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BUSINESS REVIEW

**Spotlight on issues
affecting business**

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BUSINESS

REVIEW

STRONG APPETITE TO HIRE

The strength of the jobs market has been a key positive for the UK economy in recent times and a British Chambers of Commerce (BCC) survey suggests recruitment intentions remain strong.

Data from the BCC's latest Quarterly Recruitment Outlook revealed a pick-up in attempts to recruit as well as an easing in recruitment difficulties during the second quarter of 2019. Specifically, the survey found that 60% of businesses attempted to recruit new hires, an increase from 53% in the first quarter. Of those businesses, 64% said they struggled to find the right people, a drop from 73% in the previous quarter.

While the survey therefore points to a reduction in recruitment difficulties, it does still suggest almost two-thirds of employers have struggled to find the talent their business needs to thrive. And this remains a relatively high figure by historic standards.

Commenting on the issue, Claire Walker, Co-Executive Director at BCC said: *"The solution to plugging the UK's skills gap in the long-term includes reforming the skills education and training system, and giving it time to bed-in. We look forward to working with the new administration to get the system working better for everyone and ensuring firms can access the skills they need to improve growth and productivity."*

EMPLOYEE WELLBEING PARAMOUNT

New research by the BCC and Unum has highlighted the importance of employee wellbeing to business success.

More than 1,000 companies covering a variety of sizes and sectors were surveyed, with over two-fifths of respondents having experienced employees being absent through ill health for over four weeks in the last two years.

By far the greatest impacts to businesses of long-term absenteeism were operational (88%) and on staff morale (76%). Financial (44%) and reputational (36%) impacts due to staff absences were also commonly cited by respondents.

The good news is that a majority of employers recognise the importance of employee wellbeing to their businesses success and are investing in their staff members' health and happiness. Indeed, more than six out of ten businesses said they were providing benefits such as private medical insurance, access to wellbeing support, occupational support services and healthy lifestyle perks such as gym membership and cycle to work schemes.

In addition, four out of ten businesses agreed that providing financial protection benefits such as critical illness cover and income protection insurance either could, or does, help to attract and retain employees.

FSB URGES VIABLE BREXIT

The Federation of Small Businesses (FSB) has urged the Prime Minister to find a viable solution to the Brexit process as the countdown to the latest deadline continues.

With the UK set to leave the EU on 31 October, with or without a deal, a no-deal Brexit remains a distinct possibility. And the FSB has warned that such a scenario is a frightening prospect for many small businesses.

Data from research conducted by the FSB has consistently demonstrated that small firms feel a chaotic no-deal Brexit is likely to be both damaging and disruptive. Indeed, the latest survey found almost four-in-ten small firms believe such a scenario will negatively hit their business, while just one in ten suggested it would be a positive outcome.

Responding to Boris Johnson's speech at the Conservative Party Conference, FSB National Chairman Mike Cherry said: *"This is crunch time in the Brexit process and it is vital that the Prime Minister finds not just words but a viable way forward to secure a deal and a period of transition. Securing a pro-business deal, complete with the hard-fought transition period, is of huge importance for so many of our small firms."*



QUIRKY QUOTE:

"We need to do a better job of putting ourselves higher on our own 'to do' list."
— Michelle Obama, former First Lady

WORK WORRIES WRECK WEEKENDS

A new survey has revealed that concerns about work are negatively impacting on employees' downtime.

The survey of 2,000 British workers, carried out by Aviva, found that 67% of respondents felt their weekend was cut short by work-related anxiety. Worryingly, this figure rises to a staggering 84% for employees in small firms.

Respondents between the ages of 16 and 24 were most likely to experience 'Sunday dread' and those working in HR and finance were also more prone to the phenomenon. The survey also highlighted the negative effects of workplace anxiety, with respondents saying they experienced a range of symptoms including a depressed mood, tiredness, irritability and problems with sleep.

The most common reason for anxiety cited by respondents was a heavy workload. Not being paid enough and the effects of toxic people in the workplace were also key factors contributing to high levels of anxiety.

While four in ten workers agreed that a four-day week would alleviate work-related anxiety, company directors were less prone to agree, with less than a quarter feeling a shorter working week would help. Another popular solution was a later start-time on Mondays, with 26% of workers and 31% of employers supporting this suggestion.

LIVING WAGE CHALLENGE

SMEs are set to face increased cost pressures following Chancellor Sajid Javid's pledge to raise the National Living Wage (NLW).

During his Party Conference speech, Mr Javid announced that the NLW will be raised to two-thirds of the average median income within five years. Based on current projections, this would see the rate increase to £10.50 per hour, compared to a current hourly rate of £8.21 for employees over the age of 25.

In addition, the Chancellor unveiled plans to lower the age threshold to 21 following advice from the Low Pay Commission. As a result, the NLW will apply to those aged 23 and over from 2021, and to those aged 21 and over by 2024.

Business groups, however, have warned the changes could damage smaller firms and urged government action to alleviate the rising cost-burden. Businesses already face a raft of new costs, including pensions auto-enrolment, the immigration skills charge and the apprenticeship levy, and these proposals will inevitably see the cost burden rise further.

The FSB called on the Chancellor to find ways of helping smaller businesses meet his pledge. Specifically, it suggested the government should uprate the Employment Allowance and introduce a National Insurance holiday for firms recruiting those furthest from work, as promised in the 2017 Tory manifesto.

OTHER NEWS

GDPR COMPLIANCE BENEFITS

Results from an international survey have shown that GDPR compliance brings significant business benefits. While the research undertaken by the Capgemini Research Institute found that less than three out of ten firms are fully compliant, a majority of those that have achieved GDPR-compliance felt this had enhanced their business's reputation and provided them with a significant competitive advantage.

COMMUTING TIMES REVEALED

Research by Moneybarn suggests an average full-time worker's commute now takes 62 minutes. This figure, however, does mask significant regional variation with workers in Wales typically facing a 48-minute journey compared with an 85-minute commute in London. The survey also shows the average 'working day' including commute is around 11 hours and, given the increasing propensity for people to work during their commute, has led to suggestions that commute time should be included within the working day.

UK TECH UNICORNS THRIVING

Data from Tech Nation and Dealroom has revealed that the UK created more than one tech unicorn company every month over the past year and is now home to 72 such companies. This means that more than a third of Europe's fastest-growing tech unicorns are now located in the UK. A unicorn is defined as a privately held start-up company valued at over \$1 billion.

Good Work Plan:

PROPOSALS TO SUPPORT FAMILIES

The government's Good Work Plan is a consultation which is seeking views on proposals to provide better support for parents with their family and work-life balance. The key considerations of the consultation relate to three main areas:

PARENTAL LEAVE AND PAY



Sets out high level options for reforming existing entitlements which could help parents to balance the gender division of parental leave.

NEONATAL LEAVE AND PAY



Looks at proposals for a new leave and pay entitlement for parents of babies that require neonatal care.

TRANSPARENCY OF FLEXIBLE WORKING AND FAMILY RELATED LEAVE AND PAY POLICIES



Looks at whether employers should have a duty to consider if a job can be done flexibly and make that clear when advertising a role. It also considers options for requiring large employers (those with 250 or more employees) to publish their family related leave and pay and flexible working policies.

Remote working data



- A Stanford University study found that there was an impressive increase in work productivity among people who worked from home
- The study of 500 people who worked both remotely and in a traditional setting concluded that the productivity among home-based workers was equal to a full day's work each week
- The research also discovered that people who worked remotely were less likely to leave the company for other employment
- The study found there was an overall 50% decrease in attrition among home-based workers, who also took shorter breaks, had fewer sick days and took less time off
- Interestingly, over half of the respondents felt that working from home 100% of the time would lead to feelings of isolation.

Stanford University, 2018

ESSENTIAL TAX DATES FOR OCTOBER

OCT

14 19 31

14 October

- Due date for income tax for the CT61 quarter to 30 September 2019

19 October

- Tax and NICs due under a 2018/19 PAYE Settlement Agreement
- PAYE, Student loan and CIS deductions are due for the month to 5 October 2019
- PAYE quarterly payments are due for small employers for the pay periods 6 July 2019 to 5 October 2019

31 October

- Deadline for submitting 'paper' 2018/19 self-assessment returns.

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