23 September 2024

BUSINESS NEWS - ENGLAND

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

Amazon ends hybrid work policy: Is it time to reconsider remote working?



Amazon has announced the end of its hybrid work policy, with corporate staff expected to be back in the office five days a week starting in January. Previously, staff had the flexibility to work from home two days a week.

The decision has apparently been made to help staff work together more effectively and help reduce bureaucracy. Last year, Amazon tightened the full remote work allowance that had been put in place during the pandemic and this resulted in staff staging a protest. The new decision is unlikely to be popular with many.

Amazon's decision is in contrast with the new UK employment rights bill expected to be published next month. This is expected to make flexible working a default right from day one.

What do you think? Is it time to reconsider remote working? Let's look at some of the pros and cons.

The pros of remote working

- **Increased Productivity**: Many employees argue that working from home boosts productivity because of there being fewer interruptions when compared to office environments.
- **Wider Talent Pool**: Flexible work policies enable businesses to recruit from a larger and more diverse pool of talent. For instance, a business can hire staff living in various areas of the country allowing them to tap into a broader or more specialist range of skills.
- **Cost Savings**: Remote working can reduce overheads for businesses, including office rent, utilities, and other operational costs. This financial flexibility can be particularly beneficial for smaller firms.

The cons of remote working

- **Collaboration Challenges**: In communicating the decision, Amazon's CEO highlighted that in-person work fosters better collaboration and innovation. The informal discussions and spontaneous idea-sharing that occur in an office environment are often harder to replicate in a virtual setting. This can hinder teamwork and slow down decision-making processes, especially in large businesses.
- **Cultural Dilution**: Remote working could dilute the culture of the business. Maintaining a strong sense of shared mission and values can be more challenging when employees are spread out and not regularly engaging face-to-face.
- **Potential for Bureaucracy**: Amazon have linked remote work with a growing number of bureaucratic layers in their business, that slows down their business. Businesses that thrive on agility and quick decision-making may find that remote working introduces inefficiencies.

Implications for your business

The debate around remote working remains complex. You may benefit from the flexibility and productivity gains that homeworking can provide. However, if your business relies on close collaboration, you may find that bringing staff back to the office offers greater advantages.

As businesses navigate these decisions, it's clear that there is no one-size-fits-all solution. The key will be to balance productivity, collaboration, and employee satisfaction so that you achieve the best results for your needs.

See: https://www.bbc.co.uk/news/articles/czj99ln72k9o

Chancellor backs new taskforce to support female entrepreneurs



The Chancellor of the Exchequer, Rachel Reeves, has pledged her support to the Invest in Women Taskforce, a new initiative aimed at increasing funding for female-founded businesses. The Taskforce aims to create a £250 million investment pool, making it one of the largest of its kind worldwide.

This move follows the Rose Review, which highlighted a £250 billion economic boost if women started and scaled businesses at the same rate as men. Despite women making up over half the UK's population, they currently own only 21% of businesses.

Speaking about the initiative, the Chancellor commented that she doesn't take her responsibility to be able to use her position to improve life for women across the UK lightly. She said that her focus is on addressing the gender pay gap, strengthening workplace rights, and investing in childcare.

The announcement coincides with International Equal Pay Day and is part of broader efforts, such as the Investing in Women Code, to address the financial barriers female entrepreneurs face.

For women business owners or those looking to start, the Taskforce could lead to more opportunities for investment and growth, as the government seeks to encourage more equal representation in entrepreneurship.

See: https://www.gov.uk/government/news/chancellor-everyone-can-do-something-for-womens-equality

Inflation holds steady in August

The latest figures released by the Office for National Statistics last week show that inflation for the year to August 2024 remained steady at 2.2%.

Increases in air fares compared to last year made the biggest upward contribution to the rate. However, falls in the price of motor fuels and restaurants and hotels offset this.

The Bank of England met last Thursday to review the base rate and decided to hold the rate at 5%. While inflation is slightly above the Bank's target, this is in line with their expectations of an increase towards the end of the year before it falls again next year, and the Bank's policymakers felt there was currently no need to make a further change.

If you need any help with reviewing your finance arrangements to make sure that you are paying the least possible, **please give us a call**. We'd be happy to help you!

See:
https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest

Check your National Insurance record: Are you missing out on your full State Pension?



HM Revenue and Customs (HMRC) has recently reminded people to check and make sure they are not missing out on valuable State Pension entitlements due to gaps in their National Insurance (NI) record.

The issue mainly affects parents, particularly women, who claimed Child Benefit before 2000. During that time, Home Responsibilities Protection (HRP) was designed to reduce the number of NI qualifying years needed to receive the full basic State Pension. However, if you didn't provide your NI number when claiming Child Benefit, your record may not reflect the HRP you were entitled to, potentially lowering the State Pension you will now receive.

Who should check?

If you claimed Child Benefit between 1978 and 2000, it's worth checking if HRP was properly applied to your NI record, especially if you took time off work to raise a family. Although HMRC is writing to those affected, you don't need to wait for a letter—you can check your NI record online or through the HMRC app.

If gaps are identified and you successfully claim HRP, your NI record will be corrected, and the Department for Work and Pensions (DWP) will recalculate your State Pension. This could result in higher payments or, in some cases, back payments.

How to check and claim

It takes about 15 minutes to check your record on GOV.UK. If you find any gaps, you can submit a claim online or by post. There's no need to apply if you already receive the full State Pension or if your missing year is already counted as a qualifying year.

Why this matters

For those nearing, or at, State Pension age, these missing years could make a difference in retirement income. Taking a few minutes to check your records now could help ensure you receive the full pension you've earned.

If you need any help, **please feel free to give us a call** and we would be happy to help you. Don't miss out on what's rightfully yours!

See: https://www.gov.uk/government/news/check-youre-not-missing-state-pension-payments

Government to unveil new plans to tackle youth unemployment and long-term sickness

The government has announced plans to address the rising number of young people out of work due to long-term sickness. There has been a 29% increase in sickness amongst 16–24-year-olds since the pandemic. Government statistics indicate that nearly 900,000 young people are now not in education, employment, or training (NEET). This raises concerns, not just for their well-being, but also about the future workforce.

Minister for Employment, Alison McGovern, has pledged a fundamental shift in employment policies with the upcoming Get Britain Working White Paper. The government aims to create a system that focuses less on welfare and more on employment, offering more support to help people into work.



What does this mean for businesses?

For business owners, this could be good news. Many sectors are struggling to fill vacancies, with the Minister acknowledging that businesses are "crying out for staff" while large numbers of young people remain unemployed.

Key proposals outlined include:

- A Youth Guarantee: A commitment to provide work, apprenticeships, or skills training for young people who need it. This could mean a larger pool of young, trained workers for businesses to hire from.
- Overhaul of jobcentres: Jobcentres are expected to be revamped to better connect people with jobs and training opportunities, helping match the right candidates with the right roles.
- Support for long-term sick: As part of a plan to reduce NHS waiting times, the government is aiming to help people who are long-term sick return to work, potentially expanding the available workforce.

A boost for the economy

This initiative is part of the government's frequently stated mission for economic growth. The Prime Minister has said that he wants the UK to have the highest sustained growth in the G7.

For your business, especially if you are in an industry facing recruitment challenges, these measures could provide a much-needed boost in accessing workers.

See: https://www.gov.uk/government/news/lockdown-generation-consigned-to-the-scrapheap-will-get-life-changing-support-into-work-vows-minister--2

British Chamber of Commerce launches in Uganda

The British Chamber of Commerce has officially launched in Uganda, offering UK businesses new opportunities to expand into the region. The Chamber aims to strengthen trade links between the UK and Uganda by providing a range of services, including networking events, trade delegations, and business advocacy.



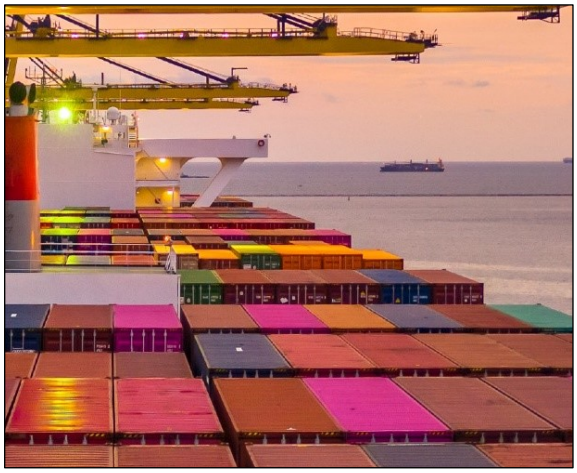
For UK businesses, this could be a valuable opportunity to explore new markets in Uganda, particularly in sectors like energy, agriculture, and infrastructure.

Membership of the Chamber of Commerce starts at $650 annually, with 3 tiers of membership. Members will have access to exclusive benefits such as connections to key government and private sector organisations, as well as invitations to trade-focused events.

For businesses looking to expand their reach and engage in Uganda's growing economy, this development could be a big help.

See: https://www.gov.uk/government/news/british-chamber-of-commerce-opens-office-in-uganda-to-promote-trade-investment

Could UK Export Finance help your business to grow?



Kiverco, a family-owned business from County Tyrone in Northern Ireland, has secured multi-million-pound contracts to export recycling machinery to Saudi Arabia with the support of UK Export Finance (UKEF). UKEF has provided a £350,000 export insurance package that will help Kiverco to install new plants in Saudi Arabia.

Kiverco designs and installs recycling plants that process and recover waste across various sectors, including construction, municipal waste, and dry mixed recyclables. With over 400 sites worldwide, the Dungannon-based company is well-positioned to meet rising demand in Saudi Arabia's waste sector, which is pushing for more sustainable infrastructure development.

This news story highlights the role that UKEF can play in supporting businesses that are looking to expand their trade internationally. UKEF can support businesses to find the finance and insurance needed to grow their export trade.

If you need any advice on the tax implications of exporting or would like advice on obtaining finance, **please just get in touch**. We would be happy to help you.

See: https://www.gov.uk/government/news/uk-export-finance-helps-ni-recycling-firm-meet-demand-from-saudi-market

Please do contact us if you would like to talk about any of the articles. We are here to support you and your business!

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