



# COULD THE KICKSTART SCHEME HELP YOUR BUSINESS?

**As 220,000 jobs were lost between April and June and another 80,000 jobs were lost between May and July, the Government has been pressured to put further measures in place to better protect UK workers. In response to this, in July, Chancellor Rishi Sunak announced the Government's £2bn Kickstart Scheme which will subsidise six-month work placements for young people on Universal Credit aged between 16 and 24.**

## HOW IT WORKS

Employers are being encouraged to take on young people at risk of long-term unemployment for these 6-month placements with a minimum of 25-hours a week paid. Any businesses taking part will be paid 100% of the employee's wage directly including National Insurance and mandatory Pension contributions. This will reflect the current minimum wage in the UK.

Employers will not be required to take on employees further than the 6-month period, although you may choose to do so if all is going well. The aim of this placement is to give young people an opportunity to

develop their skills and expand on their CV for the future so you will be expected to offer training and valuable work experience – helping them to build transferrable skills where possible.

You will need to prove that the placements you are making available to applicants are new and not replacing any existing jobs as the Government want to avoid companies making other employees redundant for the option of 'free labour'.

## WILL ALL BUSINESSES BE ELIGIBLE?

You can check whether your business is eligible and apply for the Kickstart Scheme [here](#).

## WHAT ARE THE DRAWBACKS?

While many employers are likely to have great experiences with their placements, there is always the risk that the individual will not be suited to your business. This scheme is designed for young people who are relatively new to the professional workforce which means they will need more guidance than other more experienced workers. Due to this, you

should take into account whether you have the time and support network available to fully mentor a potential placement and ensure that you both get the most out of the time.

## WHAT IF I WANT TO TERMINATE THE PLACEMENT EARLY?

At the moment, there is no official guidance on what the process would be for ending placements early. But it seems fair to assume that if you are experiencing difficulties that cannot be rectified, this will be an option.

## WILL THE KICKSTART SCHEME AFFECT MY INSURANCE?

It's likely you will need to have sufficient Employers Liability Insurance in place to cover for your employee. If you decide to take part in the scheme, just give your broker or insurer a ring to check that you have the right cover in place.

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# DRIVING CUSTOMER ENGAGEMENT POST-LOCKDOWN



**Throughout the COVID-19 pandemic, 1 in 3 businesses say that maintaining customer engagement has been their biggest challenge while adapting to new ways of working, according to telecommunications provider Esendex. Businesses have had to tailor how they communicate in order to continue to deliver their high levels of service to align with the changing lifestyles of their customers.**

Retail expert Andrew Busby believes, “Even before the COVID-19 pandemic, customer engagement and retention were challenging enough; now, however, capturing it is a truly elusive task. Not only have retailers got to try to overcome months where their customers were repeatedly told that it is dangerous to visit enclosed spaces; with the majority of household incomes significantly suppressed, our propensity to spend is no longer at the level it was prior to the outbreak of the virus.

“Reputation will be a key part of getting customers through the door: retailers will have to convince their clientele that they’ve got a safe and responsible offering and can be trusted. This is vital, because retail contributes nearly £400 billion a year to the UK economy.”

## **PROMOTE YOUR DIGITAL SERVICES**

It’s likely that you’ve had to make some changes to your business over lockdown and these might still be in place now. Make sure to advertise your digital service to your customers, whether that’s an enhanced online help feature, a new delivery service or changes to your support lines. It’s often not enough to just post about this once and move on, the key to effective communication is consistent messaging – without bombarding your customers with too much information.

## **KEEP IT RELEVANT AND ROLL WITH THE PUNCHES**

If you’ve made an engagement plan for the year, it’s likely that most of the planned content will no longer be relevant. While it may be tempting to stick to the plan in order to not waste content, remember that the pandemic is still at the forefront of most people’s mind and not acknowledging it does have the potential to look short sighted. Be careful to

review the content you’re putting out there to ensure it aligns with the current guidelines and public perspective.

## **BE ACTIVE ON SOCIAL MEDIA**

No matter which channels you choose to focus on as part of your marketing strategy, it’s now more essential than ever to ensure that these aren’t neglected and you’re using them to keep your customers in the loop. While you’re likely busy, it’s worth making the time to ensure that your customers are aware of the changes you’ve made as a result of the government changes as well as demonstrating what you are doing to keep both your staff and your customers safe.

## **STRIKE WHEN THE TIME’S RIGHT**

Think about your target market and their lifestyle. When will they most likely be browsing through their phones? Is there a period in which they’re likely to be more receptive? If you run a food premises, consider engaging with your customers before mealtimes in order to put your business in their line of sight. It might be worth checking the analytics of your own social media posts to see the type of content that garners the most engagement and when people tend to comment on/like your content.

Of course, engagement is one of many problems that businesses are experiencing over these uncertain times and we understand that with the threat of targeted lockdowns imminently looming, it can be stressful for you at the moment, both personally and financially. For a discussion about your insurance and the protection it currently offers your business, as well as any changes you can make to better protect yourself in the future, please call a member of our team.

# THE FUTURE OF THE MODERN WORKPLACE

**When we look back, office design has come a long way, and nowadays, even the more traditional of businesses tend to be more sociable and collaborative than a decade ago. With user-centric design on the up and an increased awareness of the link between wellbeing and productivity, more and more businesses are giving their offices a modern makeover. So, what does the office of the future look like exactly?**

## EMPOWERING EMPLOYEES

Research increasingly suggests that empowering employees to change their own environment helps to promote general wellbeing in the workplace. According to a recent survey from the Association of Accounting Technicians, flexible working makes employees less stressed and more productive. Giving workers the choice as to where they work means that they can take control over their own work routines. Reducing the commuting time for those that opt to work from home once or twice a week can also help to boost overall productivity.

According to Peter Fisher, director at architect firm, Bennett's Associate, suggests that 'the need for people to have perceived control is important' and that 'research shows that people believe they are more comfortable if they have the opportunity to change their environment'.

## PROMOTING BIOPHILIC DESIGN

As well as giving employees choice over their working environments, research has found that offices with a biophilic design, which can be characterised as an increased connection to the natural environment, can help to promote wellbeing. Architects designing offices with a more biophilic design in mind are now providing more opportunities for employees to see outside through the likes of glass-encased stairwells and floor-to-ceiling windows to maximise natural light.

As well as designing the external building to incorporate more natural elements, ensuring employees share their working habitats with plants is also important. Research by Norway's Agricultural University in Oslo has found that the presence of plants in a building can help to remove harmful contents in the air such as formaldehyde and benzene, which can be found in the carpets and paint on the walls. Not just that, according to mental health charity Mind, bringing aspects of nature into the workplace can help to alleviate stress and instead promote feelings of tranquility.

## THE AUTOMATED OFFICE

Alongside bringing a healthy dose of greenery to the working environment, the office of the future is likely to rely on the Internet of Things (IoT) and Big Data to create fully automated offices, that are tailored to the individual. Mr Heath from international real estate company WeWork remarks: "Offices will become far more customisable based on people's data... an office will track my location and adjust preferences to suit me. After lunch, the temperature I am at might drop a degree and the blinds may go up slightly to wake me up, creating my optimum work environment."

As offices continue to evolve, in the next decade we are likely to see interesting advancements that will aim to create more harmonious employee-centric environments to optimise both wellbeing and productivity.



# HARD TIMES

ALL YOU NEED TO KNOW ABOUT THE 'HARDENING MARKET' AND WHAT IT MEANS FOR YOU AND YOUR BUSINESS.

**You may have heard that we're entering a hard market period, but what does that actually mean? Insurance is cyclical. Just like how the seasons change, the market fluctuates, with each insurance 'season' lasting anywhere between two to 10 years.**

**On top of that, there are two types of insurance cycle conditions – hard and soft – that can affect the status quo.**

## WHAT IS THE DIFFERENCE BETWEEN A HARD AND A SOFT MARKET?

In a **soft market**, you are likely to see:

- Low premiums
- Broad appetite and availability of cover
- Increased capacity, meaning insurers write a high volume of policies
- Higher limits on policies.

In a **hard market**, you are likely to see:

- High premiums
- Reduced appetite due to stricter underwriting criteria
- Decreased capacity, meaning insurers write less policies
- Lower limits on policies.

## WHY ARE INSURANCE PREMIUMS RISING?

We mentioned above that in a hard market you typically see higher insurance premiums. Why?

During a hard market, insurers place more stringent limits on the cover they can write, which automatically lowers their appetite. This in turn means they are writing less policies.

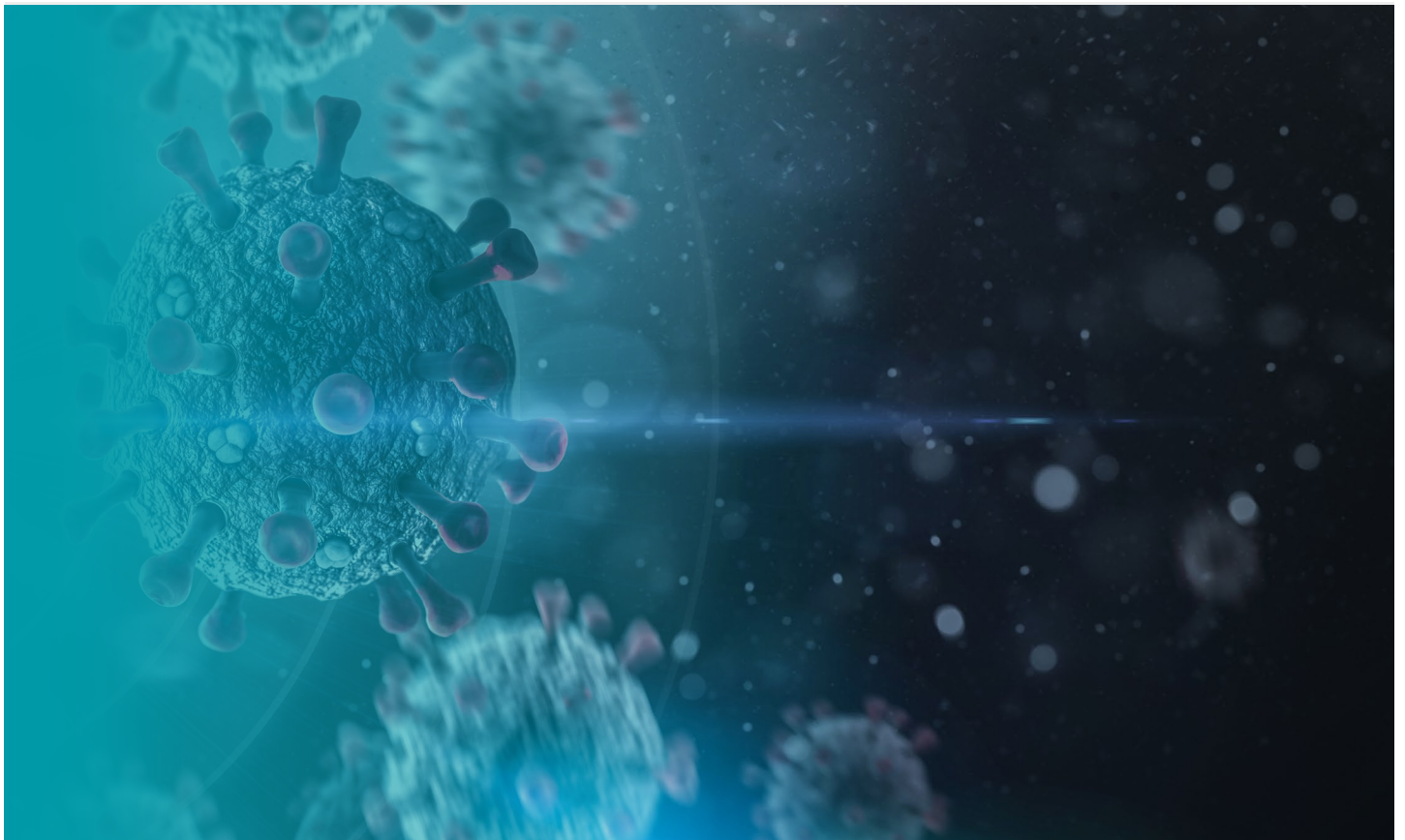
As the insurers' capacity is lower, it can be more difficult to find insurance solutions and that leads to an increase in demand for cover, all of which drives the premium prices up.

## WHY IS THE MARKET HARDENING?

There are many reasons why we're heading towards a hardening market, from natural disasters to rising rates. We've listed just a few of them below.

House prices were low at the start of 2020, meaning insurers were losing money on property cover. Then, storms Ciara and Dennis hit in February, which caused a rise in claims when insurers were already suffering a loss on property premiums.

As we're still part of the EU, the Solvency II law continues to apply. This regulatory regime was introduced in 2016 to harmonise EU insurance



regulation. Principally, it aims to make sure policyholders across the EU have the same level of protection, regardless of where they purchase their insurance. However, it has resulted in some insurers leaving the market, meanwhile others have reduced their capacity considerably.

Another factor is the Ogden Discount Rate has changed; this is a calculation used to work out how much compensation insurers should award someone who has life-changing injuries to cover them for loss of earnings and any care costs. The rate changed from 2.5% to -0.75% in 2017 and then from -0.75% in 2017 to -0.25% in July 2019 in England and Wales, which has resulted in insurers paying out more on big personal injury claims.

#### **WHAT IS THE EFFECT OF COVID-19?**

Even before the Coronavirus pandemic hit, the tides were changing. COVID-19 has naturally had an effect on the market, compounding everything.

John Neal, CEO of Lloyd's of London, told the Financial Times back in April that the pandemic is "no doubt the largest insurance challenge the industry has ever faced". In May, Lloyd's forecast that COVID-19 will cost the insurance industry \$203billion (£166billion) worldwide and has recently announced that it expects to pay out £5billion in Coronavirus-related claims.

Meanwhile, the Association of British Insurers (ABI) still envisages the UK insurance industry will have to fork out more than £900million for COVID-connected claims, as well as £275million to travellers who had to cancel their trips as a result of the pandemic.

It is, therefore, likely that COVID-19 will extend the length of the hard market, as the insurance industry tries to recover from the impact of the crisis.

#### **WHAT DOES THIS MEAN FOR ME AND MY BUSINESSES?**

During a hard market cycle, it can be more difficult for businesses to find cover, and it's our role as your broker to guide you through the insurance landscape. We have longstanding relationships with several insurers, which allows us to have conversations with the right people for your business needs. We act as your champion out there in the marketplace, whether it is in a hard or soft cycle, to get you the best cover for your business.

We always keep a close eye on any market fluctuations. We will get in touch with you ahead of your renewal date to discuss your personal circumstances and how any changes in the insurance cycle will affect you.