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BUSINESS REVIEW

**Spotlight on issues
affecting business**

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- ▶ **MARKETING LOW PRIORITY FOR MANY SMALL FIRMS**
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BUSINESS REVIEW

REFORMS PROMISE FIRMS GREATER PROTECTION

A consultation has been launched on government proposals to enhance the role of Companies House, increase the transparency of UK corporate entities and help combat economic crime.

The proposed new measures are part of a substantial package of reforms to Companies House, designed to tackle misuse of its register. A clear aim of the reforms is to increase the transparency of company ownership and management, while providing business owners with greater protection from fraud.

Specific proposals include: a robust identity check for company directors and people with significant control; a cap on the number of directorships individuals can hold; enhanced systems to protect personal information held on the register; and the establishment of effective links between records held by Companies House and other government bodies.

Companies House Chief Executive Louise Smyth commented: *"This package of reforms represents a significant milestone for Companies House as they will enable us to play a greater part in tackling economic crime, protecting directors from identity theft and fraud, and improving the accuracy of the register."*

One group that the government is particularly keen to hear from is company directors and officers of other corporate entities. The consultation period closes on 5 August 2019.

MARKETING LOW PRIORITY FOR MANY SMALL FIRMS

A new survey has revealed that almost six out of ten small businesses spend less than five hours per week on marketing, with stress being a major contributing factor restricting the amount of time business owners devote to marketing.

The report suggests the complexity of today's small business environment is making marketing much more difficult. Indeed, with a bewildering range of marketing options available to businesses, it can be a stressful environment for owners who lack the resources to take advantage of these opportunities.

Conducted by OutboundEngine, the research found that a lack of finances (29%), time (22%) and marketing know-how (14%) were the factors most commonly cited by business owners as major hurdles in delivering an effective marketing strategy. While 58% of businesses spend under five hours per week on marketing according to the survey, 22% spend five to ten hours, and only 4% spend more than 20 hours each week.

However, the survey did highlight a clear correlation between spending more time on marketing and achieving business growth: more than 79% of respondents, who spent five to ten hours per week on marketing, experienced growth in 2018, compared to just 52% of those who spent less than five hours.

EMPLOYEES RANK HAPPINESS ABOVE PAY

A recent survey has revealed that over half of all UK employees are more concerned about being happy at work than the level of their salary.

The 'Happiness Poll' conducted by Wrike, surveyed 4,000 employees across the UK, France, Germany and the US, questioning respondents on issues relating to culture, pay and collaboration. It sought to identify what makes people happy at work and how that impacts on their productivity.

In the UK specifically, the findings suggest that levels of happiness are generally relatively high, although it was found that 'doing meaningful work' and feeling connected to a purpose was the most critical factor in terms of employee happiness, ranking even higher than pay. In addition, more than half of all UK respondents said they had taken a pay cut in order to accept a job that made them happier.

The research also corroborated other studies that have found a strong link between happiness and productivity, with this particular survey suggesting that 91% of happy employees felt they were 'very productive' at work. These findings therefore stress the need for employers to create a happy working environment if their workforce is to be truly productive.

OTHER NEWS

Improvements to apprenticeships required

In a new report, the Public Accounts Committee (PAC) has urged the government to make 'radical improvements' to its apprenticeship programme so that smaller employers can take full advantage of apprenticeship benefits. The Committee revealed that apprenticeship starts have fallen 26% since the Apprenticeship Levy was introduced and suggested that 'small employers may miss out' due to the government's focus on higher level apprenticeships and levy-paying employers.

The cost of pointless meetings

A multinational survey conducted by online scheduling platform Doodle suggests the average professional wastes 13 days a year attending pointless meetings. This will equate to a loss of 24 billion hours across 2019, amounting to a waste of over \$541 billion in resources worldwide, the report claims. According to the survey's respondents, meetings can be improved by having a clear agenda and objectives, and not having too many attendees.

Data protection fines on the rise

Research conducted by law firm RPC suggests there has been a 14% increase in the average data protection fine levied by the Information Commissioner's Office since the General Data Protection Regulation (GDPR) was introduced in May 2018. The average fine rose from £125,000 in 2017/18 to £143,000 in 2018/19, according to the study, with bigger fines becoming more common since the introduction of GDPR.

CRUNCH TIME FOR LATE PAYMENTS REFORM

The Federation of Small Businesses (FSB) has urged Theresa May to use her final days in office to push through the late payments reforms package unveiled in the 2019 Spring Statement.

Chancellor Philip Hammond announced the package of measures designed to crack down on the scourge of late payments when delivering his Spring Statement on 13 March. The proposals will make the audit committee of every large business responsible for its payment practices; require listed companies to report their payment performance in their annual report; and strengthen the Prompt Payment Code.

And FSB National Chairman Mike Cherry is now calling on the Prime Minister to ensure her Government delivers on the promises made to the small business community, and to do so in June. Mr Cherry commented:

"As Theresa May's time in office draws to a close, we are now at crunch time for the promised late payments package we have worked hard with the government to secure. We are fast running out of time for the outgoing administration to secure this as their lasting and transformational small business legacy. We cannot afford to have these crucial reforms lost at the last fence, as attention turns to the leadership contest, a new administration and the upcoming Brexit deadline."

HIGHER MINIMUM WAGE DEEMED AFFORDABLE

In its ninth annual report on low pay, think tank, the Resolution Foundation, has declared the National Minimum Wage 'a 20-year policy success story' and suggested the UK can afford 'an even higher minimum wage'.

Following rate increases on 1 April 2019, the National Living Wage (NLW) for employees over the age of 25 rose to £8.21 per hour and for those aged 21 to 24 the rate increased to £7.70 per hour. The National Minimum Wage increased to £6.15 per hour for 18 to 20-year olds and to £4.35 per hour for employees aged 16 or 17. For apprentices, the minimum rate stands at £3.90 per hour.

The report highlights that since the introduction in 2016 of the higher NLW for over-25s, the percentage of employees in low pay (defined as those who are paid less than two-thirds of median hourly pay) has declined from 20.7% in 2015 to 17.1% in 2018. While this is clearly good news for employees, the think tank warns that the minimum wage is now approaching a crossroads and policy makers must decide 'how fast to boost wages for the lowest earners while managing the inevitable risks to employment.'

QUIRKY QUOTE:

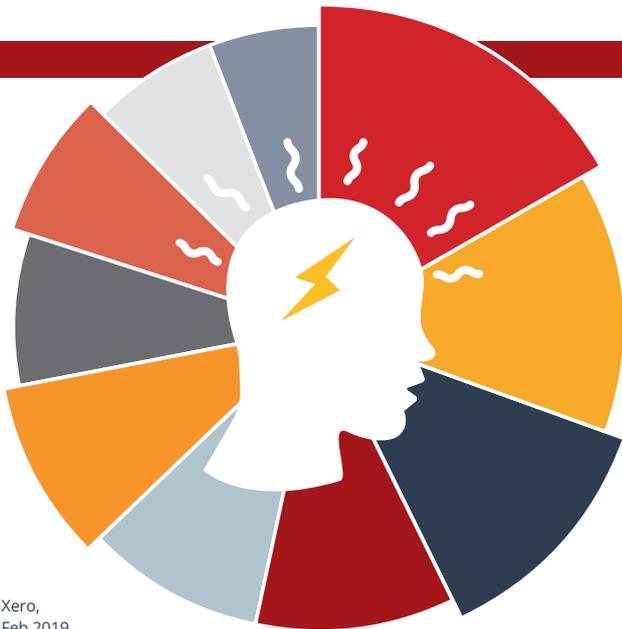
"People respond well to those that are sure of what they want."

— Anna Wintour

Small Business Data

Stress and the small business owner

TOP 10 AREAS CAUSING THE MOST STRESS



Xero,
Feb 2019

74% of UK adults have felt so stressed that at points they felt overwhelmed or unable to cope, according to the Mental Health Foundation (May 2018).

Stress is a huge problem for small business owners. A recent study reports the top 10 areas causing the most stress for small business owners are:

- 42% – Managing staff
- 35% – Admin
- 31% – Feeling responsible for the success of the company
- 26% – Keeping up with compliance
- 24% – Paying for office overheads and expenses
- 23% – Keeping clients happy
- 20% – Imposter syndrome
- 19% – Filing taxes
- 17% – Time pressure
- 14% – Multitasking

UK PRODUCTIVITY Q1 2019

The latest data from the Office for National Statistics (ONS) indicates that productivity decreased for the third consecutive quarter in Q1 2019.

Mike Cherry, Chairman of the FSB responded:

“At the moment, more than eight in ten small firms say they have either maintained or increased their headcounts over the past quarter; however, seven in ten are not planning to increase investment. This unwillingness to invest is partly down to the ongoing uncertainty which is looming large for all businesses. The political uncertainty is not only dragging down confidence but is now also a drag on the UK’s productivity.

“There are also deeper structural issues that need to be addressed to resolve the productivity puzzle, including supporting small firms to adopt new management practices, business models and digital technologies that can increase their efficiency”.

ONS and FSB,
May 2019



ESSENTIAL TAX DATES

19 June

- PAYE, Student loan and CIS deductions are due for the month to 5 June 2019

30 June

- End of CT61 quarterly period

05 July

- Deadline for PAYE Settlement Agreement (PSA) for 2018-19

06 July

- Submit P11D, P11D(b). Give copies to employees.
- Submit employee share scheme annual return for 2018/19

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