



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

- ▶ BUSINESS CONFIDENCE DIPS IN MAY
- ▶ BCC LAUNCHES ECONOMIC ADVISORY COUNCIL
- ▶ CALLS FOR MORE GOVERNMENT SUPPORT
- ▶ SMEs PLANNING TO INVEST IN TECHNOLOGY
- ▶ NEW MENOPAUSE AND MENSTRUATION GUIDANCE
- ▶ OTHER NEWS

BUSINESS REVIEW

BUSINESS CONFIDENCE DIPS IN MAY

Although the latest Lloyds Bank Business Barometer did record its first fall in business sentiment for three months, confidence levels remain in line with the survey's long-term trend level and are well above the lows reported towards the end of last year.

Data from the bank's May survey revealed a headline confidence figure of +28%, a five percentage-point fall from the previous month. This reading, however, was exactly the same as the barometer's long-term average and significantly higher than last November's recent nadir of +10%.

The dip in confidence was largely driven by moderate falls in both firms' own trading prospects and their optimism about the state of the wider economy. The bank suggested the decline in optimism regarding the broader economy may reflect firms having already factored in the generally more upbeat economic news released in recent months.

Commenting on the survey, the commercial bank's Senior Economist Hann-Ju Ho said, "As the economic environment remains challenging, compounded by stubborn inflation and higher wage pressures, business confidence has dipped slightly this month as firms feel cautious about the wider economy and their own trading prospects. However, while firms' trading prospects and economic optimism both eased back, they still remain in positive territory."

BCC LAUNCHES ECONOMIC ADVISORY COUNCIL

A new Economic Advisory Council has been set up by the British Chambers of Commerce (BCC) in order to help shape UK economic policy and boost the country's growth prospects.

The BCC said they had been working on the idea for the past six months and that the council would fuse the 'practical acumen of entrepreneurs with the technical expertise of economists' in order to help produce policy that will 'make a real difference to the UK's growth prospects.'

Members of the council include a diverse range of prominent economic experts and business leaders who will provide advice and feedback to the BCC and its Chamber Network. The council's work will focus on the organisation's long-standing programme of business research, including its Quarterly Economic Survey.

BCC Director General Shevaun Haviland said, "We're a year out on a General Election and now is a pivotal moment for business. That is why we have set up an Economic Advisory Council to help shape and guide our economic policies to boost the UK's growth and prosperity. The membership of the council reflects the diversity of our economy – with experts in the subject areas of financial services, logistics, trade and taxation."

CALLS FOR MORE GOVERNMENT SUPPORT

Recent survey evidence shows a sharp rise in the proportion of small businesses planning to increase prices to their customers while many business owners are also calling for greater government support for small firms.

Data from *Enterprise Nation's* latest quarterly Small Business Barometer has highlighted the increasing cost pressures being felt by UK businesses. Previous barometer reports had shown that a majority of firms were expecting to swallow extra costs, such as the increase in energy bills. The latest survey, however, found that 52% of all small firms now feel they must raise their prices, an 11 percentage-point increase from the final survey of 2022.

Another survey of small business owners, this time conducted by *FreeAgent*, found that the small business community also feel they need greater support. In total, 66% of all respondents said they felt the UK government has not done enough to support small firms.

The research also found that 76% of small business owners feel the tax system should be simplified to help small firms, while 72% want lower taxes for freelancers and small businesses. In addition, 24% of respondents would like to see additional financial aid to help businesses through the cost of living crisis.

QUIRKY QUOTE:

"We have to be visible. We should not be ashamed of who we are"

— Marsha P. Johnson

SMEs PLANNING TO INVEST IN TECHNOLOGY

New research suggests many UK small and medium-sized enterprises (SMEs) plan to increase their investment in business technology despite the challenging economic climate.

The pan-European study, which included 502 UK-based SMEs, was commissioned by electronics company *Sharp* and looked at technology challenges and investment priorities over the next 12 months. It found that over half of UK SMEs plan to invest more than £20,000 in IT this year, with one in 20 expecting expenditure to exceed £100,000; 44% said they intend to invest more this year than they did in 2022.

In terms of specific areas, the research suggests cybersecurity will be a key priority for a third of UK SMEs, with a similar proportion prioritising investment in new hardware. In contrast, only a fifth said they planned to invest in cloud migration projects, which *Sharp* noted was a lower proportion than their European counterparts.

Sharp UK Managing Director Stuart Sykes said, "Businesses here are investing strategically in technology and seeing its value, even at a time of uncertainty. Organisations of all sizes are dealing with a host of issues in a hybrid working environment, such as IT and security challenges, ensuring that technology is planned to support these issues now and in the future."

NEW MENOPAUSE AND MENSTRUATION GUIDANCE

The UK British Standards Institution (BSI) has produced new guidance designed to help organisations support employees experiencing menopause or menstruation difficulties.

Following extensive consultation with experts and the public, the BSI recently published the Menstruation, menstrual health and menopause in the workplace standard (BS 30416). The guidance sets out practical recommendations for workplace adjustments, as well as strategies to sit alongside existing wellbeing initiatives, to help organisations meet the needs of employees experiencing menopause or menstruation difficulties and tackle the potential loss of experienced workers.

Research published by the Fawcett Society suggests around one in ten women experiencing menopause have left the workforce due to their symptoms which include hot flushes, dizziness, insomnia, and muscle and joint stiffness. This figure rises to a quarter for those suffering with more severe symptoms.

Specific recommendations within BS 30416 include employers considering their workplace culture to determine whether there is a general awareness of menstruation and menopause and whether employees are given opportunities for open conversations or to request support. Suitable training for managers, reviewing the workplace environment to include facilities such as discrete changing rooms or quiet recovery spaces, and options for flexible working are also contained within the guidance.

OTHER NEWS

RIISING NUMBER OF HIGHER RATE TAXPAYERS

New analysis conducted by researchers at the Institute for Fiscal Studies (IFS) suggests the number of people paying Income Tax at 40% or above will reach 7.8 million by 2027/28. The IFS said this would equate to one in every five taxpayers which represents a near-quadrupling of the proportion of adults paying the higher rate of income tax since the early 1990s.

HMRC LATE PAYMENT RATE RAISED AGAIN

The Bank of England's decision to raise Bank Rate to 4.5% last month, has triggered another increase in HMRC interest rates charged on late paid tax and paid on repayments of tax. The late payment rate has risen to 7%, its highest level since the start of the financial crisis in November 2008, while the rate paid by HMRC on the overpayment of tax now stands at 3.5%.

THE COST OF BUSINESS FRAUD

A survey published as part of the government's new fraud strategy suggests fraud costs businesses an average of £16,000 each time they are victimised. The research also shows that one in five UK companies fell victim to fraud between 2018 and 2020 although a majority of those did not report it to the police; just a third of companies said they had reported their most recent experience of fraud.



SIX IN TEN WORKERS NOT TAKING FULL ANNUAL LEAVE

While some people are keen to utilise every second of their annual leave entitlement, a recent survey suggests a majority of UK workers do not actually take all of their accrued holidays. This suggests there are issues surrounding holiday entitlement that some employers may need to address.

The survey of almost 1,500 workers commissioned by *Timetastic* revealed an interesting array of facts and figures relating to annual leave in the UK. Some of the key findings were:

- **62% of workers did not take all of their annual leave in 2022**
- **More than one in ten workers said they did not take all their annual leave because they felt pressured by management**
- **Only one in five employees get paid for unused annual leave.**

HR experts argue that annual leave has a key role to play in maintaining a healthy workforce and that employees opting to work rather than take their full leave entitlement can be an indicator of potential future health problems. According to official statistics published by the Health & Safety Executive, the number of people suffering with work-related stress, depression or anxiety has risen in recent years and stood at just under one million in 2021/22.

While employers are clearly allowed to turn down individual annual leave requests if there are valid business reasons for doing so, they should ensure there is plenty of opportunity for those employees to take their holiday entitlement at an alternative time. Businesses need to encourage employees to take their full quota of leave in order to ensure staff do not suffer from burnout. Not only will this ensure employers are fulfilling their duty of care obligations but it should also help reduce absence levels and ultimately boost productivity.

EXPLORING INTERNAL CAREER OPPORTUNITIES

Research has found that employees are more likely to stay with an organisation if they are able to explore internal work opportunities as they become available with their employer.

Data from the 2023 Global Talent Mobility Study published by Cornerstone OnDemand's People Research Lab, suggests eight out of ten employees would initially prefer to explore internal career opportunities through a self-service technology option rather than conversations with managers. In addition, over half of all employees said being able to explore internal career opportunities would make them more likely to remain with their current employer.

The research also found that around half of employees would find exploring projects that strengthen their existing skills helpful, while just under half would like to browse projects that provide new opportunities without leaving their current job. In conclusion, the report recommends the creation of opportunity marketplaces where employers can share a range of internal opportunities including short-term 'gigs', skill-based assignments and mentoring programmes.



All details are correct at the time of writing (12 June 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.