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BUSINESS REVIEW

**Spotlight on issues
affecting business**

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BUSINESS

REVIEW

QUIRKY QUOTE:

"Never follow anyone else's path. Unless you're in the woods and you're lost and you see a path. Then by all means follow that path."

— Ellen DeGeneres

MORE WORK REQUIRED ON UK-EU TRADE DEAL

Industry leaders have said more work is needed to 'normalise' UK-EU trade relations following the European Parliament's ratification of the post-Brexit trade agreement.

On 28 April, the European Parliament formally ratified the Trade and Co-operation Agreement (TCA) thereby ensuring tariff and quota-free trade between the EU and UK can continue. However, while welcoming the move, industry bodies made it abundantly clear further steps are required to address issues that have arisen since the UK's EU departure in January.

Director General of the Confederation of British Industry (CBI), Tony Danker, described ratification as *"a decisive step forward"* but also said *"it's far from the end of the process for business"*. Mr Danker added, *"The next phase is normalising relations between the UK and EU."*

Hannah Essex, Co-Executive Director of the British Chambers of Commerce, also expressed relief that ratification had gone smoothly, but added, *"It is now vital that both the UK and EU work together to alleviate the significant disruption and difficulty which many firms continue to report. The UK and the EU must now get back around the table and continue talks so they can build upon the arrangements set out in the TCA to deliver long-term improvements to the flow of trade between them."*

EMPLOYERS EMBRACE 'HYBRID' WORKING

Survey evidence suggests most businesses plan to continue allowing some remote working for employees after coronavirus restrictions are fully lifted.

Although government guidance currently states that people who can work from home should do so, this advice is expected to be reviewed and amended next month when the government hopes to end all social distancing restrictions.

Data from recent surveys, however, suggests relatively few businesses plan to bring staff back to the office full-time. An Institute of Directors (IoD) poll, for example, found that one in ten companies intend to allow employees to work from home entirely, while almost two-thirds expect to introduce a 'hybrid' model with staff working remotely for one to four days per week. In contrast, just one in five business leaders said their firms were not planning for any form of remote working.

A BBC survey covering 50 of the country's largest employers also found that most expect to embrace a mix of home and office working. In total, 43 of the firms questioned said they would adopt a 'hybrid' approach with employees encouraged to work from home two to three days a week, while a further four said they were keeping the idea under review.

HIRING FRUSTRATIONS CAN PROVE COSTLY

New research has highlighted candidate sensitivities to interview scheduling delays during the recruitment process, particularly in relation to senior roles.

The global survey commissioned by Cronofy, which included 2,000 people who had gone through the hiring process in the UK during the past year, aimed to provide insight into what candidates expect and want from the recruitment process. The findings suggest firms could be missing out on top talent due to interview scheduling delays, especially in the UK, where 73% of senior candidates said they left the process due to such an issue.

The research also found the hiring process has an impact on candidates' perceptions of a prospective employer's brand. For instance, 84% of senior UK candidates said the quality of the recruitment process directly affected their perception of the organisation, while 77% felt they would be less likely to engage with or recommend the company in the future.

Commenting on the research, Cronofy CEO Adam Bird said, *"It's important for firms to remember that their brand values exist in their actions, not words. This is why some are unconsciously stumbling into an experience, for some of the most important people they come in contact with, that ruins their reputation forever more."*

For the latest information on COVID-19 and the measures the government are taking visit the government website.



OTHER NEWS

CALLS FOR KICKSTART EXTENSION

The CBI has urged the government to extend its Kickstart work placement scheme, which helps young people claiming Universal Credit get back into the jobs market. The business group believes support for jobs and training will be critical if the UK's economic recovery is to be inclusive and argues the additional lockdown at the start of 2021 means the scheme should now remain open for longer.

KEY PRIORITY: IMPROVING DIGITAL CAPABILITIES

A survey conducted by PricewaterhouseCoopers (PwC) found the top priority for family businesses in the coming years is to improve their digital capabilities.

As part of its *UK Family Business Outlook* study, PwC conducted in-depth interviews with key decision makers within family businesses in order to better understand issues central to those firms. The research revealed the main priority is to improve digital capabilities, a term used to describe the skills and attitudes needed in today's digital business world.

In total, 60% of family business leaders ranked this as their top concern, which is perhaps unsurprising given the massive digital shift witnessed since the onset of the pandemic. This finding also appears to reflect the fact that few family businesses feel they are particularly proficient in this area, with the research showing just 14% had reached a 'fixed' digital strategy with a strong capability in place.

Suzi Woolfson, a private business partner at PwC, commented, "In 2020, the winners were those who already had an online presence. As consumers, we're never going back to 'store only'. So, digitisation is happening from the front office to the back office. During COVID-19, we've seen stop gaps created but there's a long way to go to digitise all of these processes."

FIRMS NEED HELP WITH NET ZERO CARBON GOALS

The IoD has called on the government to do more to inform and support businesses with efforts to achieve sustainability goals and reduce their carbon footprint.

A new, more ambitious target to cut the UK's carbon emissions was recently set in law, and research suggests the vast majority of firms want to play their part in the battle against climate change. Indeed, in a survey of over 700 IoD members, 83% said it was important their organisation operates in an environmentally friendly and sustainable manner.

However, the study also found that only 24% of directors fully understand how their organisation can lower its carbon footprint and meet net zero carbon goals. In addition, 30% said the costs associated with doing so were prohibitive.

Commenting on the findings, IoD Senior Policy Advisor Joe Fitzsimons said, "As many businesses join the efforts to decrease their carbon footprint, it is vital they have access to the necessary resources and tools. An attainable long-term strategy including green investment incentives, improved access to relevant expertise, and funded reskilling in environmental best practices would be welcomed by businesses committed to navigating sustainability goals."

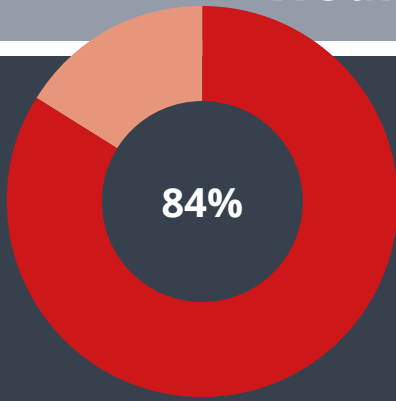
CYBER ATTACKS ON THE RISE

Data from the fifth annual *Hiscox Cyber Readiness Report* shows the proportion of firms targeted by cyber criminals in the past year rose from 38% to 43%. Over a quarter of those businesses also said they experienced five or more attacks, while one in six said a cyber event had threatened their organisation's viability. The data does, however, show firms are responding to the rising threat, with cyber security spending per business doubling in the last two years.

HOME WORKING TAX RELIEF

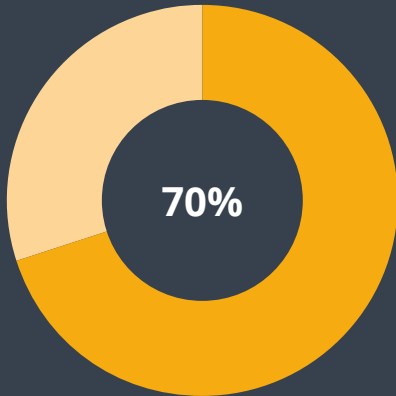
HMRC has confirmed employees who have to work remotely can once again claim the £6 per week home working tax relief in full, even if they split their time between home and the office. New claims need to be made for the 2021/22 tax year and this can be done via the online portal at: www.gov.uk/tax-relief-for-employees/working-at-home.

Health and wellbeing at work



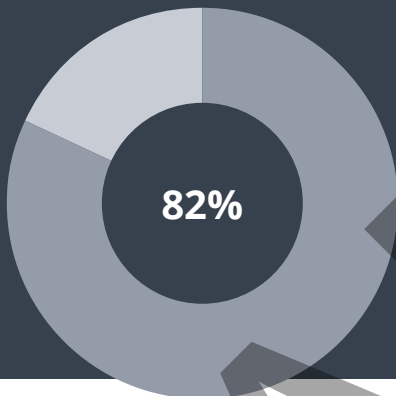
Research conducted by the Chartered Institute of Personnel and Development (CIPD) suggests most organisations are struggling to break unhealthy working habits such as presenteeism and leaveism.

According to the latest CIPD Health and Wellbeing at Work report, the pandemic-related rise in remote working has further blurred the boundaries between work and home life for many people. As a result, an 'always on' culture is encouraging more employees to work outside their contracted hours or when ill.



The survey analysed responses from 668 HR professionals and found that:

- **84% of employers observed PRESENTEEISM – people working when unwell – over the past 12 months**
- **70% observed LEAVEISM – the use of leave entitlement, such as flexitime or annual holiday, to catch up on work or cover illness – in the past year**
- **82% were concerned about the pandemic's impact on employees' mental health.**



On a positive note, the research did reveal an increase in the proportion of firms taking steps to address these issues. However, it also found that over two-fifths of organisations experiencing presenteeism or leaveism are still taking no action at all. For those employers in particular, the report identified three key areas for potential improvement:

- 1 Equip line managers with the training, knowledge and skills to support people's health effectively
- 2 Take a more strategic approach to enhance wellbeing
- 3 Increase investment in wellbeing initiatives.

HOMWORKING OVERTIME AND SICKNESS RATES

New analysis published by the Office for National Statistics has revealed significant variation in overtime hours and sickness rates of homeworkers compared to employees who never work from home.

In 2020, the data shows that homeworkers undertook an average of six hours' unpaid overtime each week, almost double the amount completed by their counterparts who

did no work from home. Conversely, people who never worked from home actually did more paid overtime on average than homeworkers.

Sickness absence rates also varied considerably between the two groups. The rate for the average employee who did any work from home was 0.9% in 2020 (equivalent to 2.0 days lost per worker); in comparison it was 2.2% (4.3 days lost per worker) for those who never completed any work from home.

It's crucial for organisations to address any issues that could be creating a culture where staff feel they are expected to work when ill or feel it's the only way they can stay on top of their workload.

— Rachel Suff,
Senior Policy Adviser, CIPD

All details are correct at the time of writing (11 May 2021)

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