Prismatic Wealth Limited, Prismatic House,
26 Falcon Court, Preston Farm Business Park,
Stockton on Tees, TS18 3TX

Tel: 01642 661600
Email: enquiries@prismaticwealth.co.uk
Web: www.prismaticwealth.co.uk

BUSINESS REVIEW

Spotlight on issues affecting business



- NEW PROPOSALS TO BOOST INVESTMENT
- INEQUALITIES IN NET-ZERO SUPPORT
- WOMEN HAPPIER AS THEIR OWN BOSS
- HEALTH ISSUES AFFECTING PRODUCTIVITY
- BLEISURE TRAVEL BOOST TO PRODUCTIVITY
- OTHER NEWS

OCTOBER 2023

BUSINESS REVIEW



NEW PROPOSALS TO BOOST INVESTMENT

The British Chambers of Commerce (BCC) has called on the government to introduce a series of improvements to create *'a more effective and efficient'* planning system to help boost business investment across the UK.

BCC research shows that most SMEs have not increased investment since the pandemic, with the number of firms planning to boost investment falling to just 23% in the second quarter of this year, down from 25% during the previous three-month period. The new proposals aim to create an improved planning system capable of unlocking potential investment.

Specifically, the BCC wants: improved resources for council planning teams and greater use of digitisation for applications; political stability on planning reform so the system can operate unhindered for a lengthy period; greater priority for businesses' needs in the plan-making process, and co-ordination between local and national infrastructure projects.

BCC Director General Shevaun Haviland said, *"The planning system has a major role to play in helping to unleash the potential of British business. But all too often firms are left frustrated by a slow and complex process. We urgently need more resources for local planning authority teams, greater stability of planning policy and more focus on the supply of land for business use."*

INEQUALITIES IN NET-ZERO SUPPORT

A new report published by the Federation of Small Businesses (FSB) and Warwick Business School has raised concerns over the reach and accessibility of net-zero support programmes across England.

Research undertaken for the report found that less than 1% of small firms have actually benefited from key local net-zero support schemes. The authors describe support in England as *'fragmented and piecemeal,'* and said this is concerning given the scale of the climate challenge we are facing.

Future funding challenges were also highlighted, as the second most common source of funding – the European Regional Development Fund – has now ended as a result of Brexit. The FSB is therefore calling for the introduction of a national *'Help to Green'* scheme, consisting of practical information on reducing energy usage and carbon emissions, and funding via a voucher or grant scheme.

FSB England Policy Unit Chair Richard Askew commented, *"Reaching net zero is a complex process and there are still many small businesses that lack the money, resources and time to progress their decarbonising efforts. To make sure we remain on track towards net zero, we need to make sure existing barriers are overcome so that small firms can access the right support."*

WOMEN HAPPIER AS THEIR OWN BOSS

Research conducted by Small Business Britain suggests a large majority of female entrepreneurs are happier after starting their own business.

The survey found that improving work-life balance was often the main motivation for women to start a business, with 39% of respondents saying a desire for greater flexibility drove their decision. Pursuit of a passion was the next biggest motivator, with 36% citing this option, while being able to choose their work location (30%) and career reassessment after having children (25%) were also seen as key drivers.

While the findings did highlight significant challenges, particularly in relation to the current economic climate and ongoing cost-of-living crisis, it also found that the vast majority of female founders were happier as their own boss. Indeed, overall a staggering 86% of businesswomen reported higher levels of happiness now they work for themselves.

Respondents also cited a range of tangible benefits that have stemmed from being their own boss. For instance, 74% of female entrepreneurs said they now have greater flexibility, while 63% feel more fulfilled at work and 48% report significant improvements in their work-life balance. In addition, 68% have developed new skills and 61% feel they have more freedom for creativity and innovation.

QUIRKY QUOTE:

"If you always put limit on everything you do, physical or anything else, it will spread into your work and into your life. There are no limits. There are only plateaus, and you must not stay there, you must go beyond them"

— Bruce Lee

HEALTH ISSUES AFFECTING PRODUCTIVITY

A recent survey suggests many UK adults are experiencing physical and mental health challenges, and that this is having detrimental consequences in relation to their work.

The new data published by workplace wellbeing platform Unmind found that increasing financial uncertainty is negatively impacting people's health and consequently hitting national productivity. In total, just over half of the 2,000 adults surveyed admitted higher mortgage rates and the cost-of-living crisis is affecting their ability to do their job as normal.

In addition, nearly half of respondents said they had taken time off work due to stress in the last six months, while a third said financial pressures are impacting their ability to focus at work. Respondents also reported problems outside of work, with four in ten experiencing sleep issues and a similar proportion lower than usual energy levels.

Commenting on the findings, Unmind CEO Dr Nick Taylor said, *"Our data clearly shows that the cost-of-living crisis and its impact on mortgage rates is negatively affecting the mental and physical health of the nation. At a time when the UK's productivity is lagging, business leaders have a responsibility to support their teams' mental and physical wellbeing, enabling performance."*

BLEISURE TRAVEL BOOST TO PRODUCTIVITY

Growth in the number of trips combining business and leisure – 'bleisure' – has been a notable trend in the business world, particularly since previously homebound remote workers returned to in-person conferences and meetings.

Attitudes and desires around work have clearly been significantly affected by the pandemic with many people seeking increased flexibility in a bid to rebalance their lives. And one area where companies seem to be increasingly prepared to offer their employees greater flexibility is via the opportunity to blend work and play.

Research conducted by Crowne Plaza also suggests UK workers are keen to embrace this opportunity with 45% of employees surveyed saying they plan to add more leisure days to future business trips. A number of other research studies have also highlighted a wide range of benefits that flow from combining leisure activities with work, both for companies and their staff.

A majority of employees, for instance, feel that mixing work obligations with travel inspires them to be more productive in the workplace. In addition, studies have shown that bleisure trips can have a positive impact on workers' stress and anxiety levels which in turn can boost employees' resilience, as well as their rates of productivity and efficiency.

OTHER NEWS

CASH TRANSACTIONS RISE

Data released by UK Finance has revealed that the number of payments made using cash rose for the first time in a decade during 2022. Despite this increase, debit cards remain the most common form of payment, with half of all transactions paid for in this way. The data also showed that nearly a third of UK adults are now registered for at least one mobile payment service.

WHERE THERE'S A WILL...

Research conducted by Will-writing charity Will Aid has found that over half of all business owners do not have a Will and almost seven in ten have no succession plans in place. The charity is therefore encouraging members of the business community to make a Will so, when the inevitable happens, the value of their business will be preserved and their affairs will be handled in accordance with their wishes.

SIDE HUSTLES POPULAR WITH GEN Z

A survey by GoDaddy has highlighted the popularity of side hustles with the younger generation. The poll found that almost six in ten Gen Zs would rather run their own business than take traditional part-time work in hospitality or retail. It also found that nearly three in ten already have their own business or side hustle, while half plan to start one.

AUTUMN STATEMENT 2023: BUSINESS GROUPS RELEASE WISH LISTS



Last month Chancellor of the Exchequer Jeremy Hunt announced his next fiscal statement will be delivered on 22 November; and business groups have been quick to publish their lists of policy recommendations they hope Mr Hunt will include within his Autumn Statement.

The **FSB**, for instance, has called on the Chancellor to introduce a range of measures to help small firms cope with rising operating costs. These include: taking urgent action to tackle late payments; an extension of the 75% business rates discount for SMEs in the retail, hospitality and leisure sectors; an increase in the Small Business Rate Relief threshold, and an overhaul of the business rates system.

"Small firms need some respite, and now will look to the Autumn Statement for signs from the government that it's listening and understands their concerns."

Martin McTague, National Chair of the FSB

In its written submission to the Chancellor, the Institute of Directors (IoD) listed five policy recommendations it believes can drive sustainable growth in the UK. These are: tax credits for companies that train employees to meet national skills shortages; stronger incentives for SME net-zero transition; permanent 100% capital expensing; an export target based on volumes and the proportion of companies that export, and greater reputational pressure on slow invoice payers.

"There has long been a debate around the need to raise productivity in the 'long tail of British industry'. There is therefore much to be gained by thinking of interventions that shape the broader economy rather than focusing exclusively on segments that are already market-leading, important though those are."

Jonathan Geldart, Director General of the IoD

Meanwhile, the Confederation of British Industry (CBI) has urged the Chancellor to "unleash green markets" in order to deliver long-term prosperity. Specifically, the CBI has called on the government to bolster sustainable growth policies in order to provide businesses with certainty and confidence; double down on green markets as an opportunity to unlock growth, and secure greater business investment from both domestic and foreign sources to boost productivity growth at a regional and national level.

"The Spring Budget provided strong foundations for stability and growth and set the right tone in challenging economic circumstances. While progress has been made, weak GDP and productivity growth is still selling the UK short. Meeting our sustainable growth ambitions means not only ramping up foreign direct investment but getting businesses at home investing again at scale. We also can't afford to be seen to retreat from high value green markets."

Rain Newton-Smith, Chief Executive of the CBI

Autumn Statement 2023 will be delivered on 22 November

All details are correct at the time of writing (11 October 2023)

Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored advice and is for information purposes only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from, taxation are those currently applying or proposed and are subject to change; their value depends on individual circumstances. No part of this document may be reproduced in any manner without prior permission.