead:
Agility and Opportunity
in a Changing Profession

As we have come to the final issue of 2025, it's striking how much has shifted in our industry year to date. For bookkeepers and accountants, as for many professions, there continue to be challenges and opportunities from regulatory reform to rapid advances in technology, our profession continues to evolve at speed.

Yet, as I have said before in uncertain times, one thing remains constant: **trust**. Business owners increasingly lean on the integrity and expertise of finance professionals to guide them through complexity. We are no longer seen purely as number-crunchers; we are trusted advisors, strategic partners, and interpreters of business stories. That trust places our profession in a unique position to thrive - **IF** we remain agile.

In May I spoke at Accountex about how global trends are impacting UK bookkeepers and accountants. Looking to 2026 and beyond, these trends are still current and very much at the forefront of our day to day, so here are some practical steps to help you address these trends and prepare for the year ahead.

Cutting Through the Noise on AI "AI" is everywhere from automations in cloud tools to generative models like ChatGPT, the term is often used too loosely to be meaningful in business conversations. To serve our clients effectively, we need to unpack what AI really means in practice.

AI is not a robot taking your job; its invisible infrastructure embedded in the systems we already use. Tools such as Xero, QuickBooks Online, Dext, and Hubdoc are now standard in most practices. They use AI-powered features to scan invoices, reconcile accounts, and reduce repetitive compliance tasks.

Understandably for some, this sparks fear – "Will my role disappear?" But the truth is more encouraging. By reducing low-value compliance work, AI creates space for us to deliver higher-value insights. The numbers will always need interpreting, and it's our professional judgment that gives them meaning. Technology is changing the game, but NOT our value.

Your Three Strategic Choices

The profession is shifting. That means each practice and individual must decide how to position themselves. Broadly, there are three paths:



The numbers will always need interpreting, and it's our professional judgment that gives them meaning.

- 1. Do nothing** – stay the same, and risk being left behind.
- 2. Advisory services** – move deeper into interpreting numbers, providing clients with insight, planning, and even strategic support.
- 3. Tech advisory** – become the expert in app stacks, automation, and digital workflows for both your practice and your clients.

The latter two paths both carry opportunities to charge premium fees and cement long-term client relationships.

TIP

Frustrations with AI in software is a common occurrence for some. **REMEMBER** the AI output reflects the quality of coding in the software and the prompting (information inputted by the individual). If the output is wrong and/or inconsistent contact your software provider.

Business Models Are Evolving Too

Practices that thrive in this new environment are already adapting. That often means:

1. Letting go of clients who resist digital adoption.
2. Redesigning services with consultancy and advisory at the core.
3. Hiring for soft skills and emotional intelligence rather than purely technical ability.
4. Using technology to reduce staff-to-client ratios without reducing service quality.

In short: our businesses will continue to exist, but they will look different. Those willing to evolve will be more resilient and more profitable.

Regulatory Change: Driving Demand

While technology is reducing some tasks, regulation is driving up demand elsewhere. Governments are accelerating digitisation and compliance expectations. In 2026, we can expect to see continued movement on:

Making Tax Digital (MTD): Launching in April 2026 bookkeepers and accountants report it as both their biggest challenge and their greatest opportunity.

Payroll updates: Changes to legislation will continue to create demand for accurate, up-to-date processing.

E-invoicing: This is starting to be considered by government.

AML (Anti-Money Laundering):

Expectations are tightening, with practices required to maintain stronger controls.

TIP

Stay close to us — we're here to support you. Whether it's through coffee mornings, newsletters, or regular updates, we'll keep sharing insights and notifications. Make CPD part of your routine, because regulatory complexity isn't going anywhere. Remember, helping clients navigate it is your expertise — so don't let them forget the value you bring.

Niche Opportunities: Sustainability and ESG

I have been speaking about this for some time but one of the fastest-emerging areas is Environmental, Social, and Governance (ESG) reporting.

The UK Corporate Governance Code was updated in January 2025 to include ESG-related provisions, with reporting requirements beginning in 2026 for mid-sized and large companies. Even SMEs will need to prepare, as investors, customers, and younger generations increasingly expect ethical and sustainable business practices.

Bookkeepers and accountants are well placed to support clients in collecting, analysing, and reporting ESG data. By learning the basics of ESG frameworks now, you can differentiate your practice early and position yourself as a forward-thinking advisor.

TIP

Look out for our Level 4 Certificate in International Accounting Standards and IFRS hitting UK centres which covers these international reporting requirements.

The Rise of Outsourcing

Another trend reshaping the industry is outsourcing. Research shows that global spend on accounting services has risen significantly, with more practices outsourcing tasks such as bookkeeping, payroll, and tax preparation.

It's long been stated that this strategy allows practices to:

- Increase efficiency.
- Access specialist expertise.
- Free up in-house teams to focus on higher-value client relationships.

Outsourcing isn't a threat — it's an opportunity. By strategically outsourcing lower-margin work, you create capacity to grow.

TIP

Outsourcing is NOT a silver bullet which will fix the problems in your practise. When growing your practise much thought needs to be given to the skill set of the staff you choose to employ. If you are happy with your business and get challenged from clients that outsourcing is cheaper, focus them on the services you provide, the contact they enjoy, the knowledge of their business you hold to demonstrate your value.

Evolving Workplace Expectations

Finally, we must recognise that the profession's workforce is changing. Recruitment remains competitive, and the skills gap is widening. Practices must adjust to attract and retain talent.

Key trends for 2026 include:

- **Flexibility and hybrid working** – still high on employee wish lists.
- **Upskilling and CPD** – staff want development opportunities, particularly in technology and data.
- **Soft skills and emotional intelligence** – increasingly valued alongside technical knowledge.
- **Graduate programmes and internships** – vital for attracting younger talent.

Investing in people will be as important as investing in technology.

TIP

Our member benefit Breathe offer support in how to integrate the HR function for you and your clients at competitive prices. Worth a look!

Your 5-Step Action Plan

To stay agile and future-ready, here are five practical actions you can take:

Stay informed – Keep up with regulatory, tech, and market trends.

Master one new tool – Don't try to learn everything at once; go deep in one area.

Refresh your service list – Review your offerings and ensure they align with where clients need the most support.

Talk to clients – Ask about their future needs, especially around advisory and sustainability.

Connect with peers – Share insights and ideas with proactive professionals in your network.

Instead of seeing technology, regulation, and shifting expectations as threats, see them as opportunities. Opportunities to reposition your business, strengthen your client relationships, and secure your relevance in a rapidly changing profession.

TIP

Pick just one thing to upgrade each month. Whether that's learning a new tool, exploring ESG, or redesigning a service, small steps can lead to resilience and growth.



The future of the National Living Wage: Change ahead

Samantha O'Sullivan, the CIPP's Policy and Advisory Lead discusses the process behind establishing the new National Living Wage (NLW) and National Minimum Wage (NMW) rates each year, and what we know so far about the rates we'll be using from April 2026

The Low Pay Commission (LPC) is an independent body that consults each year on the NLW and NMW rates to be used the following April, subsequently providing the Government with advice on what those rates should be.

The process is the same this year, however, this time, the Government has tasked the LPC with exploring different pathways to removing the 18-20-year-old age band rate. This will eventually see all workers aged 18 and above receiving the NLW.

This year's LPC consultation, which asked for the views from contributors all over the UK, therefore scrutinised ways to lower the age of entitlement to the NLW to 18 in detail, providing two main options:

Option one

Reduce the age of entitlement by one age group at a time

This option would mean that the NLW would initially be extended to 20-year-olds, then 19-year-olds and finally, 18-year-olds. The rates for the remaining age groups (e.g., 18-19-year-olds when the NLW is extended to 20-year-olds) would be moved closer to the NLW rate in preparation. This approach would allow for the evaluation of the initial impacts on each age group as they move over to the NLW.

Option two

Align the 18-20-year-old rate with the NLW over several years (over a period of either two years or four years)

If the Government worked to a target of aligning the 18-20-year-old rate with the NLW by April 2027 (within two years), this would require increases in the region

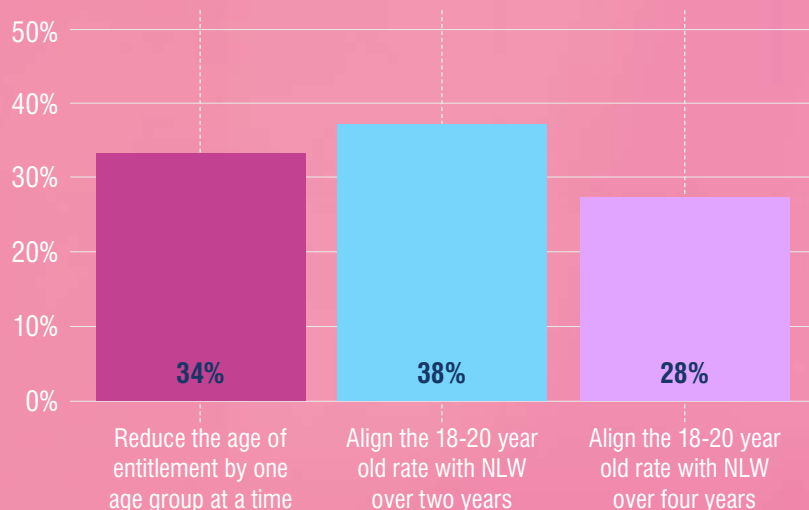
of £1.40 (11-15%) each year for two years. However, the alignment of the 18-20-year-old rate by April 2029 (four years) would mean increases of approximately 90p (5-9%) every year for four years.

The consultation also asked for feedback and evidence on:

- the affordability and effects of an increase in April 2026 to a NLW rate within the range of £12.50 and £12.80 (central estimate £12.65)**
- the impact so far of increases to the NLW in April 2025 on workers, employers, the labour market and economy**
- the effect of recent minimum wage increases for younger workers on their employment prospects**

The CIPP's Policy and Research Team ran a Think Tank alongside the LPC to allow full, fellow and Chartered members to provide their feedback first-hand to Commissioners. It also enabled us to represent the views of members and the wider payroll profession within our consultation response. Within the session, the most prevalent topic of conversation centred on the tightening of pay differentials. Higher increases to the NMW/NLW mean that businesses can't afford to pay much higher wages/salaries to those individuals earning above the minimum rates who may have much more responsibility in their roles. Employees have also noticed this and in some cases, are actively refusing promotion, as they don't want the extra work for such little in the way of remuneration. Additionally, due to other recent increases to employment costs, such as the changes to employer's

The CIPP Poll Results chart



National Insurance in April 2025, businesses are finding that their budgets are incredibly stretched.

Feedback from members also highlighted that the apprenticeship rate needs an overhaul. Currently, it's only applicable for the first year of employment when an apprentice is 19 or above, and organisations have noted that, for the same employment costs, they can hire older employees who may have less practical experience but who do have more life experience, which some businesses value more. To address and resolve this, members suggested there should be an apprentice pay structure which spans the years in which someone is in an apprenticeship (and not just the first year of the apprenticeship for those aged 19 and above).

In terms of the approach to how we get the NLW applicable to everyone aged 18 and above, members showed preference for aligning the 18-20-year-old rate with the NLW over a period of two years. We also ran a Quick Poll on the CIPP's website, to allow people to vote for what they thought the most suitable approach to use when lowering the NLW rate to apply to everyone aged 18 and above. *The CIPP Poll Results chart* shows the responses, and they reflected the views provided in the Think Tank.

Additionally, our research found that many organisations have had to remove employees from salary sacrifice schemes because they're paid at, or just above, the NMW and NLW rates. Previously, individuals have been paid at rates which have been comfortably above the NMW and NLW, but the recent substantial increases have meant this is no longer the case. Many members and payroll professionals have stated they would like to see NMW regulations revised, so that salary sacrifice pension contributions don't reduce pay for the purposes of calculating NMW.

In August 2025, the LPC provided an update on the NLW estimate for 2026, as the central estimate and ranges had increased from those provided in the consultation launched back in May. The central estimate increased from £12.65 to £12.71, due to the fact average wage growth had proven stronger than initially forecast so far this year (between May and August), also meaning that forecasts for wage growth in 2025 have increased.

What next?

The consultation closed back in June 2025, and at the time of writing, the responses were still being considered by Government. Traditionally, we learn the new rates to use from the following April some time in the autumn, potentially in line with the autumn Budget, so watch this space!



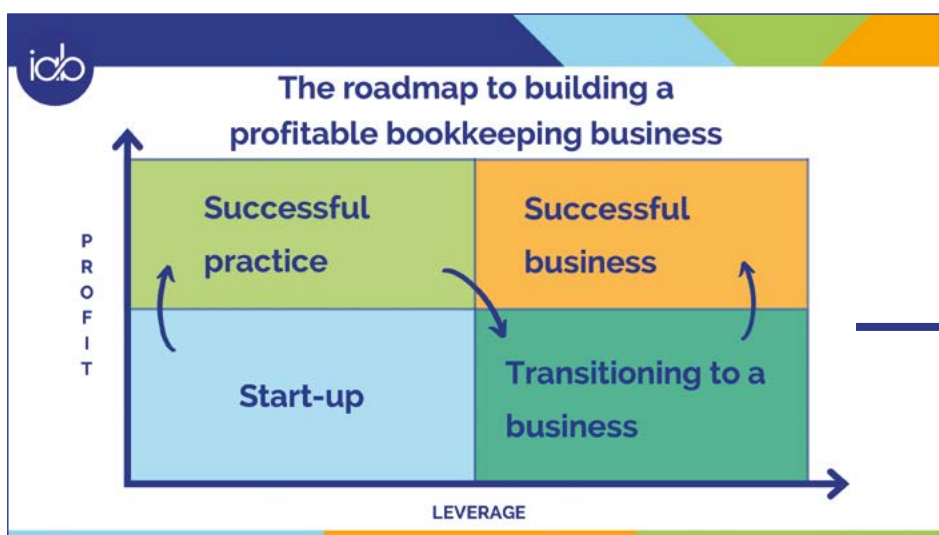
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