



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](mailto:enquiries@prismaticwealth.co.uk)

Web: [www.prismaticwealth.co.uk](http://www.prismaticwealth.co.uk)

# BUSINESS REVIEW

Spotlight on issues  
affecting business

- ▶ **NICs RISE HAS IMMEDIATE IMPACT**
- ▶ **ENERGY PRICE HIKES PUSH GREEN AGENDA**
- ▶ **THE RACE FOR JOBS**
- ▶ **PENSION REGULATOR RESUMES SPOT CHECKS**
- ▶ **HYBRID WORKING WILL 'NEVER BE PERFECT'**
- ▶ **OTHER NEWS**



# BUSINESS REVIEW

## NICs RISE HAS IMMEDIATE IMPACT

**Research conducted by the British Chambers of Commerce (BCC) shows a large majority of employers have already been impacted by the increase in National Insurance contributions.**

The survey of over 1,100 employers uncovered a series of negative impacts with firms saying the rise had increased staffing costs, forced some to put up prices and would also limit future investment. In total, four out of five firms said the increase had negatively impacted their business.

As part of its call for an Emergency Budget, the BCC has urged the Chancellor to reverse the increase for at least a year. This, it is argued, would give firms a chance to keep a lid on rising prices, boost productivity and ease cost pressures.

BCC Co-Executive Director Hannah Essex said, *"Businesses are telling us that the rise in National Insurance contributions has been a body blow as they try to get back on their feet. When firms are already facing a toxic mix of surging inflation, rising energy costs and supply chain disruption, this increase is very hard to swallow. But it is not too late to change tack and push the increase back until firms are in a better place to take on the extra burden."*

## ENERGY PRICE HIKES PUSH GREEN AGENDA

**A recent survey suggests soaring costs are forcing most small firms to review their energy usage and encouraging many to bring forward plans to become more sustainable enterprises.**

The research commissioned by Novuna Business Finance asked 1,027 small business owners how the surge in prices had impacted how they buy and use energy. The findings suggest the small business community is adapting quickly and decisively to the evolving environment, with many planning to reduce energy usage and seriously consider renewable options.

In total, almost nine out of ten respondents said they had reviewed their energy use in response to the sharp rise in energy bills. Specifically, 37% of small business owners said they were shopping around for cheaper deals, while 34% were monitoring energy usage more closely and 29% were actively trying to use less energy. The research also found that 12% of small firms have accelerated plans to utilise green, renewable energy options.

Up until now, smaller firms have tended to trail their larger corporate counterparts in terms of sustainability. However, these findings suggest the energy price crisis may prove to be a catalyst that encourages a greater proportion of small businesses to adopt greener, more sustainable practices.

## THE RACE FOR JOBS

**With firms currently facing an unprecedented battle for talent, a recent study has revealed the key attributes small business owners typically look for when recruiting new employees.**

Official UK labour market statistics show the number of job vacancies recently exceeded the number of unemployed people for the first time since records began, with estimates placing small business vacancies at a record high of 575,000. In such a challenging climate, recruiting the right candidate has never been such a difficult but critical task for small firms.

New research by iwoca provides an insight into the hiring process, with the findings suggesting small business owners generally prioritise personal skills over qualifications. Honesty, for instance, was found to be a particularly key candidate attribute with 44% of respondents citing it as important, while 38% said they would prioritise candidates with a good personality.

More traditional professional attributes were mentioned by a slightly lower proportion; skill sets which match the job description and experience in a similar position, for example, were each cited by 37% of respondents. Interestingly, an undergraduate degree was rarely deemed to be important, with just 6% of small business owners seeking such a qualification when recruiting for positions in their business.



## OTHER NEWS

### QUIRKY QUOTE:

*"I love deadlines. I like the whooshing sound they make as they fly by"*

— Douglas Adams

### PENSION REGULATOR RESUMES SPOT CHECKS

**The Pensions Regulator (TPR) has announced a resumption of spot check inspections targeting employers it suspects of failing to meet their workplace pensions obligations.**

While TPR had continued to conduct urgent ad-hoc inspections on employers suspected of serious breaches, routine compliance drives had previously been paused due to COVID-19 social distancing restrictions. The return to larger scale in-person inspections will be carried out across a number of UK regions and cities over the coming months including Greater Manchester, Nottingham, Greater London and Belfast.

Most employers being visited have failed to make the correct pensions contributions for their staff. As well as detecting and confirming non-compliance, the inspections allow TPR staff to work on-site with those employers found to be non-compliant in order to help get them back on track.

Joe Turner, TPR's Head of Compliance and Enforcement, said, *"Despite the challenges of the past two years, the majority of employers have continued to meet their responsibilities, including paying contributions in full on time and recognising that automatic enrolment is business as usual. But where we are aware that an employer is failing to do the right thing, we will take action to protect savers, including on-site inspections."*

### HYBRID WORKING WILL 'NEVER BE PERFECT'

**A report published by Leeds University Business School has warned employers not to create a 'one-size fits all' policy for hybrid working.**

The study sought to examine changes to workplaces and ways of working spurred by the pandemic based on insights from a range of stakeholders and found that developing hybrid regimes is fraught with trade-offs between individuals, teams and departments. Among the report's key recommendations was that HR should include employees when designing their hybrid working policies although the authors did warn that organisations *'will never design a perfect arrangement that suits everyone.'*

There were, however, several tips offered for designing successful hybrid working policies: be clear on the purpose, value and reasons for office working; define what a good outcome will be; map the system and what needs to change to support your vision of hybrid working; articulate the constraints and non-negotiables; don't rush to create rules; staff involvement and engagement is key; ensure the office is still a positive experience and whether a certain number or mix of staff is required to achieve this; train people in team working, communication and hybrid working management styles; and be honest about the trade-offs for individuals and groups.

### MINIMUM WAGE OFFENCES

A report published by the Department for Business, Energy and Industrial Strategy has concluded that the 2020/21 financial year was *'a strong year for minimum wage enforcement despite issues caused by the COVID-19 pandemic.'* Overall, HMRC issued 580 penalties totalling £14.1m for minimum wage offences during 2020/21; this was down from the previous year's figures of 992 penalties totalling £18.5m.

### EMPLOYEE RESTLESSNESS

Analysis of Google search data by employee engagement consultants scarlettabbott shows a desire for flexibility stoked employee restlessness during the pandemic. The research revealed a sharp rise in the number of searches relating to 'hybrid working', '4 day working week' and 'flexible working' between 2019 and 2021, as well as a jump in searches for 'how to write a resignation letter.' The consultants feel it unlikely workers will want to give up this new found autonomy and flexibility.

### FAVOURITE OFFICE SNACKS

A survey conducted by Furniture At Work, which sought to identify the nation's favourite office snack, has crowned the chocolate digestive as the UK's most-loved worktime treat. Hula Hoops, Kit Kats and fruit also featured high on the list of favourite office snacks, while Nik Naks, Wotsits, Bounties, Snickers, Twix and Mars Bars all languished near the bottom of the table.

## UPSKILLING: TRENDS AND BENEFITS



**The latest eLearning report released by Go1, one of the world's largest corporate education content hubs, provides a valuable insight into the current state of reskilling in the UK and the positive impact learning new skills can have on people's lives.**

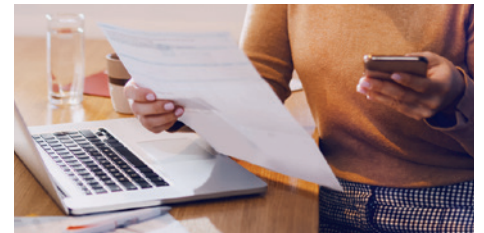
Since the pandemic, health and safety concerns have clearly come to the fore, and so it is perhaps not too surprising that health, safety and wellbeing was the most popular eLearning topic area. Courses relating to IT software, people and communication skills, and leadership, however, also featured prominently on the list of popular eLearning subject areas.

The research also revealed a number of interesting insights about people who have attended online courses and the benefits they derived from learning new skills. Among the key findings were:

- **43%** of workers were hesitant to take a course because they felt they were too old to learn something new, with men more likely to believe this than their female counterparts

- **45%** were taking additional steps to upskill in the hope of changing career
- **38%** of employees reported a promotion after learning a new skill
- **49%** of people aged 55+ said they want to learn more skills in the near future
- **43%** of 16 to 24-year-olds said learning new skills had helped them start their own business
- **55%** said developing their skill set had boosted their self-esteem
- **50%** experienced better mental health as a result of learning a new skill.

Chris Eigeland, co-founder of Go1, commented, *"Continued learning is one of the most important aspects of our professional and personal wellbeing. Our research shows that you're never too old to learn, to change careers or even to launch your own business. Seeing interpersonal and wellbeing skills so high on the list of Brits' priorities is also really positive."*



### Pay awards lagging inflation

**Although the latest data from XpertHR shows that median basic pay grew by 4% in the three months to April 2022 – the highest figure since 1992 – this does mean that wage growth is still falling behind the soaring rate of inflation.**

Commenting on the figures, XpertHR pay and benefits editor Sheila Attwood said, *"The deepening gulf between pay and inflation continues to pose financial challenges to UK employees struggling to keep up with the rising cost of living. Where businesses cannot afford to track wage rises with inflation, employers should consider other support and incentives. From a business perspective this will help with the recruitment and retention of top talent, but more importantly, it ensures staff will receive the support they need to get them through this challenging period."*

**All details are correct at the time of writing (13 Jun 2022)**

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.