



# BUSINESS REVIEW

**Spotlight on issues  
affecting business**



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MARCH 2023

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## QUIRKY QUOTE:

*"Luck is a dividend of sweat. The more you sweat, the luckier you get"*

— Ray Kroc, founder of McDonald's Corp.

## WINDSOR FRAMEWORK UNVEILED

**A deal has been agreed by the UK Prime Minister and European Commission President to solve the ongoing issues surrounding the Northern Ireland Protocol.**

The Windsor Framework aims to deliver free-flowing trade between Great Britain and Northern Ireland for goods staying within the UK by fixing the practical problems that were created by the original agreement. Rishi Sunak hailed the deal as a *"decisive breakthrough"* and declared that the new arrangement would remove *"any sense of a border in the Irish Sea"*.

Business groups in both Northern Ireland and the rest of the UK largely welcomed the proposals and the progress made in improving trading relations. They did, however, stress a need to study the finer technical details contained within the full legal texts before delivering their final verdict.

British Chambers of Commerce (BCC) Head of Trade Policy, William Bain said, *"The BCC has long been calling for a negotiated solution to the trading difficulties caused by the initial version of the protocol. Businesses in both Northern Ireland and Great Britain have been calling for a considerable reduction in checks and documentary requirements to move everyday goods across the Irish Sea. This appears to be a positive step toward achieving this goal."*

## 'HELP TO GROW' WEBSITE LAUNCHED

**The Department for Business and Trade (DBT) has unveiled a new centralised website designed to support the UK's 5.5 million businesses and help grow the economy.**

DBT is hoping the new *'Help to Grow'* website will become a pivotal tool that helps firms achieve their business ambitions by making it easier to find, access and use the information that firms need from government. The site will bring together a range of support and guidance that has previously been available across different government websites in one centralised space.

The ultimate aim is to upskill both big and small businesses across the country by helping them to learn new skills, reach more customers and boost business profits. DBT has said it will aim to continuously update and improve the *'Help to Grow'* website by working across government and listening to feedback from the business community.

Commenting at the launch of the new website, Business and Trade Minister Kevin Hollinrake MP said, *"When businesses are given the right tools to grow, it boosts profits, increases well-paid jobs and lifts the whole UK economy. This government is committed to supporting small businesses and the self-employed who are at the heart of our communities."*

## SMALL FIRMS NEED NET ZERO SUPPORT

**Research from the BCC has found that most small businesses do not fully understand what the government's 2050 Net Zero Strategy actually means for them.**

Data from a survey of over 1,000 firms found that less than one in ten fully understand the Net Zero Strategy. A significant divide between smaller and larger firms was also highlighted by the research; 56% of businesses with more than 50 employees had a 'complete' or 'some understanding' of the target, in comparison to just 35% of their smaller counterparts.

Encouragingly, the study did find that eight out of ten firms are taking some steps to become more sustainable. However, once again there was a sharp divergence in progress between smaller businesses operating on tight margins and larger SMEs with more resources.

BCC Director General Shevaun Haviland said, *"If the UK is to stand a chance of hitting its 2050 net zero target, then businesses must be put at the heart of the strategy to do that. They will provide one of the biggest dents in CO2 emissions by making the transition. Yet, there is a real danger that smaller businesses will get left behind unless politicians, banks and business leaders come together to galvanise action."*

## QUIRKY QUOTE:

*"The growth and development of people is the highest calling of leadership"*

— Harvey S. Firestone, founder of Firestone Tire & Rubber Company

## FOUR-DAY WEEK TRIAL DEEMED A SUCCESS

**The world's largest trial of a four-day week has been declared a 'resounding success' after a significant majority of the employers that took part opted to continue with the new working pattern.**

In total, 61 UK companies covering several industry sectors were involved in the six-month trial which ran from June to December last year. Firms involved in the pilot scheme had to ensure there was no reduction in wages for the 2,900 employees who took part in trialling the 32-hour working week.

The results of the pilot, recently published by think-tank Autonomy, the University of Cambridge and Boston College in the US, showed that 56 of the participants (92%) are set to continue operating a four-day week, with 18 confirming it as a permanent policy change. The report assessing the trial's impact described it as a 'resounding success' with 'extensive benefits', particularly in relation to employee wellbeing.

Some of the main benefits included: 71% of employees reporting lower levels of burnout; a 57% decrease in the number of staff quitting roles and a 65% reduction in sick days. Other key business metrics were also positive with companies' revenues, for instance, rising by 1.4% on average across the trial period.

## MOST IRRITATING OFFICE BUZZWORDS

**A recent survey conducted by print technology and solutions provider Brother UK has revealed the UK's most annoying office buzzwords and behaviours.**

According to the survey of more than 1,000 British workers, the most used irritating word or phrase was 'holibobs', which almost three in ten respondents found to be particularly grating. This was closely followed by the inspiring phrase 'teamwork makes the dream work' which over a quarter of employees said they find annoying.

Another supposedly inspirational expression – 'giving 110%' – was the next most hated workplace buzzword, while two cheery greetings 'happy Hump Day' and 'happy Fri-yay' were similarly found to annoy exactly a quarter of the survey's respondents. Over a fifth of workers also selected 'nice to e-meet you', a phrase that has become increasingly familiar since the pandemic and, apparently, more annoying.

In terms of irritating behaviours, the research asked respondents which ones they would admit to doing themselves and the two most commonly cited both relate to inappropriate video call etiquette; just under a quarter of all respondents said 'working on something else whilst on a video call' and 'not turning on the camera on calls' were undesirable work traits they were guilty of.

# OTHER NEWS

## WORKERS SET TO GET MORE RIGHTS

The government has announced its backing for a new law that would give workers a legal right to request more predictable working patterns in a bid to combat 'one-sided flexibility' that favours employers in zero-hours contracts. The new rules, which would cover all workers and employees including agency workers, are contained in the Workers (Predictable Terms and Conditions) Bill which is currently at the committee stage in Parliament.

## 'DIGITAL POUND' COULD BE COMING SOON

HM Treasury and the Bank of England have published a joint consultation on the potential case for a UK state-backed digital currency. The 'digital pound' would be a new form of money for use by households and businesses that would sit alongside cash. While the Treasury did say a central bank digital currency system would not be built until at least 2025, they also suggested one could be launched during the second half of this decade.

## DWP BACKS AUTO ENROLMENT EXPANSION

The Department for Work and Pensions (DWP) has confirmed it will back proposals to expand the automatic enrolment regime to under 22s and lower earners. Both extensions are contained in a private members bill that would see the pensions auto-enrolment age limit reduced from 22 to 18 along with removal of the lower earnings limit for contributions.





Chancellor Jeremy Hunt delivered his first Budget on 15 March. Some of the key business-related measures either announced or confirmed during his speech were:

- Main rate of **Corporation Tax** paid by businesses on taxable profits over £250,000 confirmed to increase from 19% to 25%; companies with profits between £50,000 and £250,000 to pay between 19% and 25%
- A **Full Expensing** policy will apply from 1 April 2023 until 31 March 2026 to allow investment in new IT equipment, plant and machinery to be deducted in full and immediately from taxable profits
- A number of changes to rates of **Research & Development (R&D) Relief** were announced including the introduction of an increased rate for loss-making R&D-intensive SMEs
- The **Energy Bill Price Cap** increase for businesses to go ahead in April
- A series of **childcare reforms** to be phased in by September 2025 including 30 hours of free childcare a week for working parents in England to be expanded to cover one and two-year-olds
- Expansion of the government's **Skills Bootcamps** for over 50s, offering more free training in sector-based skills
- A new **Investment Zones** scheme providing tax breaks and other benefits for 12 high-potential knowledge-intensive growth clusters across the UK.

### Business reaction

**While business groups welcomed some of the announcements, there was also concern that the Chancellor had largely overlooked the small business sector.**

*"The Chancellor has acted to address the unfilled jobs blighting our economy. It is especially good to see the help on childcare and for over-50s workers. Almost half of businesses have told us they will struggle to pay their energy bills from April, and they cannot invest when they are fighting to survive. There is little in today's announcement that will provide comfort to these firms."*

Shevaun Haviland, British Chambers of Commerce Director General

*"Our economy has been held back in recent years because people running businesses have felt nervous of committing to investment when*

*the climate is so uncertain. The introduction of 100% full expensing for the next three years is therefore very welcome and we urge it to be continued thereafter.*

*Having said that it is disappointing that the Chancellor has chosen to target R&D tax credits to some parts of the economy. While good news for the sectors concerned, it could lead to less innovation across the economy more widely."*

Kitty Ussher, Institute of Directors Chief Economist

*"The distinct lack of new support in core areas proves that small firms are overlooked and undervalued. Budgets are about tough choices, and with today's billions of pounds being allocated to big businesses and households, 5.5 million small businesses, and the 16 million people who work for them, will be wondering why the choice has been made to overlook them."*

Martin McTague, Federation of Small Businesses National Chair

**All details are correct at the time of writing (16 March 2023)**

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