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Lack of management skills limit business growth

A lack of leadership and management skills may be inhibiting the growth of businesses.

Just under half of new start-ups in the UK last less than 3 years. The UK also has a growing productivity gap, currently 18% below the G7 average.

A report by the Federation of Small Businesses looked at the level of management training that businesses are currently exposed to.

The report found that of the surveyed businesses:

- 59% update their skills and knowledge at least once a year
- 25% have undergone management training in the last year
- 26% have never had any management training whatsoever
- 19% offer external management training to their staff.

The report indicates that there are 2 main barriers to increasing training. 43% of respondents cited cost as a deterrent, while 34% reported availability of training as the main issue.

What makes a good manager?

Effective management is a skill that must be developed over time. Here are the key areas that often differentiate the good from the bad:

- delegation – the ability to assign tasks and balance the workload of your team while ensuring that the right people do the right job
- prioritising – keeping track of what is important
- setting goals – short, medium and long-term goals for you and your team
- avoiding multitasking – concentrate on 1 thing at a time to avoid being pulled in too many directions at once
- the ability to have fun.

Get in touch to talk about your business.

150,000 secure home ownerships from Help to Buy

More than 150,000 people have bought a home using the Help to Buy Scheme since its launch in 2013.

The mortgage guarantee scheme, which allows lenders to buy a guarantee on mortgage loans, has proved popular with first-time buyers. The Treasury reports that 79% of mortgage completions through the mortgage guarantee scheme were people buying their first home.

Help to Buy ISAs have also provided a boost to those hoping to get on the property ladder. Chancellor George Osborne said that the scheme has already helped 250,000 first-time buyers save for their first property since it was launched in December 2015.

Help to Buy ISA

Help to Buy ISAs allow prospective first-time buyers to save up to £200 per month. A lump sum of £1,000 can be deposited in the first month of setting up an account.

If you have savings between £1,600 and £12,000, the

government will provide a 25% bonus (up to £3,000) if you use the funds towards a mortgage deposit. You must be 16 or over and planning to purchase a home to apply for the scheme.

From April 2017, you can transfer your savings from a Help to Buy ISA into a lifetime ISA to increase funds to buy your first home.

 **Contact us to talk about your personal finances.**

National living wage: employer responsibilities

Employers must now pay workers over the age of 25 at least £7.20 an hour.

The national living wage (NLW) replaces the current national minimum wage (NMW) of £6.70 an hour for people who are 25 or over.

This is not a simple increase of the adult rate of NMW as individuals between 21 and 24 won't be affected by the change. All other NMW wage rates and bands remain the same until October 2016.

National living and minimum wage hourly rates

Age	Hourly rate until October 2016	Hourly rate from October 2016
25 and over	£7.20	£7.20
21– 24 year old rate	£6.70	£6.95
18 – 20 year old rate	£5.30	£5.55
16 – 17 year old rate	£3.87	£4.00
Apprentice rate*	£3.30	£3.40

*For apprentices aged 16 – 18 or those 19 or over in their first year.

Calculating pay

NMW calculations don't just involve an hourly rate. Employers will also have to include:

- income tax and national insurance contributions (NICs)
- wage loans or advances
- overpaid wages
- any accommodation provided by the employer.

Penalties

Employers are responsible for identifying eligible workers and paying the NLW and face penalties if they fail to comply.

HMRC charges 200% of arrears for failing to pay the NLW or the NMW up to a maximum of £20,000 per worker. Penalties are halved if the employer pays within 14 days.

 **Contact us to discuss the NLW.**

Business announcements from Budget 2016

Chancellor George Osborne delivered his Budget 2016 on 16 March 2016 and outlined several changes to national insurance, corporation tax and stamp duty.

Some of the headline measures relating to businesses announced in the Budget include:

- **Corporation tax** – the rate of corporation tax will reduce to 17% by 2020
- **Business rate relief** – the small business rate relief will double from 1 April 2017. The relief threshold will rise from £6,000 to £15,000
- **Stamp duty** – the way stamp duty is applied to commercial properties will change to a marginal rate system with a zero rate band on purchases up to £150,000
- **Self-employed** – from 2018, class 2 NICs for the self-employed will be abolished
- **Tax-free allowances** – there will be 2 allowances of £1,000 on goods and services and property income from April 2017
- **Loans to participators** – the tax rate for loans to participators will increase from 25% to 32.5% from April 2016.

Carolyn Fairbairn, director general of the Confederation of British Industry, said:

“After a year of surprises, this was a stable Budget for business facing global stormy waters. The chancellor has listened to our concerns about the mounting burden on firms and chosen to back business to grow the economy out of the deficit.”

 **Talk to us today about Budget 2016.**