

SME Confidence Hits 3 Year High

“Two recent reports show that SME’s are very positive about their business prospects and are displaying increased confidence”

The Federation of Small Businesses reports a 3 year high in confidence in all regions & across most sectors, with an index of 15.9 (the 2nd highest since the index started in 2010). Other results show:-

Increased exports from small businesses with more to come. More businesses expect to take staff, grow turnover and business.

The major concern remains with energy prices.

The FSB commented that inflation & lack of access to finance will influence the pace of growth & job creation.

Medium sized businesses express the most optimism about trading in the next year. Accounting, Finance & consultancy sectors express the most optimism.

HMRC to Prioritise Vat Fraud & Online Trading

“The National Audit Office is tasking HMRC to do more fight VAT fraud & stem loss of revenue from online trading”

The NAO concluded that uncollected taxes in 2010/11 amounted to £32 billion, VAT accounted for £9.6m of this. Whilst HMRC had stopped payment of £579m of suspect VAT claims, it had failed to perform any real-time VAT return checks. No coherent plan to control online trading has been formulated, despite the threat posed by the likes of eBay.

Three major priorities were identified :-

- (1) Improve customer satisfaction
- (2) Reduce costs
- (3) Use cost savings to improve revenue generation.

International & local legislation will need to change to allow this.

Is the Word “Teenager” Discriminatory?

“A tribunal granted a £2,000 award to an 18 year old employee recently her line manager kept calling her a teenager”

The Equality Act 2010 prescribes age as a “protected characteristic” & employers must not discriminate on these grounds. In a recent case in which the employee was repeatedly called a “stropky little teenager”, the tribunal found that whilst the employee was indeed (1) stropky (2) little & (3) a teenager; the linking of the terms was harassment and in breach of the regulations

Tip: The use of the word “teenager” is not age discrimination but what is not acceptable is it’s use in a negative, stereotypical or derogatory manner.

Government Support for Exports up £2bn

“UK Export Finance provided UK businesses with £4.3bn of support in 2012/13 up £2bn on 2011/12, the highest for over 10 years”

The main sectors that benefitted from credit guarantees & insurance were oil & gas and aerospace/defence/automotive. Businesses exported to a total of 58 countries.

The CBI commented that this was good news but SME’s are still not benefitting to the same extent as multinationals. Two-thirds of SME’s are unaware of the support available. It suggested that a tax credit be introduced to encourage small business to investigate export markets & that the government ensure the proposed business bank is an integral part of this.

Only 49 SME’s took advantage of the support available in 2012/13 even though they represent 99% of the UK’s 4.8 million businesses. The UKEF & UKTI are being pushed to be more proactive and raise awareness.

Businesses are Struggling to Find Skilled Staff

“The CBI reports that nearly 2/3rds of businesses requiring staff with maths, science, engineering & technology skills are struggling to find the right employees”

The report finds that:-

- (1) Some 45% of firms state that “STEM”-skilled employees do not possess the right work/ life skills.
- (2) Over half of firms want guaranteed funding in these subjects in higher education.
- (3) Work ethic & general skills rank higher than exam scores.
- (4) 70% of firms rate foreign language skills highly with French featuring the most strongly.
- (5) Over 2/3rds find that careers advice given is inadequate.

The CBI commented that while business is investing in skills, it cannot achieve what is needed without properly targeted resources.

Smokers cost you £4,000/ Year!

“A Tobacco Control report indicates that employing a smoker costs approx. £4,000 more than employing a non-smoker”

The additional cost results mainly from cigarette breaks and their impact on productivity. A possible response is to ban these type of breaks during normal working hours but this must be clearly spelt out in the no smoking policy.

Tip: The Equality Act 2010 specifically identifies normal addiction to smoking (nicotine) as an individual’s own preference & as such not an illness. Any such no smoking policy is therefore excluded from the regulations & is not construed as discriminatory.