



SME HR Autumn Newsletter 2009

Introduction

Welcome to our Autumn Newsletter. We aim to provide SME business owners with useful information on current topics and trends that are of particular interest to SME businesses, together with information on employment law and health and safety matters.

We hope that you find the information useful and welcome your feedback, please email christine@smehrconsultants.co.uk with your comments or suggestions for items that you would like to see included in future newsletters.

Business Focus

Tentative Growth Returns to the High Street - CBI

UK high street sales grew modestly in the year to October, and at the most positive rate in almost two years, the CBI reported.

Its latest monthly Distributive Trades Survey also shows that sales in sectors related to the housing market improved, and that the high street anticipates stronger sales growth in November.

Asked about sales in the year to October, 41% of respondents said that volumes had risen, while 33% said they were down. The resulting balance of +8% beat expectations (+3%), was an improvement on September's broadly flat sales (+3%), and was the highest since December 2007 (+8%).

Manufacturers anticipate export-driven return to growth - CBI

The decline in UK manufacturing output has eased considerably in the past three months, and the sector's prospects look brighter, with sentiment improving and modest growth expected in the three months ahead, according to the CBI.

Its latest Quarterly Industrial Trends Survey also revealed that the weakness of sterling is helping export competitiveness, although stocks are still being run down and difficult access to finance is constraining output and investment.

How to prepare for a return to growth and ensure you are running a cost-efficient business

Many small businesses could maximise their ability to survive the recession and prepare for a return to growth by reviewing their business and people processes and revisiting their costs. By creating a cost efficient business this creates a robust and stable operating platform from which to grow as the economic climate revives.

SME HR can help you to

- review your business and people processes – to determine what adds value and what does n't
- Evaluate tasks and measure achievements
- Optimise your work-flow and improve output
- Provide practical checklists to guide you through various aspects of business

Contact us to find out how we can help you www.smehrconsultants.co.uk

Taxing SMEs will cause deeper unemployment

Mike Symes – SME Business News www.smebusinessnews.co.uk

The Federation for Small Businesses (FSB) recently urged the Chancellor not to raise taxes on small businesses in the Pre Budget Report.

Raising taxes for small businesses would ultimately cost the UK billions of pounds and hundreds of thousands of jobs, a new independent report for the FSB has found.

The report, by the influential Centre for Economics and Business Research (CEBR), shows that increasing the burden of taxation on the country's small businesses – which make up 99 per cent of all UK businesses – would plunge the economy further into debt and take its toll in jobs at a time of spiralling unemployment.

Small firms are already bracing themselves for an increase in employers' National Insurance Contributions (NICs) in April 2011. Using its own economic simulation model, CEBR tested the knock-on effects of adding 1p to employers' NICs, paid by small and medium sized enterprises.

CEBR found that the NICs increase would cost the economy 57,000 jobs but only make a small dent in the gap in the public finances. In addition, these job losses alone would cost the Treasury around £900m in additional jobseekers allowance and other benefits.

The FSB has been calling for the Government to take steps to make it easier for the country's 4.8m small businesses to employ staff, and so tackle rising unemployment and drive the economy out of recession. FSB members have already identified cutting payroll taxes as the most important change the Government could make to encourage them to take on another member of staff.

Ahead of the Chancellor's Pre Budget Report announcement, the FSB is urging the Government to freeze employers' NICs completely. This will give them the opportunity to take on more staff and tackle unemployment, thus helping to create the jobs that the UK so badly needs.

Many small businesses are already operating on very small margins and increasing their costs, either through increased corporation tax or NICs would push many of them over the edge, at a time when 120 businesses are already closing every day.

Employment Law Update – October 2009

Keep up to date with upcoming changes to employment law legislation here!

Use this update to help you reduce your risk of exposure and prepare your business for important employment law changes that have already or will shortly come into force.

SME HR can provide advice and guidance on all employment law matters. Our consultants are CIPD qualified and we continually update our skills and knowledge. Contact us to find out more about the range of services we can offer.

www.smehrconsultants.co.uk

●Additional Paternity Leave (APL)

A consultative document on additional paternity leave (APL) was published by the Government at the end of September. Legislation is due to follow in April 2010, with the right intended to apply to babies born after April 2011. This will mean that fathers will be able to take from 2 to 26 weeks leave from when babies are 20 weeks old up to their first birthday. Mothers will have to return to work before a father can claim APL, and they will only be paid for leave that falls during the 39 week SMP period. In addition fathers will need to have had 26 weeks continuous service at 15 weeks prior to the child's birth to be eligible.

●The Safeguarding Vulnerable Groups Act - The Act has been launched to provide a centralised vetting system for people prohibited from working with children and vulnerable adults.

This allows employers to make checks online, with information updated as soon as a person is added to the list.

Employers will be informed, where possible, if a person becomes barred. Fines of up to £5,000 can be issued for employers that knowingly employ people on the list or fail to make the appropriate checks.

●**Police Act 1997 (Criminal Records) (No. 2) Regulations 2009**

The Regulations alter the purposes for which an application for an enhanced criminal records certificate can be made. This permits certificates to be sought for people who are undertaking regulated activities relating to children or vulnerable adults under the Safeguarding Vulnerable Groups Act 2006. The Regulations also lay down the conditions in which those making an application may receive information on whether or not a person is prohibited from working with children or vulnerable adults.

●**Government postpones agency workers directive until 2011**

The Government has announced that the EU Agency workers directive will not come into force in the UK until the October 2011. This directive will give temporary workers access to the same pay and holiday rights as permanent employees after 12 weeks work.

●**Right to request time off for Training - Postponed**

A right to request time off to undertake training, based on the right to request flexible working has been postponed in view of the current economic climate.

However, businesses with 250 or more employees will be required to seriously consider the requests they receive, but they will be able to refuse a request where there is a legitimate business reason to do so. Employers will not be required to meet salary of training costs to enable a request for time off for training to be met.

Health and Safety

The selection of recent Health and Safety cases below illustrate the importance of making sure your business keeps up to date with all mandatory requirements and that you regularly update and monitor your health and safety practices.

SME HR can provide advice, guidance and Training on Health and Safety matters to ensure your business remains up to date and compliant with current Health and

Safety legislation. Contact us to find out more about the range of services we can offer. www.smehrconsultants.co.uk

● **Company fined £13,300 after migrant worker suffers serious injuries**

UK businesses are reminded of their duty to protect their workforce, especially workers from other countries, after a migrant worker employed at a pet bedding company suffered serious injuries when falling into a shredder.

The company was fined £13,300 and ordered to pay full costs of £8,655, after pleading guilty to breaching section 2 (1) of the Health and Safety at Work Act 1974.

● **Falls from height**

The Health and Safety Executive (HSE) are once again warning employers to ensure they assess the risks of falling from height in the workplace. This warning comes after a recent event where a worker fell almost ten metres through a roof into an occupied factory.

The contractor was fined £6,000 and the sub contractor faced a fine of £3,000 when both pleading guilty to charges under section 3(1) and 3(2) respectively of the Health and Safety at Work Act 1974.

Last year 34 people were killed following falls from height during construction work, making it the largest cause of fatalities in the industry. The measures which should have been taken to prevent this incident happening were straightforward and well documented. Both contractors involved failed to recognise the risks posed by the presence of fragile rooflights on this building, or to establish their fragility prior to work beginning - *HSE inspector Alastair Brown*

● **Unguarded machinery leads to cracked ribs**

The HSE has prosecuted a manufacturing company following an incident where a worker became trapped in machinery, cracking his ribs. The company was fined £4,500 and ordered to pay full costs of £1,050 at Chester Magistrates Court.

In this example fixed guards and a padlocked gate would have stopped the employee from entering the machine and accessing the underside of a tipping table,

which is used to tip debris onto a conveyor belt. But the guards and gate were not fitted until after the incident.

Regulation 11(1) of the Provision and Use of Work Equipment Regulations 1998 states: Every employer shall ensure that measures are taken... which are effective:

- to prevent access to any dangerous part of machinery..., and
- to stop the movement of any dangerous part of machinery before any part of a person enters the danger zone.

Information Sources: CBI, HSE, CIPD, SME Business News.