

## FSB urges Low Pay Commission to delay National Living Wage rise

**The Federation of Small Businesses (FSB) has called on the Low Pay Commission (LPC) to consider whether forthcoming rises in the National Living Wage (NLW) rate may need to be put on hold if the economy cannot bear the pace of change**

The NLW rose in April 2017, and presently stands at £7.50. The government has pledged to bring the NLW to £9 per hour by 2020. However, the Office for Budget Responsibility (OBR) has estimated that this will 'fall short', and may only reach £8.75 an hour by this time. The FSB has stated that any risk to the UK economy should be 'built into the next NLW increase', which is scheduled for April 2018 - suggesting that the NLW should rise to no higher than £7.85 next year.

The FSB is concerned that the NLW does not currently take into account the state of the UK economy and inflationary issues, and has highlighted a 'string of recent poor economic statistics and continued uncertainty' as reasons for the LPC to consider delaying the planned rises.

The call followed the FSB's publication of new research, which revealed that 64% of small firms affected by the NLW have recorded lower profits in order to meet the April 2017 rise, while 39% have had to put up prices to meet the demands of the NLW.



Commenting on the issue, Mike Cherry, FSB National Chairman, said: 'Small employers have demonstrated their resilience in meeting the challenges set by the NLW, with many cutting their margins or even paying themselves less to pay their staff more.

'In sectors where margins are tight, small firms are resorting to more drastic measures to cope with the NLW.

'It's vital that the NLW is set at a level that the economy can afford, without job losses or harming job creation. Cost pressures on small businesses are building, and with most recent economic indicators underperforming, we are now facing the reality that the NLW target may need to be delayed beyond 2020.' The LPC is set to make its NLW recommendations to the government in the Autumn.

**We can supply advice on strategies to help minimise the impact of the National Living Wage on your business finances.**

**Please contact us for more information.**

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## Business groups respond to Brexit customs papers

Some of the UK's leading business groups, including the Confederation of British Industry (CBI), the British Chambers of Commerce (BCC) and the Institute of Directors (IoD) have responded to the publication of Brexit customs position papers by the Department for Exiting the European Union.

The government states that it is seeking to secure a new customs arrangement which 'facilitates the freest and most frictionless trade possible' between the UK and the EU. Its newly published paper outlines two customs approaches: a 'highly streamlined' customs arrangement between the UK and the EU, and a new customs partnership with the EU.

The 'streamlined' approach would seek to continue some of the existing customs arrangements between the UK and the EU, as well as reducing or removing barriers to trade by establishing new arrangements. Meanwhile, the new customs partnership would 'remove the need for a UK-EU customs border'.

Responding to the publication of the papers, Josh Hardie, CBI Deputy Director General, said: 'Companies will welcome the progress government has made . . . in

publishing these papers. Over the past year, businesses have been providing policymakers with the evidence, ideas and solutions to make a success of Brexit.' Dr Adam Marshall, Director General of the BCC, called for clarity on future customs arrangements, stating: 'Business needs to see the government's resources focused on the conclusion of a successful customs deal with the EU. At this stage, it is critically important to keep a number of different options open in order to achieve this goal.'

Meanwhile, the IoD welcomed the government's 'first concerted push on trade after Brexit'. The Institute's Allie Renison said: 'This is a hugely positive step from government in putting pen to paper to spell out its objectives for customs arrangements with the EU after Brexit. The paper outlines options for a transitional period and for the longer term, proving that both are crucial to achieving a smooth and orderly exit.'

A second Brexit customs paper has outlined proposals to ensure that existing trade in goods and services can continue after the UK leaves the EU in 2019. It calls for goods already on the market to be allowed to remain on sale in both the UK and the EU, 'without restrictions'.

## Other News – NH Sponsors SportsAid Bucks

We were delighted to join the SportsAid Bucks Sporting Lunch Club in 2017. The Bucks Sporting Lunch Club was created in 2011 and are sponsored by Buckinghamshire based businesses wishing to contribute to the success of young athletes. Our first event was early this year and we were thrilled when we discovered that the event would be hosted by Dame Katherine Grainger from the world of rowing. Katherine is the most decorated female Team GB athlete in history with 5 medals from 5 different Olympics (2000-2016). This event awarded Longridge Canoe Club's Georgia Carmichael, 15 from Bourne End in Buckinghamshire £1,000.

For more information go to <http://www.buckssportinglunchclub.co.uk>



Picture (L-R) : Tom Lacey, Dame Katherine Grainger, Georgia Carmichael, Simon Dodd

## ESSENTIAL TAX DATES FOR SEPTEMBER

### 1 September

New Advisory Fuel Rates (AFR) for company car users apply from today

### 19 September

PAYE, Student loan and CIS deductions are due for month to 5 September 2017

### 30 September

End of CT61 quarterly period

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## QUOTE OF THE MONTH

'Predictions of pay growth increasing alongside strong employment growth is the dog that hasn't barked for some time now, and we are still yet to see tangible signs of this situation changing in the near-term.'

*Gerwyn Davies, Senior Labour Market Analyst at the Chartered Institute of Personnel and Development (CIPD), commenting on research suggesting that pay growth for 2018 is set to 'remain weak'.*