

Poor Value Pensions Risk

“The Office for Fair Trading (OFT) reports that Defined Contribution (DC) offer poor value for money”

The OFT findings show that workplace DCs are also too complex and agreed reforms with the Pensions Regulator, the value of the DC market is some £275b. OFT commented further that automatic enrolment makes it a matter of urgency that these measures are put in place. Auto-enrolment is set to increase DC members/holders from 5m to 9m over the next 5 years.

Findings show that struggle to identify whether a particular scheme offers value for money. This is only going to get worse given auto-enrolment and the large numbers of small employers required to provide put schemes in place.

The reports highlights schemes with a total value of £40m which are at risk of providing poor value for money. For a handy overview of auto-enrolment visit <http://www.cismadeeasy.co.uk/business-tax-zone/>

Key Personnel – The Business Risk

“Scottish Widows reports that 55% of UK businesses believe they would be forced to close down if they lost key personnel as a result of death or illness”

Key personnel insurance is available to fund the costs of findings suitable replacements for key personnel but only 20% of businesses choose to take out such cover. Further details from the report show:-

(1)77% have a key person whose loss would endanger business survival or result in a serious loss of profitability. (2)Businesses with external finance liabilities has increased by 8% to 42% over the last two years. (3)34% have no disaster plans in place with regard to key personnel. (4)68% have customer fulfilment as their top priority, whilst key personnel insurance was a priority for a mere 3%.

Small businesses are obviously most affected & should be putting succession planning in place to secure the future of their businesses.

Firm Fined – 2 Serious Events in 1 Week

“A Hampshire firm has been fined after 2 incidents in a week left 2 employees with disabling injuries”

Hydro Pumps Ltd was fined £46,500 after incidents at the Tay Road Bridge in July/August 07. The firm had been subcontracted to cut away concrete top sections of support columns on the bridge to end replacement of support bearings. An employee slipped whilst using a water jet resulted in the water jet gun penetrating his abdomen leaving him unable to return to work ever since. Work was suspended for an investigation but when work resumed a replacement worker was injured when the same gun came apart & resulted in the water jet shooting into his knee, the leg had to be amputated. The firm had in particular failed to carry out a suitable & sufficient risk assessment. Full story:

<http://www.hse.gov.uk/press/2013/rnn-sco-hydro-pumps.htm>

FSB Reports SME Ready to Hire

“The Federation for Small Businesses survey finds that small businesses are likely to increase staffing in the final quarter”

FSB’s Voice for Small Business survey reports that 15% of small businesses recruited additional staff in the 3rd quarter. The highest since the survey’s 2010 inception. The National Insurance Contribution (NIC) holiday also set to increase staffing levels. The scheme which starts in April 2014 allows for eligible start ups to have a £5,000 reduction in employer NICs for each of its first 10 employees.

FSB research shows that the additional funds will be used to:-

- (1) Improve staff wages (29%)
- (2) Recruit additional staff (28%)
- (3) Fund new resources/ equipment (24%)

The FSB commented further that compared with a year previous, small businesses are looking to grow in the short term & have taken on more staff.

More Than 60% Suffer Workplace Stress

“YouGov reports that 64% of workers report being stressed at work”

Detailed findings include the following:-

- 82% have exceeded contracted hours in the last year
- 46% eat their lunch at their desk/ in the office
- 54% don’t take their additional breaks
- 29% don’t take full holiday entitlement due to workload
- 89% go to work even if they are ill

Despite 95% of employers believe a healthy workplace is important to business performance, 26% of bosses report stress is commonplace. Stress is being dealt with by:-

- 33% of employers have flexible working schemes but 28% are not open to such arrangements. %0% of those in schemes claim it improves productivity.
- 47% of stressed workers unwind with family, 31% choose exercise.

Most stressed workplaces are in Scotland, Yorkshire & Humber & the West Midlands. Welsh workers are least stressed.

Company Fined After Tall Ship Blaze

“A Dorset yacht company has been fined after fire ravaged a famous tall ship, almost killing a worker”

Rolf Kitching 45 of Portsmouth suffered 40% burns to his upper torso & head spending 4 months in hospital, after the incident at Hythe Marina in Hampshire. The fir on board the Malcolm Miller occurred during refurbishment work overseen by Yacht Project Associates Ltd (YTAL) & director Allan Foot as principal contractors. Welder Mr Kitching was employed by a separate company & was working in an area recently sprayed with insulation foam when the fire broke out. He was found unconscious & is unable to recall what happened. HSE found that hot work was poorly controlled/ managed by YTAL & Allan Foot. The firm was fined £25,000 with £65,000 costs. Full story: <http://www.hse.gov.uk/press/2013/rnn-se-ygal-allan-foot.htm>