



Welcome and Introduction

Welcome to our first Newsletter for 2021. We wish you and yours a happy, safe and prosperous New Year from the whole team. In this edition we cover the following topics:

- Key Employment Law Changes in 2021
- Employing 'EU Citizens' post 1st January 2021
- Partner Feature – Managing Cashflow in your Business
- Goal Setting – what plans do you have for 2021 and how do you turn them into deliverable goals
- Coming Soon – two new services we are providing our subscribers in 2021



Key Employment Law Changes in 2021

Last year the Covid-19 pandemic placed both employers and employees in uncharted territory – from keeping up to date with ever-changing Government guidance, adapting to homeworking and getting to grips with the new concept of 'furloughing'. With the Governments focus on getting through the pandemic many anticipated employment law changes were postponed.

Now we have a vaccination programme which should see the beginning of the end of the pandemic, 2021 is likely to be a busy year for employment law with several significant changes

expected to take effect. Here is our summary. If you need further detail simply subscribe and download the relevant HR Guide or give us a call. We'd be happy to help.

Extension of the furlough scheme

The Coronavirus Job Retention Scheme (CJRS) has been extended to 30 April 2021, postponing the introduction of the Job Support Scheme, which had been announced as the successor to the CJRS. A wider Covid-19 economic support budget, which will set out the next phase of economic support, is due to be announced on 3 March 2021.

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Key Employment Law Changes in 2021

National minimum wage

Millions of workers in the UK will receive an increase in pay from April 2021 following a rise in the National Minimum Wage (NMW) and the National Living Wage (NLW).

The rate rises include a 2.2% increase in the NLW, which is the equivalent of £345 extra per year for a full-time worker. More young people will become eligible for the NLW, as the age threshold will be lowered from 25 to 23, meaning that the NLW will become the statutory minimum wage for workers aged 23 and over.

Tax changes – IR35

The off-payroll working rules (IR35) will be extended to large and medium-sized companies in the private sector with effect from 6 April 2021. Originally planned for 2020, this reform was postponed to help businesses during the Covid-19 pandemic.

Companies will be required to carry out their own determination as to the employment status of individuals. HMRC released an updated version of their online checking tool (Check Employment Status Tool, or 'CEST') in November 2020. As with the previous version of

Category	Rate from April 2020	Rate from April 2021	Increase
National Living Wage	£8.72	£8.91	2.2%
21-22 Year Rate	£8.20	£8.36	2.0%
18-20 Year Rate	£6.45	£6.56	1.7%
16-17 Year Rate	£4.55	£4.62	1.5%
Apprentice Rate	£4.15	£4.30	3.6%
Accommodation Offset	£8.20	£8.36	2.0%

CEST, HMRC have stated that if this is completed correctly, they will accept the determination as given by the check.

Employment Bill

In December 2019, the Queen's speech heralded a number of proposed pieces of legislation. Some of these may have been overtaken by the events of the last nine months, but the key ones for 2021 are:

Extension to redundancy protections to prevent pregnancy/maternity discrimination

There is a popular myth that you cannot make those on maternity leave redundant. This is not correct. While you must not make them redundant because they are on maternity leave, you must treat all employees fairly and equally, which means including those on maternity leave in a pool with colleagues. However, if they are selected for redundancy

while on maternity leave then a woman has enhanced rights to be placed into a vacant role for which they have the skills without competitive interview. The government intends to extend that protection for six months after the woman returns from maternity leave.

Introducing an entitlement to one week's leave for unpaid carers

In March 2020, the government issued a consultation paper and asked for responses by 3 August 2020. In this paper they proposed allowing unpaid carers to have an additional one week unpaid leave a year. The response to this consultation has not yet been published.

Allowing parents to take extended leave for neonatal care

Following consultation in 2019, the government published a response in March 2020 confirming that parents of



babies that are admitted into hospital as a neonate (28 days old or fewer) will be eligible for neonatal leave and pay if the admission lasts for a continuous period of seven days or more. They will be entitled to this from day one of their employment and up to a maximum of 12 weeks. There have been no further details published, including the level of the neonatal pay.

Making flexible working the default unless employers have a good reason not to

This proposal, introduced in 2019 under the flexible working bill by Conservative MP Helen Whately, failed to complete its passage through parliament by the end of the session, which means it will not progress. However, although the Queen announced that legislation would be implemented to give effect to this, it is likely to have been overtaken by the events in recent months. All employers have been forced to look at whether their employees can work from home, with some having to juggle childcare as well as do their jobs, and a lot of myths and preconceived ideas have been firmly put to rest.

A new, single enforcement body for employment rights
Consultation closed in October 2019 and as yet no further

Brexit

EU nationals who started living in the UK by 31 December 2020 can apply for 'settled' or 'pre-settled' status under the EU Settlement Scheme. Settled status, which allows the worker to stay in the UK indefinitely, will usually be granted if they have lived in the UK continuously for 5 years. If the worker has lived in the UK for less than 5 years, they can apply for pre-settled status which can become settled status at the 5-year point. The deadline for applying under this scheme is 30 June 2021.

Employers looking to recruit outside the UK should make arrangements sooner rather than later. Recruits need to be sponsored by a UK employer, who will need a licence from the Home Office to do so. Applications for a licence can take 8 weeks or more to process. We cover this in greater detail in a separate article.

details have been published, but the intention is to have one body enforcing minimum wage, unpaid tribunal awards and the tribunal penalty scheme, regulating statutory sick pay and publicising employment rights.

Passing legislation to ensure tips left for workers go to them in full

Specially referred to in the Queen's speech, this would implement the Employment (Allocation of Tips) Bill.

A new right for all workers to request a more 'predictable' contract

No details have yet been published, but this is to address the perceived imbalance of zero-hours contracts.

Non-compete clauses and exclusivity clauses

As part of its drive to support economic recovery from the impact of Covid-19, the Government is consulting on the use of non-compete clauses (the consultation closes on 26 February 2021).

Non-compete clauses can act as a barrier by preventing employees from working for, or establishing, a competing business. So, the use of this type of restrictive covenant may be restricted in the future. There are two main proposals being considered and either change would affect the drafting of employment contracts in the future, with many employers having to revisit or update their existing contracts of employment



NEW for 2021 - Health and Safety

This month we are delighted to announce a new section for our subscriber's at HR Guide. The section features our Health and Safety How – to guides covering every aspect of Health and Safety. Each of these guides has the same easy to use basic layout and are available as downloadable PDF files. Accompanying every guide are a range of checklists and Health and Safety Record Forms for you to use when administering this topic in your business. These are available as downloadable ready to use template documents and checklists.

Employing EU Citizens post 1st January 2021

All references to 'EU citizens' in this document include EEA and Swiss citizens, 'EU citizens' means EEA and Swiss citizens, who can all apply to the EU Settlement Scheme. EU citizens do not need to apply if they have indefinite leave to remain or enter, or are an Irish citizen, but they can if they want to.

How does Brexit effect my existing EU employees?

First of all, there is no need to panic. Provided you have completed the existing right to work checks properly for your existing EU employees they can continue to work for you. If you recruit new EU employees resident in the UK between now and 30 June 2021 you need to complete the same right to work checks properly. As a reminder we have detailed the right to work checks.

What does the EU Settlement Scheme mean for employers?

EU citizens and their family members (including children and non-EU citizens) need to apply to the EU Settlement Scheme to continue to live, work and study in the UK beyond 30 June 2021. Given the valuable contribution EU citizens make to our businesses and organisations across the UK, you may wish to communicate

Right to work checks

Job applicants can prove their right to work using any of the following:

- their valid passport or national identity card (until 30 June 2021) if they are an EU, EEA or Swiss citizen
- their valid biometric residence card (until 30 June 2021) if they are a non-EU, EEA or Swiss citizen family member
- their digital status under the EU Settlement Scheme using the Home Office's online view and prove your immigration status service to generate a share code:
gov.uk/view-prove-immigration-status

There will be no change to right to work checks until after 30 June 2021 and you will not be required to undertake retrospective checks on existing EU employees.

with your EU employees about the EU Settlement Scheme

Your obligations as an Employer

Whilst we said there is no legal obligation for you to communicate the EU Settlement Scheme to your Employees, you may wish to direct your valued

employees to the information that the government is providing. It is then the responsibility of each individual to make an application to the EU Settlement Scheme. There is no requirement for the individual to inform you, as their employer, that they have applied or the outcome





of their application. Likewise, you should not check that an employee has applied. You have a duty not to discriminate against EU citizens in light of the UK's decision to leave the EU as both a prospective and current employer. You cannot make an offer of employment, or continued employment, dependent on an individual having made an application.

We would advise you to not interpret information on the EU Settlement Scheme provided by the government and you must be careful not to provide immigration advice for your employees, unless you are qualified to do so.

EU citizens must be resident in the UK by 31 December 2020 to apply to the EU Settlement Scheme. The deadline for applications to the EU Settlement Scheme is 30 June 2021.

From 1 January 2021, the UK will introduce a points-based immigration system. You will need to be a licensed sponsor to hire eligible employees from outside the UK. Anyone you want to hire from outside the UK, excluding Irish citizens, will need to apply for permission in advance. Further information is available at gov.uk/HiringFromTheEU

Access further information

The Home Office has set up various channels for you to access information about the EU Settlement Scheme:

- access EU Settlement Scheme guidance and refer your employees to the application start page at gov.uk/eusettlementscheme
- view the employer toolkit at gov.uk/settledstatus-employer-toolkit to download communication materials to share with your EU citizen employees.

NEW for 2021 - Training Content

We are very excited to announce that we are developing learning content for our subscribers covering the core topics of workplace leadership, team management, strategy, problem solving, decision making, project management, time management, stress management, communication, creativity and learning skills. These Learning Guides will become a source of online learning for all your team. We will keep you updated when the new content is available.



Partner Feature – Managing Cashflow in your Business

Every quarter we feature one of our trusted SME providers. These are businesses who we have worked with in the past and are happy to recommend to subscribers. More importantly we have negotiated a discounted rate on behalf of our subscribers as additional added value.

This quarter we are featuring Mark Grant from Essex Commercial Finance. Mark has kindly provided an article on Cash Flow planning, the lifeblood of any business. Enjoy

Resolve To Conserve Cash Flow in 2021 - It's Self Preservation For Your Business

Cash flow conservation is not a new concept, there are plenty of old tricks, like chasing your receivables, negotiating your payables, cost cutting to trim the excess from your business costs etc. But this pandemic and its uncertainties have put an additional urgency on ensuring you preserve a level of cash within the business where possible – for whatever is around the next corner, and one certainty is that we are all heading to another corner!

So, what could you consider to help you to conserve a level of cash within your business?

In this article I wanted to provide some examples of commercial finance products that can help your business to conserve cash flow and navigate out of the current situation.

Several of these are available until March 31st under CBILS for eligible companies, alongside CBILS business loans, so please call me today about the benefits this could provide to your business.

Specifically, I will cover the following products available:

- Invoice Finance
- Trade Finance
- Short Term VAT Loans
- Lease or HP versus cash purchases
- Asset Refinance
- R&D Tax Relief Scheme

Invoice Finance

Invoice Finance may not be the most suitable product for you in every part of the economic cycle – but think of it another way in the current Covid-19 pandemic: what other financial facility will pay you for most of the work that you have completed just a few days after you have completed it, when your customers won't be settling anything with you for another 60 to 90 days?

We see this as the clearest demonstration of the ends justifying the cost of the means – many businesses won't be able to manage without these facilities in the coming economic climate – and we consider Invoice Finance will likely be one of the best cash flow conservation tools available to companies.

Trade Finance

Depending on the nature of your business, you will either buy raw materials that you manufacture or assemble to create finished and saleable goods, or you will purchase 'finished goods' from a manufacturer or supplier – packaged and ready for delivery to your customers.

Trade Finance can be with UK based companies as well as overseas – and if it is from overseas, then Trade Finance lenders are also commonly experts in FX as well.

Your business can improve prices and terms from having the backing of a trade facility and being able to pay earlier, and Trade Finance facilities can be flexible to accommodate deposits if required on order and other costs including import VAT and shipping if these are applicable to you.

Funding the acquisition of goods or materials that are either pre-sold or to provide you with stock leaves crucial cash in the business to cover overheads and unexpected demands on the company.



Short Term VAT Loans

One quarter's VAT bill was able to be deferred to March 2021 under an HMRC scheme, for bills that fell due between 20 March and 30 June 2020. Instead of paying one lump sum in March 2021, you can now spread the cost of that deferred tax bill over the 2021/22 tax year.

HM Treasury recognised that you need to conserve cash flow in your business, and not have to settle that whole quarter in one payment – but how does that help you with every other subsequent quarterly VAT bill that you face?

We have a lender offering 12 week loans to help to settle some or all of your VAT bill – you can repay weekly or monthly as suits you best – but the big win for you here is conserving cash by spreading the payments and keeping some liquidity for whatever might come next.

Once set up for one quarter's bill, the facility can be easily rolled when the next bill arrives – meaning that you don't have to go through the same level of funding application each time.

Lease or HP versus Cash Purchases

None of us are going to trade out of this environment by standing still – but when you are looking at new or replacement vehicles for your business, you should conserve cash and use smart finance. We work with expert partners who can not only source cars and commercial vehicles, but who can source the most suitable Lease or Hire Purchase (HP) deal for your company.

Whether you are looking for New or Used vehicles, a single vehicle or entire fleet – using the right finance for your company in this environment is the smart choice.

Asset Refinance

Your business may have property or hard / soft assets, or stock, that is unencumbered or with significant equity, that you might consider putting to work to generate much needed cash flow for your business at this time.

We work with Asset Based Lenders who our clients use to access cash that they already have but that is locked up in the existing assets of the business.

Additionally, directors can consider investment properties as a means to access cash flow for their business from the equity that they own – with a caveat that we and our lender

partners operate a policy of responsible lending when it comes to residential properties being used to finance businesses.

Lenders have innovated the type of funding available in this space, and it is possible to access 'business credit facilities' (much like a business overdraft) with the backing of property assets, as well as vanilla secured loans. These allow flexibility in the amount that the borrower draws down at one time – and you only pay for what you borrow, for the time that you are borrowing it.

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Partner Feature – Managing Cashflow in your Business

R&D Tax Relief Scheme

Consider if you are eligible for Research and Development (R&D) Tax Relief as you think about how to maintain your cash flow while Covid restrictions are extended – many companies would be surprised that they do qualify.

While businesses consider all of their grant and finance options to help them maintain the cash flow that they need to keep their doors open, if you have any thoughts that you might be eligible for the R&D Tax Relief Scheme then NOW is the time to look into that – it could return funds from the last two financial years plus the current one, and that could make all the difference to your company at this critical time.



About Essex Commercial Finance

We help clients with a broad range of funding requirements, including but not limited to business loans, invoice finance, vehicle leasing and HP, asset finance, commercial property and development finance. if you are looking at funding options right now, or would just like to talk over the available options for when you do, why not get in touch today to see how we can help your business?

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Goal Setting – what plans do you have for 2021 and how do you turn them into deliverable goals



It is that time of year again. The time of year when we take stock both personally and as Business Operators. This normally involves reflecting on what we have achieved this last year and what our ambitions are for the coming year. This year, it is important, more than ever to clearly define our personal and business goals and ensure we align our resources (cash, team members and time) to achieve the goals that will help us deliver our overall strategic plan.



This short article sets out some key principles to adopt when embarking on this journey and planning for your success. So many people set goals only to give up and fail very quickly.

For each of us to reach our full potential we need clear direction, understand the part we play in the vision for the business and have a plan to ensure our efforts contribute to the overall success of the company. Objective setting is paramount in this, so it needs to be effective and of high quality. This article is designed to give you some structure, insight and best practice when setting your own objectives.

Key Principals for Setting Individual Objectives:

- Every employees objectives need to link to the Companies overall Vision, Strategic Plan, Functional Objectives and Team goals. This alignment is essential to maximise the effectiveness of the team and ensure you are pulling in the same direction.
- Ensure every employee has about five to six objectives (including at least one personal growth objective).
- All objectives need to be focused on the impact and outcome (rather than being transactional/activity based) – see our longer Guide for a detailed explanation of this principle.

BOMM – A Model for Objective Setting

The acronym BOMM is a useful way of remembering an effective objective setting methodology. Each letter in this acronym represents the following steps in creating an objective:

- **Base** – a description of the current “base” position you are in regarding this objective area.
e.g. We currently have X number of customers who purchase Y number of our products for a total value of Z income.
- **Objective** – a description of your desired future goal or position
e.g. We need to increase our number of customers to X plus 10 who purchase Y plus 20 of our products for a total income of Z plus 15 in income in the next 12 months.
- **Method** – a description of the steps you are going to take to achieve your Objective. These steps effectively become your milestone plan and a detailed list of actions to deliver the plan.
e.g. We will achieve our objective by:
 - Identifying a target group of new customers
 - Prepare a sales presentation focussing on the features and benefits of our product range
 - Secure appointments and opportunities to present and sell our proposition
 - Negotiate and secure new sales contracts with this target group
 - Ensure supply and after sales support in place to maintain new customer base
- **Measure** – a description of the measures you will have in place to indicate your progress against your objective over the timeframe and when you have achieved your objective

IMPORTANT TIP: Try and establish measures that are already available to you in the business. If there is no current measure for this particular objective, then your first action in your Method section will need to include the development of the measurement tool.

- Sign off every employees objectives and ensure they are SMART. They are clear, they connect and complement each other and do not conflict with other individuals and teams objectives.
- Ensure there is a regular review process to measure how individuals and teams are tracking against their objectives. This is vital because what gets measured gets done.

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Goal Setting – what plans do you have for 2021 and how do you turn them into deliverable goals

Is your objective SMART?

Once you have established your objective using the “BOMM” methodology you should use SMART (Specific, Measurable, Achievable, Realistic, Time bound) to ensure it has the necessary elements to achieve your objective. Using SMART as a checklist for your objectives allows you to sense check not just what you want to achieve, but how likely you are to achieve it.

Set Specific Goals

Your goal must be clear and well defined. Vague or generalized goals are unhelpful because they don't provide sufficient direction. Remember, you need goals to show you the way. Make it as easy as you can to get where you want to go by defining precisely where you want to end up.

Set Measurable Goals

Include precise amounts, dates, and so on in your goals so you can measure your degree of success. If your goal is simply defined as “To reduce expenses” how will you know when you have been successful? Without a way to measure your success you miss out on the celebration that comes with knowing you have actually achieved something.

Set Achievable Goals

Make sure that it's possible to achieve the goals you set. If you set a goal that you have no hope of achieving, you will only demoralize yourself and erode your confidence. However, resist the urge to set goals that are too easy. Accomplishing a goal that you didn't have to work hard for can be anticlimactic at best and can also make you fear setting future goals that carry a risk of non-achievement. By setting

realistic yet challenging goals, you hit the balance you need. These are the types of goals that require you to “raise the bar” and they bring the greatest personal satisfaction.

Set Relevant Objectives

Your objectives should link to the objectives of your team, and the company's overall vision.

Set Time-Bound Goals

Your goals must have achievable milestones and deadlines. If you have set, clear milestones you can track and measure where you are against your overall project plan. When you are working on a deadline, your sense of urgency increases, and achievement will come that much quicker.

If you found this article useful and would like to use our HR How to Guide on Setting Business Goals simply subscribe today at www.hrguide.co.uk Good luck with your goal setting and may all your dreams come true.

