



South West England & Gibraltar Federation of Small Businesses

MEP Newsletter

Wishing you all a Very Merry Xmas

The FSB welcomes the Revision of Remedies Directive

In the SW we have examples of contracts awarded to large firms, which have then cost a council more for a similar or even poorer service.

The Revision of Remedies Directive will be an excellent first step in reforming the award of public contracts, particularly the 'standstill period'. However, the attitude that 'big is good' runs deep and will take a lot of changing.

If the Revision of Remedies included some provision where actual contract performance could be challenged, we could start to change the current anti SME culture.

Governments must do more to publicise new rules

For the law makers and the civil servants, new rules are their core activity. They are not for a small business. Yet very little effort is made to inform small businesses of new rules that affect them and the way they run their businesses.

So the question must be asked, why are the rules created?

If they are a genuine attempt to change behaviour, then they will only be effective if implemented. So why is so little effort put into their implementation? Why is there so little effort put into informing and advising businesses?

The latest example of this is the EU Landfill Directive, banning liquid waste from landfill and requiring *all* landfill waste to be pre-treated.

The changes will have a profound effect on the UK's 4.5 million small business owners, who will have the ultimate responsibility for what happens to their waste.

John Holbrow, FSB Environment Chairman, said:

"The FSB supports the environmental principles that have led to these changes. But it would be nothing less than a dereliction of duty for the Government to bring in these new laws without a sustained publicity campaign to ensure small businesses are aware of them.

"The Environment Agency must do more to let small businesses know what their obligations are. Putting information on a website is simply not enough. There must be widespread publicity otherwise small businesses could be punished for breaking laws they knew nothing about."

And just to show what we mean, there is a new FSB report showing how small businesses are left all alone to cope with employment laws

Nearly 80 percent of small businesses owners, who generate half of UK GDP, have to deal with increasing levels of employment law by themselves, a new Federation of Small Businesses (FSB) report shows.

The survey of 2,826 small firms showed that small business owners and entrepreneurs are facing an ever-increasing burden of employment law unaided – 78% deal with employment paperwork themselves and a third do not know where to get Government advice on legislation that affects small businesses. This does not

mean less protection for employees – in fact simpler laws would increase the understanding of the laws by small firms and their ability to implement them.

In addition, nearly a third of small business owners (32%) said that they didn't take on new staff because of the complexity of employment law.

Alan Tyrrell, FSB Employment Chairman, said:

“The FSB has always supported its members when it comes to employment law with advice, information and an ever-popular legal helpline. But the fact of the matter is that it's the Government that is producing so much employment legislation and it's the Government that should be taking responsibility for ensuring that laws are realistic, practical and understandable.

“The relentless, one-size-fits-all approach to employment law has got to stop. All the evidence shows that small businesses can create more wealth and more jobs when employment laws are simple and flexible.

Click on this link for the employment report : -

<http://www.fsb.org.uk/documentstore/filedetails.asp?ID=384>

Health and Safety rules can hold economy back, says FSB

The FSB has warned that the Health and Safety regime can hold back the growth of small businesses that would otherwise be able create more jobs. Small firms employ sixty per cent of the private sector workforce and therefore this burden is stifling the UK economy.

This warning comes as the FSB publishes a report based on a survey of small firms examining the impact of Health and Safety legislation.

The report examines the burden of Health and Safety legislation and compliance, the impact of the new Fire Safety Order regime, the nature of Health and Safety inspections, Employers' Liability Compulsory Insurance and health in the workplace, including the requirements of business from the NHS.

The report is based on a survey that found that 72% of small firms believed that the administrative requirements of Health and Safety legislation are more bureaucratic than they were five years ago.

Mary Boughton MBE, FSB Health and Safety Chairman, said:

“No-one is asking for the Government to dilute Health and Safety protection for workers. However, we need common sense to prevail.

“Our report has uncovered obstacles to small firms expanding and hiring new staff. It also has proposals to help the Government reduce unemployment by eliminating these obstacles and recommends ways of improving the situation for both employers and employees.

Major recommendations in the report include:

- Health and Safety legislation should take micro and small businesses into account – too often such laws are written with large firms, who have dedicated departments to deal with administration, in mind.
- Guidance for business should be straightforward and jargon-free and be available from a central, easily accessible source.
- The Government should set a national standard for fire safety inspections so that fire services offer a consistent, nationwide, approach. Training for the fire services about dealing with businesses should also be available.
- Health and Safety inspectors should be trained to understand the nature and needs of small firms, to prevent inspections costing businesses custom during the inspection.
- Insurance companies should work with small firms to ensure that they take a business' Health and Safety record into account when setting premiums.
- NHS staff should be trained in the needs of business and more should be done to provide 'fit' notes (to set out what an employee is well enough to do) rather than sick notes (which can keep employees out of the workplace for longer than is appropriate). Improvements in addressing absenteeism are vital to boost productivity in the UK economy.

The FSB survey covered 1,700 small businesses, broadly representative of the UK business profile as a whole, in June 2007. The report can be downloaded at <http://www.fsb.org.uk/documentstore/filedetails.asp?ID=383>.

Red tape costs small firms seven hours a week

The Federation of Small Businesses (FSB) has published a report and DVD examining the impact that regulation has on entrepreneurs. It highlights the fact that the average small business spends seven hours per week dealing with regulations and paperwork.

The DVD is a compilation of interviews with small business owners from across the UK explaining what they would do with the seven hours each week that they currently spend filling in forms. The report outlines the benefits to the economy and society that would follow from businesses getting their seven hours back.

The FSB is concerned that the red tape burden is preventing small firms from growing and employing more people, as well as working against other Government priorities, such as increased community involvement by businesses and employee training. Tackling the red tape burden would benefit both businesses and the communities in which they operate.

The FSB wants to encourage the UK Government and the European Commission to deliver on their promises on deregulation. The Commission has committed to cutting red tape and is encouraging member states to follow suit. Estimates put the potential gain from deregulation at €150 billion across the EU.

Tina Sommer, FSB EU Affairs Chairman, said:

"Small businesses do not dispute the need for regulation. In many ways it is beneficial because it brings certainty and ensures fair competition.

"Both the UK Government and the EU institutions are relying on entrepreneurs to create jobs and wealth. But the regulatory burden is weighing down small businesses. We have heard warm words from politicians before about cutting red tape, but it is now time for action.

"There is no doubt that the volume and complexity of red tape is excessive. Shorter, simpler regulations will enable businesses to follow the rules more easily as well as protect their existing employees. They will also be able to hire more staff as they use more of their seven lost hours to grow their businesses."

Some of the many activities that entrepreneurs said that they would do with seven extra hours per week were:

- 58% of business owners would spend time training staff or working with schools;
- 50% would spend more time developing their business ;
- 39% of business owners would devote more time to their local communities;
- 37% would like to spend more time with their families.

The report can be found at <http://www.fsb.org.uk/documentstore/filedetails.asp?id=382>. The accompanying DVD is available from the FSB on request from rosina.robson@fsb.org.uk or can be found online at <http://www.fsb.org.uk/data/default.asp?id=529&loc=policy>.

And to celebrate the work of Small Businesses – The FSB has launched British Small Business Champions 2008

The FSB launched British Small Business Champions 2008 (BSBC) to coincide with the start of Enterprise Week. BSBC is the only national awards scheme solely for small businesses.

Entries are invited from thriving businesses that are well run and highly regarded by staff and customers. Businesses have to have been trading for at least five years at the time of entering and employ no more than fifty staff. Across the UK, six Area Champions will be chosen and these six businesses will go forward to the national final. One business will be chosen as the National Champion and scoop the top prize of £10,000.

For BSBC 2008 there are two additional categories: Young Entrepreneur and Most Promising New Business, both sponsored by AIMS Accountants. These have been chosen as a way for the FSB to show support for the new generation of up-and-coming businesses. Entries in both will go straight to national judging.

BSBC was launched by the Federation of Small Businesses in 2002. It is now firmly established as the most prestigious and highly valued of business awards for the small business sector.

What former winners say about BSBC:

*“Entering BSBC is a good exercise for you and your business. It makes you focus on what is good about your business...and helps you identify any weaknesses. I hate forms. Running a small business we have so many.
The BSBC one was pretty straightforward.”*

Graham Barnard, The Happy Hutch Company, BSBC National Champion and Northern Area Champion 2007.

“The process of entering BSBC was a fantastic challenge because it makes you examine your business and ultimately improve the way you work. Winning was fabulous, not only for us but for our staff, who are thrilled to be part of an award-winning company.”

Rachael Webb, Playforce, BSBC Southern Area Champion 2007.

“Since winning my company has a leading edge over competitors, which in turn has made us more popular with customers, as we have been recognised for customer service and for the many who buy at a distance, have been verified as a properly established company. Our competitors can compete on price and lead-time. But they cannot compete with our BSBC award!”

Sarah Green, 1st For Furniture, BSBC Central Area Champion 2007.

The prizes for BSBC 2008, which is free to enter and not exclusive to FSB members, are: £1,000 each to the Area Champions, the Young Entrepreneur and the Most Promising New Business, to be spent in the way winners wish as long as it benefits their business. The National Champion's prize includes a cash award of £10,000, also to be spent in a way that benefits their business.

Vivienne Rayner
3rd December 2007