

14 November 2022

BUSINESS NEWS ENGLAND

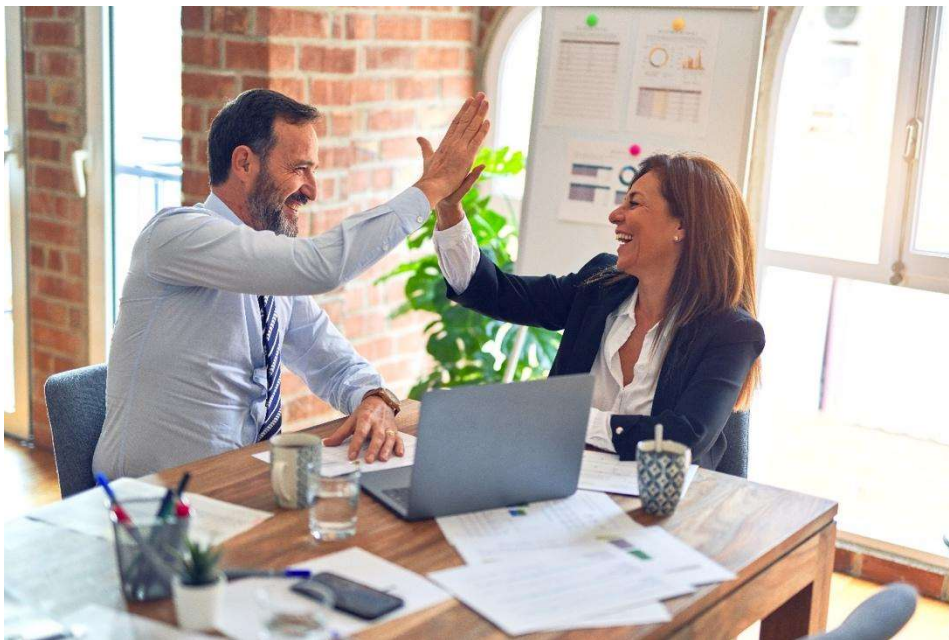
Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

The key to business success in challenging times

Times are tough and they are likely to remain challenging for many businesses. History shows us that only when things are difficult does genuine quality rise to the surface.

So what do businesses have to do to ensure that they succeed in the economic environment of the next two years?

On 17 November we will know more about the government's spending plans and taxation policies. The prospect is one in which the economy will be less dependent on the government, with spending to be cut aggressively and taxes to rise across the board.



The changing nature of the economy presents a whole series of questions for any business:

- What finance will it need in the short term and to invest?
- What are the challenges of entering and maintaining export and/or new markets?

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- How does it develop new and innovative income streams?
- How can it manage its workforce through the peaks and troughs of activity?

There is no one-size-fits-all answer to these questions. Different businesses will have different requirements. Here are some learnings from quality businesses that have succeeded in past tough times:

Put customers first:

For the next few years, companies need to understand their customers and be able to respond to their needs and the pressures they are facing. Household income has been squeezed and some experts predict it will continue to be the case until 2024.

For most consumer-facing businesses, that means offering value for your customers.

The key here is to invest time in understanding your customers' spending patterns and their needs.

Take some time to research these needs and look at how you currently satisfy them and what you could do to improve your offering.

Think of ways you can change the delivery of your product or service. Simple things like discussing your offering with the customer before providing it, letting them know how things are progressing, and calling them to make sure everything went OK after delivery are small ways you can identify what the customer wants and needs.

Constant communication with your customers before, during and after the sale is a key factor for successful business in tough times. Ask yourself what you could do to improve this in your business.

Take time to seek out new revenue streams. Consider rebranding some of your offerings and selling abroad or online. What new income streams are available to you and how can you take advantage of them?

Control your costs:

Keeping the cash coming is fundamental, but so is controlling the rate at which the cash flows out.

Take time to think about your costs and what you could do to improve the way you manage your business. Regular review of targets to actual costs is key to good control of your business.

Look at the way you do things and are there alternatives?

Consider alternative suppliers, alternative payment schedules, and better use of electronic point of sale, stock management and quality control.

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Sit down with us to discuss your strategy for controlling costs, brainstorm how you can do things more quickly and efficiently, and formulate a strategy for the next year.

Manage your employees:

One of the biggest costs for firms is the cost of employment. Taking on new staff is expensive, equivalent to fresh investment in the business. Many successful businesses are reviewing the value they get from their employees and are taking time to discuss how they can be more customer focused and efficient in their roles.

Look at alternatives to salary rises, such as the use of performance-related pay and a bonus structure that rewards both good service to customers and increases in sales. Get all employees involved in how the business can improve and do this regularly.

The blueprint for success?

There is no single answer but there are some general principles. Be flexible, but also be alert to the dangers. Successful businesses of the future will be fast on their feet but also aware of the risks. They will be lean and efficient. They will be the ones who spot and take advantage of the opportunities that are there.

As tough as the economic outlook appears for the coming years, there will still be plenty of opportunities so please talk to us about your plans - we have considerable experience in helping our clients be successful!

Could your business cope with severe winter weather?

Weather and other disruptions can happen anywhere at any time. Taking time to plan and prepare your business can save you time and money when something untoward happens.



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Creating a business continuity plan will help you understand and manage the risks faced in the event of extreme snowfall, flooding or similar.

Businesses are also advised to prepare a grab bag with essential items which can be easily accessed should the premises be evacuated or unable to be accessed.

Items such as a copy of key contact information, copies of insurance documentation, company cards and a copy of the business continuity plan can be included to ensure resilience can be achieved following an emergency.

Businesses are also encouraged to be aware that harsh weather conditions could leave staff unable to travel to work and therefore should evaluate the risks and provide solutions to being understaffed during this time.

See: [Preparing for emergencies - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/preparing-for-emergencies)

Icy conditions and winter weather – HSE guidance

The Health and Safety Executive (HSE) has updated its guidance on icy conditions and what businesses should consider regarding workers' safety.

Slip and trip accidents increase during the autumn and winter season for several reasons: there is less daylight, leaves fall onto paths and become wet and slippery, and cold weather spells cause ice and snow to build up on paths. There are effective actions that you can take to reduce the risk of a slip or trip. Regardless of the size of your site, always ensure that regularly used walkways are promptly tackled.

The following links provide some advice on how to address these issues.

- [Lighting](#)
- [Wet and decaying leaves](#)
- [Rainwater](#)
- [Ice, frost or snow](#)
- [Gritting](#)

See: [Logistics: Slips and trips \(hse.gov.uk\)](https://www.hse.gov.uk/seasonal/autumn-winter/)

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HMRC late payment interest rates revised

The Bank of England Monetary Policy Committee voted on 3 November 2022 to increase the Bank of England base rate to 3% from 2.25%.

HMRC interest rates are linked to the Bank of England base rate.

As a consequence of the change in the base rate, HMRC interest rates for late payment and repayment will increase.

These changes come into effect:

- 14 November 2022 for quarterly instalment payments.
- 22 November 2022 for non-quarterly instalments payments.

See: [HMRC late payment interest rates to be revised after Bank of England increases base rate - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/hmrc-late-payment-interest-rates-to-be-revised-after-bank-of-england-increases-base-rate)

Workers paid via umbrella companies

Umbrella companies are commonly used by employment agencies to pay temporary workers. HMRC are aware that some umbrella companies purport to avoid tax and claim to be able to maximise the worker's take-home pay.

Legitimate umbrella companies employ workers and pay their wages through PAYE. As an employee of the umbrella company, the worker should have the same employment rights as a regular employee and has a right to a written employment contract. The worker has the right to be paid at least the National Minimum Wage and is entitled to holiday pay.

HMRC have recently updated their guidance which will help temporary staff identify whether the payment arrangements are legitimate, and also sets out their employment rights:

See: [Working through an umbrella company - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/working-through-an-umbrella-company)

Some workers operating via umbrella companies may be concerned that they have become embroiled in a tax avoidance scheme. This could be indicated if they get:

- A separate payment which they are told is not taxable, such as a loan.
- More money paid into their bank account than is shown on their payslip.
- A payment from someone other than the umbrella company, which has not been taxed.
- Asked to sign another agreement in addition to their employment contract.

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The worker may be responsible for paying the tax underpaid. If they have concerns they should be made aware of HMRC guidance in spotlight 60.

See: [Warning for agency workers and contractors employed by umbrella companies \(Spotlight 60\) - GOV.UK \(www.gov.uk\)](#)

Living Wage Week 2022

Living Wage Week takes place from 14 November to 20 November 2022 and is the annual celebration of the Living Wage movement in the UK. The real Living Wage is the only UK wage rate that is voluntarily paid by over 10,000 UK businesses that believe their staff deserve a wage which meets everyday needs.

The Living Wage rates are independently calculated based on the real cost of living in the UK and London.

The new rates for 2022/23 are:

- £10.90 per hour UK rate
- £11.95 per hour London rate

See: [Living Wage Week | Living Wage Foundation](#)

Energy advice, guidance and costs calculator

UKHospitality (UKH) has made its energy cost calculator and guidance on the Energy Bill Relief Scheme accessible to all businesses. Previously, this was only available to their members.

UKHospitality Chief Executive Kate Nicholls said: “As we head into winter, many businesses will be extremely concerned about what is in store with energy prices eye-wateringly high. We know that our sector is feeling the pinch more than most and that is why we’ve taken the decision to make our expert guidance available to all.

“The government’s Energy Bill Relief Scheme is in place to reduce the unit price businesses pay for their energy, but navigating these schemes can be a challenging process so we want to offer as much help as possible.

“This is a perilous situation for the sector, and UKHospitality will continue to ensure the government is fully aware of the existential threat that inflation and energy bills combine to create.”

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Phil Thorley, Director of Thorley Taverns, said: “Energy prices are pulverising businesses like ours - it's brutal. However, it's reassuring to know that UKHospitality is working hard with the government to ensure the sector gets the support it needs. Delivering the Energy Bill Relief Scheme was invaluable for the sector and that wouldn't have been possible without UKH.

“Navigating some of these schemes is complicated though and I consider the resources available to UKH members essential in my understanding of how the schemes apply to my business. Access to these resources, as well as other benefits such as webinars, have already paid off for me and I know they will continue to be incredibly useful over the next few months.”

See: [UKH PUBLISHES ENERGY ADVICE, GUIDANCE AND COSTS CALCULATOR FOR ALL BUSINESSES - UKHospitality](#)

Bank holiday for the Coronation of His Majesty King Charles III

An additional bank holiday has been proclaimed on Monday 8 May 2023 to mark the Coronation of His Majesty King Charles III. The Coronation takes place on Saturday 6 May 2023 and the bank holiday will fall on Monday 8 May 2023 to mark the occasion.

This bank holiday is in addition to the regular bank holidays that take place in May: Monday 1 May for May Day and Monday 29 May for the spring bank holiday.

See: [Bank holiday proclaimed in honour of the coronation of His Majesty King Charles III - GOV.UK \(www.gov.uk\)](#)

Net zero living: pioneer places

UK registered businesses and local authorities can apply for a share of up to £2 million to develop detailed local plans for innovative approaches to unlock non-technical systemic barriers to the delivery of net zero targets.

The aim of this competition is to support up to 30 places to develop a plan, with local authorities, to accelerate their transition to net zero.

You must consider the whole net zero system in your area, including:

- Power
- Heat
- Mobility

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- Product manufacture and usage

This competition is open to collaborations only and closes on 30 November 2022.

See: [Competition overview - Net zero living: Pioneer places - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](https://apply-for-innovation-funding.service.gov.uk)

Export Support Service

If you are a UK business that sells goods or services to Europe, you can contact the UK Government's export support team by phone or online.

You can ask any question for your business and get advice on topics such as:

- How to export to new markets.
- The paperwork you need to sell your goods abroad.
- The rules for a specific country where you want to sell services.

If you ask a question online, the export support team will reply within 3 working days. They might ask for more information.

See: [Ask the export support team a question - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

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