

'HR for Small Businesses - Why Bother?'

Your webinar will start shortly

- On joining you will be muted to reduce background distractions
- If you would like to raise a question simply type into the Chat box
- A detailed handout will be sent after the webinar covering the points raised
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'HR for Small Businesses - Why Bother?'

Webinar 5th March 2020

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What we will cover on the webinar:

- ▶ - Dispelling some common HR myths
- ▶ - What does HR actually do?
- ▶ - The real cost of doing HR yourself
- ▶ - What's new for 2020

Dispelling some common HR myths

- ▶ **Over bureaucratic** - HR love a process and will stick to it whatever the situation, I need to deal with things quickly and move on.

HR can be as simple or as bureaucratic as you want to make it, for SME businesses we advocate a straightforward approach that can be understood by all by setting out standards you have a reference point when dealing with issues

- ▶ **A blocker** - If we involve HR it will only lead to delays and we wont get the outcome we require -

No involving HR at the earliest opportunity will ensure you make the right decision and avoid any back tracking or hand the initiative over to the employee

- ▶ **They stop me doing what I want** - I have heard that HR are on the employees side and not the employers -

In many cases HR have stopped employers breaching legislation, which could have been a costly mistake for them, at Petaurum Solutions we work with our clients to ensure that simple pragmatic solutions are in place to ensure employers are in control of their business and decisions

Dispelling some common HR myths

- ▶ **Gigantic waste of time** - Why pay for HR when I can do it myself? -

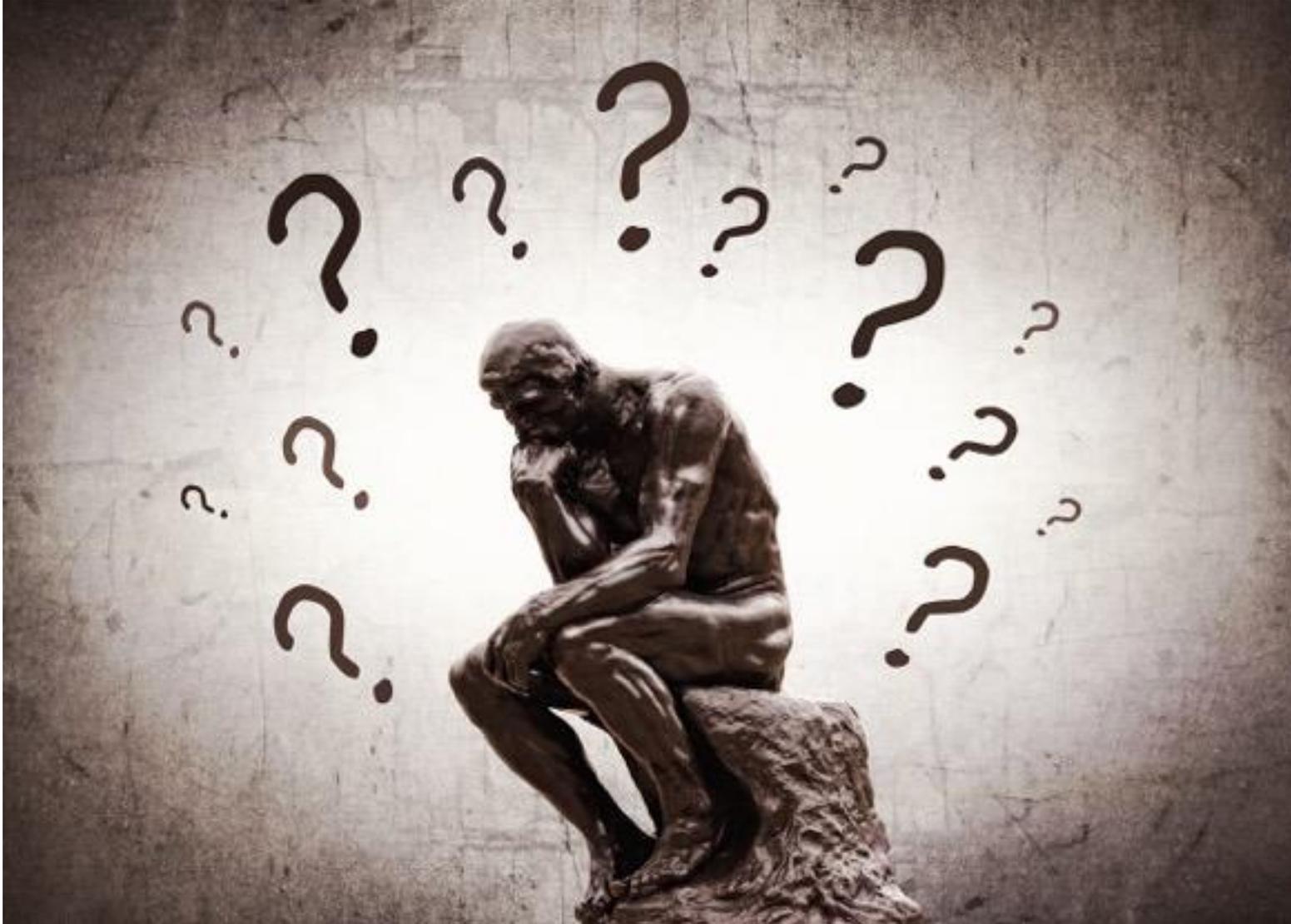
As businesses grow so does their HR risks and if not dealt with in line with legislation it could lead to additional costs in defending tribunal claims along with paying out for awards which in some cases can be uncapped.

- ▶ **All about form filling and processes** - Its my business and I make the decisions -

The decision making is always the business owners to make but HR can add value by ensuring that the decision was made with good judgement and supported by hard evidence

- ▶ **That's recruitment isn't it?** - By the end of this webinar we hope you will realise its far more than

What does HR actually do?



I have been managing so far without HR

We recognise that you may be thinking

“Every pound matters so HR is an investment I don’t need to make - I can do it myself”

At start up this may be the case but as you grow so does the complexity are you building your future on solid HR foundations?

- ▶ **Starting-Up**
- ▶ **Growing**
- ▶ **Changing**

HR Supporting growing businesses

With HR in your business you will be freed up to concentrate on running your business with HR adding value through:

In growing business the role of HR is about maximizing your return on investment through its people through aligning business plans to the people plans. Making sure your workforce is set up for success to ensure they deliver what your business needs it to do.

If you were to invest in technology, machinery or technology you would have a plan to utilize these to maximize their performance and return on investment, why should you people investment be any different.

- ▶ **Keeping you compliant and reducing your HR risks by providing up to date and relevant advice**
- ▶ **Administration, including the legalities of employment: including payroll auto-enrolment of pensions.**
- ▶ **The recruitment of new staff: Making sure that the staff hired are the most appropriate people for a specific role, having the necessary skills, knowledge and behavior for the business. Do you have an induction plan for new staff as statistics show most new recruits leave within 3 months.**
- ▶ **Training: Having invested a significant amount of time and money employing staff, they need to grow and develop until they feel best equipped and qualified to perform their duties.**
- ▶ **Staff retention: What do they need now but what skills do they need in the next 6 - 12 months as your business grows. Investing for success**
- ▶ **Dealing with performance and long-term sickness: One of the worst nightmares for a small business is when a member of staff is lost for a significant period due to illness or is underperforming. What does the law say? Is the illness related to physical, mental or financial matters? What should the business do to guard its own interests, but be fair to the employee, both legally and morally?**

Changes to employment law SMEs should be aware of



Employment Status and Contracts

Change to the right to receive a written statement of terms (Employment Contract)

- ▶ From 6 April 2020, all employers will need to take action to comply with new obligations to provide information to their workers. Currently you have 2 months to undertake this

Changes to IR35 in the private sector

- ▶ From 6 April 2020, the Government intends to apply the IR35 reforms that have been rolled out in the public sector to the private sector. From 6 April 2020, if a contractor is operating through an intermediary, such as a personal services company, and but for that intermediary they would be an employee of their client, IR35 will operate so that the HMRC can collect the tax due from the client and not the contractor. Will apply to companies that
 - ▶ More than 50 employees
 - ▶ An annual turnover over £10.2 million
 - ▶ A balance sheet worth over £5.1 million.

See our [blog](#) on our website for updates

Removal of Swedish derogation clauses from agency workers' contracts

- ▶ Abolition of the derogation means that all agency workers will be entitled to pay parity. By no later than 30 April 2020 TWAs must provide workers whose existing contracts contain a Swedish derogation provision with a written statement telling them that with effect from 6 April 2020, those provisions no longer apply. Agency workers can bring a claim in the Employment Tribunal where their TWA fails to provide that statement on time. Workers asserting rights under the new Regulations will be protected from detriment and unfair dismissal.

Entitlements and payments

Tax on Settlement Payments

- ▶ Currently, neither employee nor employer National Insurance Contributions are payable on termination payments over £30,000. From 6 April 2020, employer National Insurance Contributions at 13.8% will be payable on termination payments above £30,000. Termination payments will continue to remain exempt from employee National Insurance Contributions.

Changes to reference period for holiday pay

- ▶ Currently, employers are required to calculate holiday pay with reference to the 12 weeks preceding the workers' holiday. From 6 April 2020, the reference period will increase from 12 weeks to 52 weeks. Check your payroll software reflects this change

Statutory rate changes

- ▶ Increases across most statutory payments such as sick pay, maternity pay and allowance, shared parental pay, paternity etc

Changes to be prepared for

Immigration rules and RTW checks

- ▶ As part of Brexit the UK will move to a points-based Immigration system. Already the changes have been viewed as challenging for some sectors as the supply of EU resources are restricted. In order to attract the right talent to your business you may want to look at your employee proposition (Pay, Benefits, Culture, etc) to allow you to compete not just on salary. Also if you are looking for higher skilled people and do need to bring in EU nationals the timescales for the Immigration process and costs, £1k also need to be factored in

See our blogs and previous webinars on this subject



Questions and Answers



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