

# BUSINESS FIRST

- > Rethinking stress
- > Put wellbeing first
- > Healthy workplace healthy mind



## MIND OVER MATTER

**ALSO IN THIS ISSUE** > COLUMNIST CAROLINE HORNER > BUSINESS BANKING RESOLUTION > RIDE THE WAVE  
> RISE TO THE CHANGE CHALLENGE > FACE DOWN COVID-19 > FINDING YOUR WHY > GET ON THE MONEY

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# MIND OVER MATTER



**Challenges that help workers build a better relationship with technology have been proven to improve wellbeing and productivity"**



Throughout my coaching career, I've been fortunate to work with many different business leaders – from entrepreneurs to CEOs. In that time I've observed the multiple knock-on effects that can come with being seen 'as an expert'.

**Experts want to give out the very best advice to colleagues, customers and clients. They need to feel like a valued team member and prove their competence. It's also deeply flattering to know that people will knock on their door when they get stuck.**

But being an expert in all things – especially those for which you're not well-equipped or supported – can come at a heavy cost to personal wellbeing. The bottom line is that if you don't look after yourself, you can't do what you love, let alone support the mental health of colleagues and employees. It really is mind over matter.

I help my clients to recognise that, as they progress, they're rewarded more for who they are and less for what they

know, and that building capacity to 'let go' of being the expert is important. Tune into this mindset and not only can you empower and develop others but also create more space to do the work that only you can do. This requires you to pay even more attention to personal resilience and see investment in self-care as vital work in itself. Without feeling personally grounded and a sense of spaciousness, you can't see the wood for the trees – and bring fresh perspectives to take yourself and those around you forward.

There's profound strength in recognising that your role is no longer about knowing the answer but rather to create the environment for complex issues to be explored. You need to be able to ask the right questions which prompt people to express and invite diverse views.

I appreciate that the move from an expert-led to exploratory stance can be quite a shift. Some professionals I know find it hard to even give themselves permission to take five minutes to go outside for a breather. In addition to this literal first step, see if you can identify opportunities in your day where a request could be met with a question from you, rather than a solution. This is the start of your journey that – with help – can make space for important conversations to flourish.

**Dr Caroline Horner**  
Founder i-coach



# In this issue...

## STOP PRESS

As we go to press the country is 'learning to live with Covid'. The new freedoms have seen businesses and individuals growing in confidence and successfully tackling the uncertainty of the 'new normal'. Yet, as we regroup we face further challenges, including the increasing cost of living and the growing crisis in Ukraine. Your law firm is here to offer legal support and advice when you need it, keeping you up-to-date with the latest developments and providing information and advice to help your business to navigate these difficult times.



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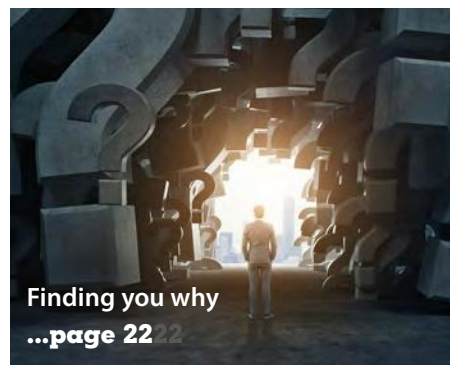
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## EDITORIAL

# Keep calm and look ahead

Just as workplaces have been regrouping post-peak COVID, the crisis in Ukraine has gripped the world. The implications for the legal and commercial sectors are impossible to predict so, in this spring edition of Business First, we're focused firmly on what we can control – ideas for improving your company's fortunes and staff wellbeing.

Understanding employee stress and positive mental health has never been more important. So we've commissioned three related pieces to help your staff both feel and perform better.

But managing money effectively is of course just as critical as staying on top of HR. Here we cover a range of topics including raising funds as a start-up, strategising payments if you've needed to borrow, how to resolve disputes through the Business Banking Resolution Service – and smoothing the pathway to reaping the rewards should you sell up. We've also included an article on the much anticipated and far-reaching changes to both the National Living and Minimum Wage rates.

Alongside practical features on navigating the Coronavirus Act 2020 Rent Bill, franchise agreements and intellectual property, this Business First also offers inspiration. Explore finding your business 'why?', riding the influencer wave and the pros and cons of rewilding.

**With very best wishes**  
**Tim Trout – Editor**



# KNOW WHERE YOU STAND...

## Coronavirus Act 2020 Rent Bill

The Coronavirus Act 2020 prevents a landlord from enforcing a failure to pay rent through, among other things, forfeiture or re-entry. **Michelle Cox** looks at how the new law impacts on break provisions of a lease.

**Let's imagine a tenant has been unable to pay rents – but wishes to break. How does a condition of the break to pay all rents up to date fit with the moratorium brought in by the Act?**

**Equally, can a landlord legitimately exercise a break when the motivation is a non-paying tenant?**

The moratorium does not suspend, defer or reduce the rent payable under a commercial lease. It simply suspends remedies for non-payment of rent, and it's for landlords and tenants to negotiate and reach agreement as to any 'pandemic arrears'. Such non-payment is subject to a new Code, and the introduction of the Mandatory Arbitration Scheme which came in to force at the end of March.

### THE SMALL PRINT

When it comes to contractual rights, the moratorium has no bearing and so does not affect conditions attached to a break. Therefore, where a tenant has sought to adopt a rent suspension or reduction, the effect of such agreement on any break clause must have been considered and, if appropriate, dealt with by way of variation. Likewise, any landlord approached with such a request would be wise to consider this and be aware of the conditions of any tenant break for future reference.

If a contractual condition of a tenant exercising the break is that all rents must be fully paid up to the date of the notice or break, then this must be complied with. Even if rent is up to date, if the condition goes further and requires all interest to be paid to date, a tenant will need to ensure they

calculate any late payment interest. Whilst this may not have been formally demanded, it may still be due to comply with the break condition and must be paid up before any break notice is served or expires. Of course, there are some break clauses that do not impose conditions – so a review of the clause in question is vital.

It is possible that a landlord can waive any conditions attached to a break provision, so this is something that can be explored. However, in the current climate, it's unlikely a landlord would agree to such a request.

### LANDLORD BREAKS

Although landlord breaks are less common, they do still exist. Again, the specific conditions of a landlord break must be considered, as often they are restricted to a break that is only effective if there is an intention to re-develop or some other specific event. However, some are relatively basic and will simply allow mutual break by landlord or tenant on the basis, for example, of six months' notice.

Depending on the extent of any protected rents, it may be that a landlord sees the exercise of a break as an easy solution to a tenant breach. Given the nature of the moratorium is not to impact contractual terms, a basic break provision will be unaffected by the restrictions.

**"It is possible that a landlord can waive any conditions attached to a break provision, so this is something that can be explored. However, in the current climate, it's unlikely a landlord would agree to such a request"**



# The only way is up

Ensure your workers' pay is in line with the new NLW

With the National Living Wage (NLW) having increased from 1st April 2022, **Marie Allen** explains the steps employers need to take to ensure they remain legally compliant.



The Low Pay Commission (LPC) recommended an increase in the NLW from 1st April 2022, and proposed lowering the age of eligibility to all workers aged 21+ by 2024.

Employers were obliged to review all workers' pay by 1st April 2022 and from that date pay all workers 23 or older the NLW or higher – alongside National Minimum Wage (NMW) increases for younger workers:

	New Rate from 1st April 2022	Rate April 2021 to March 2022	Increase
National Living Wage (NLW)	<b>£9.50</b>	<b>£8.91</b>	<b>6.6%</b>
21-22-year-old rate	<b>£9.18</b>	<b>£8.36</b>	<b>9.8%</b>
18-20-year-old rate	<b>£6.83</b>	<b>£6.52</b>	<b>4.1%</b>
16-17-year-old rate	<b>£4.81</b>	<b>£4.62</b>	<b>4.1%</b>
Apprentice rate	<b>£4.81</b>	<b>£4.30</b>	<b>11.9%</b>
Accommodation offset	<b>£8.70</b>	<b>£8.36</b>	<b>4.1%</b>

Employers will need to identify the pay reference period (monthly unless the worker is paid at shorter intervals) and the total pay for that period. This will generally be the gross amount of pay and benefits received or earned, less excluded pay and benefits (e.g. tips, overtime premiums, pension contributions and certain deductions).

Employers must divide the total pay by the total hours worked to find the average hourly rate of pay. The method of calculation will depend on whether the worker is salaried, paid by the hour or output, or by some other unmeasured basis.

The average hourly rate of pay for the period must not be less than the relevant NLW or NMW rate. If the rate is below what is specified, the employer must pay the worker the arrears. Failure to comply could result in HMRC enforcement or a claim.

**Employers that haven't already reviewed workers' pay must do so now to ensure they remain legally compliant**

To find out more visit:

<https://www.gov.uk/minimum-wage-calculator-employers>

## BUSINESS OWNER?

Here's a trio of things you need to know about Wills



You've worked very hard to build up value in your business – so it's important to plan for passing that on.

**Richard Guy** shares his top three tips around Wills.

### 1 It's not just your Will that can affect your business

A shareholders' or partnership agreement and/or company articles of association could all override provisions in your Will. Any review of your inheritance plans should take these into account and may need revision to ensure they align with your Will.

### 2 You can provide for both family and business co-owners/partners

A common dilemma is that you want to provide for your spouse or family who are not involved in the business, but you also want to ensure your business partners/co-owners can continue with it.

Consider a Will that leaves the business to spouse or family but includes a shareholders' agreement ensuring your co-owners can buy it out. This could be funded by life policies held in trust outside your estate.

### 3 You might not get relief from Inheritance Tax (IHT)

Business Property Relief (BPR) can mean your business interests and assets qualify for up to 100% relief on death. However, it's not always available; for example, when your business deals mainly in securities, stocks or shares, land, buildings or investments. Substantial amounts of accumulated surplus cash can also be removed from relief.

You should undertake a review of your business and its activities and consider planning or restructuring to maximise BPR.

Even with BPR, leaving it all to a spouse not involved in the business can mean tax on their death, so further planning should be undertaken with professional advice to keep the value outside the surviving spouse's taxable estate.



# How the Business Banking Resolution Service (BBRS) delivers for larger SMEs



Research by the independent, not-for-profit Business Banking Resolution Service (BBRS) confirms that all SMEs agree on the need for reliable banking services. However, it's the larger ones in particular that need a dedicated dispute resolution service for their unresolved business banking complaints of the sort BBRS offers – as **Dirk Paterson**, Customer Director at BBRS, explains.



BBRS support is available for businesses with turnover up to £10m per annum and total assets up to £7.5m – those not eligible to take their complaint to the Financial Ombudsman Service"



**BBRS findings show that nearly three quarters (73%) of small business leaders would opt to use a complaints service if their business banking complaint had not been satisfactorily resolved. The research commissioned by the BBRS from Opinium represents views of 750 SME senior leaders, confirms that trust in banks is generally high among SMEs – with 91% trusting them to manage their business accounts well. However, one in nine reported issues with their bank.**

### **Resolving business banking disputes for those ineligible for the Financial Ombudsman Service.**

The majority (61%) of businesses that reported lodging a complaint with their bank received a satisfactory response. However, those who remain dissatisfied need an independent, free dispute resolution service. Without this, they face the prospect of taking their bank to court to reach a satisfactory conclusion. For most SMEs, this is simply not an option.

While most would be eligible for the Financial Ombudsman Service – broadly speaking for businesses with annual turnovers of less than £6.5 million – the vast majority (91%) of those surveyed said they were unaware that an option existed for larger SMEs such as that offered by BBRS.

### **Support for historical and current banking dispute cases**

The BBRS is unique in offering services for historical cases, as well as more recent, unresolved business banking disputes.

Its Historical Scheme covers banking complaints first registered from 1 December 2001 to 31 March 2019. Businesses may qualify for support if they had turnover between £1 million and £6.5 million per annum at the time of their complaint, and their case has not already been settled, been subject to an independent review, or gone to court.

The BBRS can also assess more recent unresolved complaints through its Contemporary Scheme, which covers

cases from 1 April 2019 onwards. This is available for businesses with turnover up to £10m per annum and total assets up to £7.5m – namely those not eligible to take their complaint to the Financial Ombudsman Service.

### **Deadline for historical complaints**

**If the BBRS upholds a complaint, it can make a financial or non-financial award up to £350,000 for Historical Cases and £600,000 for Contemporary Cases. In some circumstances, it can recommend more.**

With the deadline for submitting historical cases just one year away (14 February 2023), the BBRS now urges all larger SME owners to get in touch to see if their unresolved banking disputes can be tackled through its independent resolution service. This includes businesses that have closed down, merged or been sold within the period covered by the BBRS' Historical Scheme.

Current and previous business owners, directors and others can check their eligibility using a quick online tool.

### **About the research**

The BBRS commissioned Opinium Research to undertake independent research among senior decision makers (senior directors at board level and above) who work or have worked for businesses with turnovers between £1 million and £10 million. This included an online survey completed by 750 participants in August 2021.

The BBRS can also assess more recent unresolved complaints through its Contemporary Scheme, which covers cases from 1 April 2019 onwards

## **IN SHORT**

The BBRS is a non-profit, independent organisation set up to resolve disputes between eligible larger SMEs (£1m - £10m turnover) and participating banks

The BBRS delivers an accessible and transparent service, giving eligible businesses the opportunity to have their complaint heard and independently reviewed

The deadline for submitting historical cases for consideration is just one year away (14 February 2023). Businesses with outstanding banking disputes should get in touch to see if BBRS can help at [www.thebbbs.org/](http://www.thebbbs.org/) register or via a quick online tool.



Nowadays, there are more ways than ever to finance your new business venture – beyond dipping into your savings. Here, **Evangelos Kyveris** sets out the pros and cons of different funding methods for your start-up.

# GET ON THE MONEY

# 6 realistic ways to fund your start-up



Debt financing involves borrowing money and paying it back, usually over time and with interest"



## 1 FAMILY AND FRIENDS

You may ask your family and friends to provide funds through a loan (see 'Debt financing' below), or in exchange for shares or other equity in your business.

**PROS:** The funding process is usually quick and offers flexible terms due to existing mutual trust. You can generally agree on preferential loan or equity investment terms for your business.

**CONS:** If your friends and family are inexperienced investors, they are unlikely to provide strategic support and advice to the business or have useful contacts. There is also a risk of damaging your relationship if the venture doesn't succeed.

## 2 DEBT FINANCING

Debt financing involves borrowing money and paying it back, usually over time and with interest. This could be from banks, local authorities, government organisations, small business associations or individuals – including family.

**PROS:** The loan terms are clearly defined, you can fix the interest rate, and the lender may give you access to resources such as a network of key people who can assist your business in the future. The creation of the debt needn't require the company to relinquish any control, and the relationship with the lender will terminate on repayment of the debt.

**CONS:** The process of negotiating the terms of the debt can be long and time-consuming. If the loan is secured, your business and personal assets could be at risk if you fail to repay it. The loan terms might also limit how and where the company can spend its money. Before receiving the loan, sole traders may need to navigate complex provisions under the Consumer Credit Act.

## 3 RESEARCH AND DEVELOPMENT GRANTS

R&D grants are essentially free money in the form of cash or tax reductions, given by the government to reward innovative companies for research and development activities.

**PROS:** A grant needn't be repaid and can prove to stakeholders that the business has potential.

**CONS:** Applying for an R&D grant can be a lengthy process, and there's always the possibility that the business does not meet the conditions of eligibility for the grant.

## 4 ANGEL FUNDING

Angel investors (also known as Angels) are affluent individuals who inject capital for start-up businesses in exchange for ownership via equity or convertible debt – think Dragon's Den.

**PROS:** Angels are usually experienced entrepreneurs, and can provide you with support and guidance. They have a network of key people who can be relied upon to support the business, and are usually willing to take risks.

**CONS:** Angels will get a share in the future success of your business and are also likely to want shared control in any decision-making.

## 5 VENTURE CAPITAL (VC) FUNDING

VC funds pool investors' cash and loan it to start-ups and small businesses with perceived high and long-term growth potential.

**PROS:** VCs can provide greater funding levels than Angels, and have networks, mentors and resources to help your business achieve high growth and scale.

**CONS:** Like Angels, VCs will expect an equity share, and exercise controls over the company to the extent they believe necessary to maximise their returns.

## 6 ONLINE CROWDFUNDING

Businesses or individuals may raise capital through online crowdfunding platforms.

**PROS:** You will keep control of your company as you do not have to give up equity. You can test demand for your product with minimum risk, and reach your audience directly to collect feedback and increase awareness.

**CONS:** Crowdfunding can be tricky. You need to put in the right amount of effort and time to create a compelling story, build your brand, and market to a broad audience.





The share of SMEs with high debt levels has more than doubled since the start of the pandemic, particularly in the worst-affected sectors like hospitality”

# SME LOAN RECOVERY

## What is the best approach?



Since the outset of the pandemic, many small and medium-sized enterprises (SMEs) have been borrowing funds. But what is the best way for SMEs to manage their repayments? **Victoria Holland** explores the pitfalls and solutions.

**Analysts from the Bank of England reported that the share of SMEs with high debt levels has more than doubled since the start of the pandemic. According to the deputy governor for financial stability for the Bank, this issue particularly impacts SMEs in the worst-affected sectors like hospitality and personal services.**

However, the Bank’s analysis explained that since most new bank loans were government-backed lending schemes, terms were longer and the borrowing rates were lower than regular loans. In addition, some loans taken by SMEs were precautionary, as about a third of indebted SMEs have sufficient cash to repay all debt in full.

Indeed, a poll conducted by Lloyds Bank indicated that only 11% of SMEs were worried about their current business debt levels. But business leaders may not be aware of the consequences of repaying the debt.

### THE PROBLEM

Undoubtedly, the various government-backed loan schemes were essential in financing SMEs during the pandemic. But the longer-term effects of the monthly debt repayments can prevent SMEs from growth, due to lack of profit, high running costs and poor cash flow. Debt repayments also mean a reduction in the number of SMEs investing in other businesses in the same category.

Furthermore, the pandemic caused disruptions like supply chain issues and rising energy prices that pushed up inflation. As a result, we have seen an incremental increase in interest rates, which further pressure SMEs with sizeable debt and sensitivity to consumer demand.

### THE SOLUTION

The pandemic has triggered the need for SMEs to find solutions to unexpected disruption. While recovery may be slower than anticipated, business leaders will need to focus on long-term growth solutions for the post-pandemic future. For example, many SMEs have embraced new technologies to adapt to the shift to online retail and promote their product.

According to Lloyds’ poll, only 35% of SMEs would consider consulting their banks if they were financially worried. But access to specialist support and investment is essential for long-term growth – especially as SMEs recover from the pandemic.



# PUT STRESS IN ITS PLACE



With more employers saying stress is a common pressure in the post-pandemic workplace, **Jane Crosby** explores how responding to it effectively is key for the success of any organisation.

**The Department for Business, Energy and Industrial Strategy has published guidance on how to deal with coming out of recent lockdowns. But how many businesses are aware of its recommendations? Or even had time to implement them?**

Pressure to survive financially has meant some businesses may not recognise the stress staff are under. However, what does the term mean? The Health and Safety Executive describes stress as 'the adverse reaction people have to excessive pressures or other types of demand placed on them'.

## A SILENT CATALYST

While stress is not an illness in itself, it can lead to mental and physical ill health. By ensuring employees feel happier at work, they're more likely to increase productivity and also be less likely to take time off due to stress-related illnesses such as depression, back pain and heart problems.

Employees can often feel demotivated and perform poorly if they have no input in how and when they do their work, and don't feel they're in a supportive working environment. But it's not only managers who should bear responsibility for reducing workplace stress – all colleagues have a stake in behaving well towards each other.

## IT'S TIME TO MAKE A PLAN

If businesses are to introduce COVID-driven change effectively, they need to do so in a way that helps employees find it easier to cope with – especially the return to work. Employers are under a duty of care to assess the risk of work-related stress and put in measures to help reduce it.

**Solutions for taking a proactive approach to the stress challenge include:**

**Consulting** with employees about stress awareness and implementing training programmes for those unable to cope with extra work pressures.

**Actively including employees** in the success and development of the business.

**Introducing effective policies** around work stress that include anti-bullying strategies.

**Management and leadership** development training to introduce positive workplace behaviours that reduce stress and help managers recognise what causes it.

**Appreciating** that managers suffer from stress too and creating a supportive environment in which they can introduce change.

**Reducing unreasonable demands** on employees by allowing them to organise their time effectively.

**Offering support** through occupational health schemes and allowing employees to discuss problems confidentially without repercussions.

**Workplace stress can be prevented** by introducing effective company policies, management structures and training, managing change sensitively and providing the right support for employees under pressure.



# Healthy workplace, healthy mind



With half of all workplace illness caused by work-related stress, anxiety and depression, employers have an obligation to create healthier environments, says **Danielle Lister**.



## 822,000

**workers suffered from  
a new case of work-  
related sickness**

WORK-RELATED STRESS, ANXIETY OR DEPRESSION  
STATISTICS IN GREAT BRITAIN, 2021

The Health and Safety Executive (HSE) has recently published a report which has confirmed that work-related stress, anxiety and depression have contributed to a staggering 50% of all work-related cases of illness over the past year. *'Work-related stress, anxiety or depression statistics in Great Britain, 2021'* suggests that during 2020/2021, some 822,000 workers suffered from a new case of work-related sickness. Some 451,000 of them cited stress, anxiety or depression as the reason.

The report shows that cases of self-reported stress, anxiety and depression had been on an upwards trajectory even before the pandemic. However, the rate has since continued to rise. Before COVID-19, workers had cited the main causes for these issues as workload, lack of support, violence, threats or bullying and changes at work. However, perhaps unsurprisingly, the direct effects of pandemic-associated issues, such as lockdowns and working from home, are causing further mental ill-health problems for workers.

The report's findings highlight the cost and significant impact of this shift in the workplace and the need for employers to take steps to address it within their own organisation and mitigate the ensuing risks.





The direct effects of pandemic-associated issues, such as lock-downs and working from home, are causing further mental ill-health problems for workers”



## POSITIVE IDEAS TO PREVENT MENTAL HEALTH ISSUES ESCALATING

As an employer, you have a range of de-escalation options to choose from including:

- +** **Understanding the causes of stress** within your workforce and taking steps to address or minimise them wherever possible. There may be common ‘themes’ or pressure hot-spots which could be particular to your industry, business or general way of working. Being aware of these red flags will allow you to manage the risk more effectively.
- +** **Being aware of the signs of stress** and training managers to spot them – doing this early will help prevent an issue from escalating further.
- +** **Adopting an open, transparent work culture** where problems and concerns can be shared and discussed – making sure managers in your organisation are accessible and approachable.
- +** **Undertaking stress risk assessments** to identify the key issues within the workplace and how these might be prevented. There’s a legal duty on employers with more than five employees to undertake risk assessments to protect employees from stress at work – and act on the findings.
- +** **Implementing a stress at work policy** to ensure that your organisation has considered the issue carefully and how you will deal with it. Inform employees that your organisation operates the policy, so they know where to go for guidance and information, and ensure both staff and managers are trained in its use. Having such a policy in place should not be considered a ‘nice to have’ but an absolute minimum for good workplace practice. Certainly, should any employer ever find themselves before an Employment Tribunal, they would be expected to have such a policy in place.
- +** **Consider your organisation’s demands** on employees and whether they’re appropriate and reasonable. Try to avoid working practices or cultures where employees regularly feel under excessive pressure or are at risk of suffering ‘burn out’.
- +** **Always remember** that mental ill-health can constitute a disability under the Equality Act 2010. In these cases, as an employer you’re under a legal duty to consider whether ‘reasonable adjustments’ might be necessary and to ensure that workers are being treated appropriately and fairly. Employees should not suffer less favourable (i.e. discriminatory) treatment as a result of their ill-health.
- +** **Take legal advice** in the event you consider a work-related issue is escalating and there’s a risk of an Employment Tribunal claim against the business. Early guidance and interventions on how to deal with a tricky situation can prevent significant problems (and costly litigation) from arising later down the line.



# WELL BEING

## Managing mental health in the workplace



The health and safety of employees at work has long been a focus for employers. However, protecting employee mental health and wellbeing is more than just a workplace perk. Here, **Katie Ash** explains the legal duty of employers in this area.

**Historically, mental health has been a taboo topic – especially in the workplace. But over the last few years the tide has turned, partly due to the pandemic and awareness of the lockdown's damaging effects.**

Increasingly, therefore, the rhetoric around protecting employees in the workplace has broadened to include mental health. However, the way that workplaces deal with these issues from a legal standpoint still has some way to go.

## EVERY MIND MATTERS

Firstly, it's important to stress that mental illness is a protected characteristic in the same way as a physical disability. In the event mental illness impacts the individual to the extent that it becomes a disability under the Equality Act 2010, a business must do all that is practicably possible to adapt the individual's working environment, roles and responsibilities to better meet their needs. Failing to do so will result in a breach of the Equality Act 2010 and could land you in hot water.

This may seem like a very fair and practical approach in cases where an employee has flagged an issue, or an employer knows enough about the individual's condition to believe that they would fall within the remit of the Equality Act 2010. However, we're seeing more cases where employers simply 'suspect' something isn't right – and are less confident about what to do.

## WHY PROACTIVE BEATS REACTIVE

Primarily, employers must ensure a workplace is conducive to good mental health. So being mindful of out-of-hours expectations, workload and the general culture amongst staff is important. This can help prevent issues arising.

Anyone who is displaying unusual behaviour – such as regularly arriving late, getting upset or struggling to keep up with the job demands – may appreciate a friendly ear. Management training can help in those situations. It's also



important to monitor behaviour that may pose a risk to the individual themselves, or others. At that point, employers have a legal duty to step in.

Furthermore, now that the mandate to work from home 'if you can' has been lifted, we're receiving enquiries about how staff who do not want to go back into the office should be managed, and what obligations employers have. Staff concerns might include anxiety caused by returning or because they are clinically vulnerable to COVID infection.

Employers should consider what adjustments could be made to appease these sorts of concerns, especially where the individual has a disability.

## CHANGE FOR THE BETTER

A conversation about what changes can be made might resolve the matter. Putting them close to a window for better ventilation or changing their working hours so that they don't have to commute during rush hour are simple changes that could easily be accommodated.

If that doesn't work, consider whether the individual can perform their role as effectively from home in the longer term. If they have managed to do so over the last year or so, an employment tribunal may question any decision to blanket ban this moving forward.

If this still doesn't resolve matters, seek professional advice on the best course of action to protect both the business and the welfare of the individual. We know that dealing with these matters can put additional pressure on a business, especially where there isn't a dedicated HR team or the team is small.

It's important to remember that you have a duty of care to employees, especially where their challenges are caused by work-related stress. With the right care, employees can return to a compassionate office environment, which is in everyone's best interests.

**“It's important to remember that you have a duty of care to employees, especially where their challenges are caused by work-related stress”**



## IN SHORT

Mental illness is a protected characteristic and employers have a duty of care

Employers must ensure that the workplace is conducive to good employee mental health

Failing to accommodate for mental health needs is a breach of the Equality Act 2010.





Aside from payroll changes, 2022 is also set to introduce other rules concerning workers, as the Employment Bill continues its journey into law”

# RISE TO THE CHANGE CHALLENGE



It's been a tough couple of years for UK businesses. But 2022 is set to be another year of change as new rules and regulations come into force which will affect everything from payroll to vaccination status. **Julia Fitzsimmons** outlines what companies need to do to stay compliant in three key areas.

# WAGES



1

## NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE

Headlining this year is the increase of both the minimum and living wages, announced by chancellor Rishi Sunak in his last autumn budget.

From 1 April 2022, the National Living Wage (paid to workers aged 23 and over) will rise to £9.50 per hour. The National Minimum Wage for 21 to 22-year-olds will increase to £9.18 hourly. The rate for 18 to 20-year-olds will rise to £6.83, and 16 to 17-year-olds and apprentices are set to receive £4.81.

Businesses should also familiarise themselves with the new rates of pay for Statutory Maternity Pay and Paternity Pay, Shared Parental Pay, Adoption Pay, Maternity Allowance, Statutory Parental Bereavement Pay, and Statutory Sick Pay. All these rates are going up, alongside Statutory Redundancy Pay and National Insurance contributions.



# RULES

2

## EMPLOYMENT LAW

Aside from payroll changes, 2022 is also set to introduce other rules concerning workers, as the Employment Bill continues its journey into law. Currently awaiting its second reading, the Bill comprises myriad measures including:

- The right to request flexible working from day one
- Carer's leave for employees with long-term caring responsibilities
- Statutory Neonatal Leave and Pay for parents of babies in neonatal care
- Further redundancy protection for women and new parents (including those taking shared parental or adoption leave)
- Reforms to ensure workers in the hospitality sector retain tips in a fair way, and a new Code of Practice on tipping for employers.
- A statutory code of practice to prevent sexual harassment in the workplace.

3

## NO JAB, NO JOB?

This year may also see further changes to the rules around the mandatory vaccination of frontline NHS staff and those in the wider social care sector. The Government's response to its own consultation on the matter has yet to be published but it is likely to be in the first half of the year. If you are involved with these sectors, be sure to keep up to date on the latest developments.



# LAW

## IN SHORT

Significant minimum and living wage pay rises come into effect in April 2022, to keep up with rising living costs

Aside from payroll changes, the Employment Bill will bring in other rules concerning workers such as changes in different kinds of Statutory Pay, carer's leave, and tipping reforms in the hospitality sector

2022 may also see further changes in social care around mandatory vaccination.



# FACE DOWN COVID-19 COMPLEXITY



The pandemic has reiterated the need for companies to see change as a constant. As a result, companies should build resilience against the fast-paced and complex problems that may be round the corner. Employment partner **Karen Cole** explores some of the strategies business owners and managers can adopt to thrive during COVID-19 and into the post-pandemic future.



**Change is a core factor for all companies going through a period of uncertainty. But instead of fighting it, adapting to the new reality can be the difference between a company that survives and one that does not. So, what might this mean for your company?**

## Focus on personal considerations

Encouraging a sense of purpose for company employees can be imperative to maximising productivity, especially in turbulent times. The reality is that those who have a strong sense of purpose deliver four times higher productivity than those who don't. Business leaders will therefore want to find ways to communicate values and corporate objectives to their employees to increase their sense of individual purpose.

Similarly, a strong culture will yield results both ways by increasing the benefits for employees and shareholders. For example, research suggests that companies with strong cultures achieve up to three times more total shareholder returns than those without them. By adopting a more inclusive employee experience, companies will also influence employees to stay and thrive – increasing talent retention.

## Sharpen up decision-making and structural clarity

COVID-19 has highlighted the necessity for radically faster decision-making, as more initially incomprehensible events occur. Business owners and managers should allocate these decisions strategically to the lowest levels possible, so that frontline individuals will be in the mindset to solve problems – instead of waiting to be told what to do.

It's vital that management receives information that reflects an objective picture of company operations. If the company is not clear on the responsibilities of each employee, then the decision-making process can become more hierarchical and less organic. As a result, to adapt to an increasingly complex reality, companies should aim to have a concise, flexible, resilient and controllable structure.

In terms of a post-pandemic future, companies may revert to their old ways, retaining certain non-sustainable 'bad habits' from the pandemic – such as a stressed environment. They must, therefore, maintain a sense of urgency by focusing on faster decision-making rather than pressured timelines which lead to long-term problems.

## Make the most of data

If delegating decision-making to individuals at lower levels is important, allocating some decision-making to algorithms can solve complex problems in a timeframe that individuals cannot achieve.

COVID-19 proved that the traditional approach to data was not practical and showed us how interconnected the world is. Companies must leverage data to their benefit by upgrading their systems. Newer systems are able to offer more opportunities for businesses to extract the most from their data and facilitate more modern, remote working practices.

## Learn to do better

After the nature of the work itself, research shows that employees consider professional development opportunities the second most crucial factor influencing workplace happiness. Companies that encourage a learning mindset will create a workforce ready to make sense of complex problems through education.



**To adapt to an increasingly complex reality, companies should aim to have a concise, flexible, resilient and controllable structure"**



// Open, supportive conversations are more important now than ever following the disruption of the pandemic"

# UNEQUAL IMPACT

## Seven top tips for mitigating COVID-19's impact on working women



The COVID-19 pandemic has severely altered the employment landscape. But to what extent has it had a disproportionate impact on women in the workplace and what steps can employers take to ensure that women continue to advance in the workplace – asks **Georgina Hardcastle**.

**Experts have warned that 'women's workplace equality will have been set back decades' by the pandemic (The Fawcett Society). So, how far have pre-existing gender inequalities been exacerbated? And how can employers address these issues at work?**

### WHAT EMPLOYERS CAN DO

The jury is still out on the full impact of the COVID-19 pandemic on women in employment. In the meantime, employers must take steps to ensure that women continue to advance in the workplace by:

■ **Embedding flexible working** into the culture of the organisation and making it 'the norm' to help with the retention and progression of women employees

■ **Providing enhanced** paternity and shared parental leave benefits to encourage more men to take leave and assist with childcare duties, reducing the burden on women

■ **Advertising roles** with flexible working or adopting an organisation-wide 'hybrid working' policy. This may lead to more women applicants, attract more women to senior roles – and help to reduce the gender pay gap

■ **Leading with empathy.** Open, supportive conversations are more important now than ever following the professional and personal disruption of the pandemic

■ **Promoting innovative ways** to develop and learn through meaningful platforms for career growth, such as digital access to professional development courses. Ensure that opportunities are offered in a variety of ways – and at different times – so that more women can benefit from them. An example could be hosting networking events which don't exclude those with childcare responsibilities

■ **Ensuring reward and promotion** are free from unconscious bias. Have objective methods of evaluating performance in place, including in relation to remote work

■ **Reinforcing equality and diversity** in organisations. Non-inclusive behaviours in the workplace (such as exclusion from meetings) can happen both in the office or remotely. These issues must be addressed through diversity training and zero-tolerance policies.

As we start to rebuild from the pandemic, we have both an opportunity and a responsibility to address gender inequality in the workplace. While there's no doubt that attitudes towards gender equality in employment have progressed, the reality is that there's still a long road ahead.

This article is an extract from a more detailed review of the impact of the COVID-19 pandemic on women in employment. The review discusses over-representation of women in vulnerable sectors; women combining work and caring responsibilities; the suspension of gender pay gap reporting; and the impact of remote working on gender parity in the workplace.

**If you'd like to find out more, read the full review here:**

<https://www.rixandkay.co.uk/2022/03/09/international-womens-day-the-unequal-impact-of-the-covid-19-pandemic-on-women-in-employment/>



# Ride the social media influencer wave

## WITHOUT HAVING TO BREAK THE BANK



10 years ago, the notion that social media would be the glue to bind all demographics into one would have had you laughed out of the room. Today, that idea is very much a reality, and a concept still often overlooked by small businesses – as **Troy Atkin** explains.

**Often not wanting to engage in the foreign world of social media, many small businesses are falling into the trap of believing that social media is the domain of big players with blank chequebooks.**

Social media offers free access to a vast audience of potential clients, for virtually any product. Instead of allowing the conglomerates exclusive use of the social media space, small businesses should take advantage of it to grow and engage on a personal level with both current and potential clients.

### FIND YOUR PERFECT FIT

With an ever-expanding marketing arsenal to call upon, social media influencers that leverage their own personal brand to promote products and services are perfect for small businesses trying to reach a specific audience. Among other tactics, influencers can use hashtags to catapult a product into a completely new market, attract tens of thousands of likes and comments – one of the best metrics for measuring consumer engagement – or creatively market a product in just a few seconds of video.

Tools such as 'insights' also allow small businesses to measure global reach and build trends based on details such as the sex or age of the consumer and the best time of day to post. And it can all be done at the click of a button from the comfort of your own home – for free.





Using an influencer is often much cheaper than traditional advertising. So if you do your research thoroughly, you won't have to break the bank"

If you're a small business owner and are still unmoved by the prospect of bringing your business into 2022, here are my top tips for riding the social media influencer wave – and what it could do for your business:

1

**REACH NEW CUSTOMERS:** social media and influencers can offer exclusive access to markets you would have never dreamt of reaching before. With the potential for global reach at the click of a button, you're not only putting your business on the global stage, but giving your business the chance to rub shoulders with large corporations.

2

**BUILD CREDIBILITY:** for many small business owners, the hardest part of starting up is creating a trustworthy and credible brand. Being backed by the right influencer with a recognised voice who embodies the values of your brand can increase your brand's integrity.

3

**MAXIMISE MARKETING SPEND:** the question on every small business owner's lips will be 'how much is this going to cost me?'. Using an influencer to market your brand will come at a price but is often much cheaper than traditional advertising. So if you do your research thoroughly, you won't have to break the bank.



But while influencers are a hot topic right now, it's not necessarily the right direction for all businesses to take.

It's crucial that you research any social media space you wish to explore, to make sure that the platform or community aligns with the overall marketing strategy of your brand. Don't be afraid to test and track results to improve performance – and always welcome constructive criticism if something isn't working.

## IN SHORT

Social media offers brands the potential for free, infinite reach online

Influencers can be a valuable addition to an SME's marketing strategy – offering exclusive access to a demographic relevant to your product or service, if you've done your research

Authentic influencers can greatly improve the perceived credibility and trustworthiness of your brand.





# FINDING YOUR WHY

## ...AND SETTING AUDACIOUS GOALS



For some, LinkedIn is a world of so-called business experts, 'fake it 'til you make it' specialists and wannabe millionaires. The reality, though, is that some LinkedIn content is very good, says **Andrew Wright** – for example, Simon Sinek's concept of Finding your Why and setting audacious goals.





**I came across Sinek around the same time we'd just established a new board of directors for our firm during the pandemic. We'd undertaken the usual analysis of where we were at, and what we needed to do to take us where we wanted to go.**

But while this was all positive, we had the overwhelming feeling that there had to be more to running a business than this. To put it bluntly, what we had done was good from a business management and governance perspective but not very inspiring. This was when I remembered Finding your Why by Simon Sinek, and his key question: why do you do what you do?

We found that we had no good answer. While making money was part of the story – it's what every business must do to survive – it certainly wasn't our 'why' or very inspiring. We wanted to build a business that we could all be proud of, which meant it had to be about more than just making money.

## **DOING OUR RESEARCH**

We mulled over this question for some time. We spoke about our firm with colleagues, business contacts and friends to understand what impact our business has on our clients and colleagues. What did we do that they valued?

We also spoke with clients and took the time to review their feedback in detail. One client commented on how the work we'd undertaken on their behalf had made a positive change in their life. It was in that moment that the idea of 'Changing Lives for our Clients, Colleagues and Community' was born.

If we want to build a business that we could all be proud of, what better way of achieving this could there be than by changing the lives of our colleagues, clients and community in a positive way.

## **WHY IS THE WHY IMPORTANT?**

This belief in changing lives is like the source of a river from which everything flows – including our business values, the culture we wish to establish, and the continuous improvements we can make to support the development of our colleagues. This in turn will lead to a better service for our clients. Ultimately, it also means we can support our community by offering our time or financial resources to help those who may need it.

The experience of finding our 'why' has been important as:

**It's helped shape the values and culture we wish to have as a business**

**Our goal setting has become easier and our ambitions bigger**

**It's given our business a shared vision that all colleagues can help work towards.**

Finding our why is not only helping to take our business forward but also changing lives.



**One client commented on how the work we'd undertaken on their behalf had made a positive change in their life. It was in that moment that the idea of 'Changing Lives for our Clients, Colleagues and Community' was born"**

## **IN SHORT**

Asking why you do what you do is a fundamental question every business should prioritise

The answer will help you identify its values – and go beyond the goal of simply making money – to inspire everyone involved

A shared vision is an energising focal point for the entire business.



# Smooth the

## TOP TIPS FOR EXPEDITING YOUR NEXT BUSINESS DISPOSAL



The speed of the sale of your business or company (or 'Target') is directly linked to how expediently the parties correspond, provide documents and negotiate terms. **Mignonette Ellis** highlights three stages of the transaction that commonly consume the most time and explains how to accelerate them.



### **1 Respond quickly and thoroughly to Legal Due Diligence (LDD) queries**

The buyer will want a full picture of the Target through questions provided to you by the buyer's solicitor. Although the buyer may have good understanding of the Target through working in the industry, working for the Target or from conversations with you, there are matters they will need to know about that may not have been covered.

The buyer's solicitor will need this information so that the purchase agreement reflects this information, particularly the warranties that the buyer will want you to provide. In some cases, the information can affect the agreed purchase price or whether the buyer wants to proceed with the purchase.

It's fundamental at this stage that you provide all of the information requested, that it is complete and accurate in writing and/or documents. As the seller, you will need to carry out most of the leg work at this stage of the transaction. It



can take some time to provide all of the documents and information requested, so it's helpful if you can gather company documents as early and as promptly as possible. Your solicitor will not be able to gather information for you beyond what is available publicly, for example at Companies House or the Land Registry. Once the information has been provided, your solicitor should review your replies to make sure nothing is outstanding.



# ride

**“ As a seller, you’ll want as few warranties or amendments to the warranties which remain as possible – to limit your liability”**

**2**

## **Strategise and review any warranties**

This can be the largest section of the purchase agreement. There will be a combination of general and specific warranties which will relate to the Target. The specific warranties may be in response to the LDD replies. The buyer will want as many warranties in the purchase agreement as possible for protection, because if a warranty is untrue, the buyer will have a claim against you for breach of warranty. However, as a seller, you’ll want as few warranties or amendments to the warranties which remain as possible – to limit your liability. This will lead to negotiations taking place which may be extensive.

To save time, it’s important that you review each warranty carefully and raise any queries with your solicitor as soon as you can. They should review some of the warranties with you to make sure you understand what you are dealing with. Given that you can make disclosures against warranties to limit your liability, any information in connection to the warranties should be given as early as possible.

**3**

## **Engage an accountant if needed**

As some law firms don’t advise on tax or financial matters, you may need to involve your accountant to review the tax and financial clauses and covenants in the purchase document. They may also advise you on the most beneficial structure for the sale of the Target (i.e. asset sale or share sale).

You should engage your accountant as early as possible in the transaction so they have sufficient time to review the purchase document and report back to your solicitor. They may then have further questions to address or prepare completion and target/final accounts, depending on the mechanics of the sale.



## **IN SHORT**

It’s in your interest as a seller to be prompt and efficient in responding to LDD queries

You’ll need to balance requests for warranties by the buyer with your need to minimise them as a seller

Engage an accountant early in the sales process – should your solicitors firm not provide tax or other financial services.



# FRANCHISE AGREEMENTS

## ... GETTING IT RIGHT



Focusing on key provisions in a franchise agreement is important for making the most of its opportunities, explains **Ketan Mistry**.



The most valuable aspect of a franchise is the licence granted to the franchisee to use the intellectual property of the franchisor such as the name, logo, and branding"

### TERM/RENEWAL RIGHTS

The franchisee will generally enter into a franchise agreement for an initial fixed period, for example five years. This is when the franchisee will be expected to grow the business in the assigned territory and the fees required to be paid to the franchisor would also increase year on year accordingly. While the franchisee will be granted the right to renew following the expiry of the initial period, this would be on the basis that stipulated financial performance targets are met and the franchisee is not in breach of any contractual obligations.

### TERMINATION/EXIT RIGHTS

To tie the franchisee into the operation for a sustained period, the franchise agreement would include the right to terminate within the initial fixed period. The franchisor would, however, have the right to terminate if the franchisee commits a material breach of the agreement, such as failing to pay the franchise fees. The only option the franchisee would have to exit early would be to seek to sell the franchise to a third party. A financial settlement for the franchise fees payable for the remainder of the term would be payable to the franchisor.

### ASSIGNED TERRITORY

A franchise agreement will grant the franchisee the right to open and operate the franchise within a specific area or locality. This will enable the franchisor to control the number of franchisees in a specific place. The network of franchisees would generally not be permitted to make active sales within another territory not assigned to them.

### INTELLECTUAL PROPERTY RIGHTS

The most valuable aspect of a franchise is the licence granted to the franchisee to use the intellectual property of the franchisor such as the name, logo, and branding. A renowned franchise such as Subway or McDonalds is known worldwide through its branding, so the franchisee is purchasing the right to operate such a well-known and established brand. The franchisor will, however, have very tight control over intellectual property rights granted to the franchisee as stipulated within the franchise agreement and any trading manuals provided by the franchisor.



# SPILLING THE TEA ON IP



Understanding and protecting intellectual property can be a frustrating minefield for many small business owners, who face unique challenges due to their size and available resources – says **Richard Riley**.

**Most, if not all businesses have some IP to protect – or at least of which they need to be aware. This can range from more common things, such as reputation or goodwill in their name or copyright in logos and websites, all the way through to more technical rights such as patents. But ensuring that they actually own the rights can be a particular obstacle on an SME's IP journey.**

For instance, if a person creates a copyright work for the company, how can the company guarantee that it will own the copyright? This will depend on whether the creator is an employee, consultant, contractor or in another employment category. In each case the SME will need to put into place a legal contract or other properly considered document to make sure that it obtains all copyright and other rights it may be expecting.

## **Focus on third-party created work and IP ownership**

Logos, software and websites designed by third parties are things for which IP ownership is commonly not properly considered or documented before creation. If SMEs don't check that the IP rights will rest within the business, then this can cause problems in enforcing those rights. In a worst-case scenario, it can even result in their being held to ransom by the creator. Furthermore, if an SME owner is looking to sell

their business later down the line, this sort of problem could seriously threaten the value of the transaction. And it could even cause it to fail if the IP is particularly important to a purchaser.

If an SME owns IP, it's important it takes the necessary steps to properly protect it to avoid damage to the IP and/or the SME. This may mean looking at whether logos and names could be registered as trademarks, considering patents for new inventions or innovations, or monitoring others who pass off goods as coming from the company or copy its photos and website.

SMEs must also be mindful of third party-owned IP. For example, they must ensure they're not inadvertently infringing someone else's IP, such as by using a third party's photographs or design without permission. They can also run into problems if they don't understand the limits of any IP licences they may have, whether this be when the licence ends, what exactly is being licenced, or any restrictions on use.

## **It's good to have a plan**

As small business owners inevitably have a lot on their plate, IP rights may not seem to top the chart of priorities. However, for almost all SMEs, understanding the intellectual assets within their portfolio and having a plan as to how to protect IP rights from the outset of their business journey can both increase the value of their business – and save them costs later on.



A third-party IP issue could seriously threaten the value of the transaction – or even cause it to fail.”



## **IN SHORT**

While many SMEs may not consider IP a priority, confirming its ownership is important and can present challenges

Details around IP created by third parties such as logos, software and websites should be clarified – likewise third-party IP ownership and licencing must be clearly understood

Making an IP protection plan early can maximise business value and save on unexpected later costs.



## COMMERCIAL RENT (CORONAVIRUS) BILL

# What does it mean for landlords and tenants?



The long-awaited *Commercial Rent (Coronavirus) Act* came into force on 24th March 2022. **Sarah-Kate Jackson** assesses what the new legislation will mean for landlords and tenants of commercial property.

**The new Commercial Rent (Coronavirus) Act sets out a legally binding arbitration process aimed at resolving certain commercial rent debts which have accrued as a result of the pandemic.**

The Act creates the concept of a 'Protected Rent Debt'. Any arrears that accrued during periods of closure due to COVID-19, including consequential restrictions on the use of premises, will be ring-fenced. This protected period begins on 21st March 2020 and ends on or before 18th July 2021, depending on the specific restrictions that applied to the business sector in question.

On 9th November 2021, the Government published a revised **Code of Practice** for commercial property relationships which landlords and tenants have been encouraged to follow to resolve any rent disputes. If, however, agreement cannot be reached as to how to deal with arrears which have accrued during the ring-fenced period, either party has 6 months to refer the matter to be decided at a binding arbitration. It is hoped that this will resolve disputes and help the market return to normal as quickly as possible.

In determining the appropriate level of rent relief, if any, the arbitrator will work through a two-stage process. Firstly, they will determine whether the tenant's business is viable, or could be if rent relief were granted. If the viability test is passed, the arbitrator will move on to consider both parties' proposals before reaching a decision which aims to preserve the viability of the tenant's business and the landlord's solvency. The arbitrator may award full, partial, or no relief from payment, or a deferral of payment of the Protected Rent Debt for up to 24 months.

The Act makes it clear that none of the provisions within it are intended to have an impact upon existing rent relief arrangements or concessions made between landlords and tenants. It does not, however, define what constitutes such an agreement, which may lead to



disputes between parties where informal arrangements are not documented.

A further temporary moratorium on a number of methods of enforcement in respect of arrears which have accrued during the ring-fenced period has been introduced by the Act. The moratorium will last for 6 months, or in the case of a referral to arbitration, when that process reaches its conclusion. During this period landlords will be prevented from taking the following steps in respect of Protected Rent Debt:

- forfeiting the lease
- exercising Commercial Rent Arrears Recovery (CRAR)
- drawing down on a rent deposit
- issuing court proceedings; or
- presenting bankruptcy or winding up petitions.

In respect of any rent debt which falls outside of the protected period, landlords are once again able to exercise CRAR and forfeiture, if appropriate. Protection against winding up petitions in specific circumstances has also now ended.

Billions of pounds worth of commercial rent arrears are thought to have built up during the pandemic and it is clear that the Government is keen for parties to reach a workable compromise in respect of these arrears and where this is not possible, to have the matter determined by arbitration. It remains to be seen whether the arbitration process will provide an effective mechanism for resolving these disputes and indeed what the level of take up will be.



**The Government is keen for parties to reach a workable compromise in respect of these arrears and, where this is not possible, to have the matter determined by arbitration"**

## IN SHORT

The Commercial Rent (Coronavirus) Act became law on 24th March 2022

The Act provides a legally binding arbitration process to resolve certain outstanding commercial rent debts related to the pandemic

Landlords and tenants of commercial property are encouraged to resolve any disputes utilising the Code of Practice

The general moratorium prohibiting commercial evictions has ended.





# BORN TO REWILD?

Letting nature take care of itself



Rewilding has been trending in the news thanks to singer-songwriter Ed Sheeran. But balancing the potential environmental benefits with the impact of land usage for farming communities is a significant challenge – **Victoria Sandberg** explains.



“

Rewilding rural land may offer benefits for the environment in the right circumstances. However, these benefits must be balanced against their potential impact on UK food production, increased carbon emissions and farming communities”



**Put simply, rewilding is an approach to conservation which focuses on letting nature take care of itself to shape the land, with the aim being to repair damaged eco-systems and restore degraded landscapes.**

Ed Sheeran recently announced that he intends to buy and rewild land to offset his carbon footprint caused by touring around the world. But while he no doubt has the best intentions, this has caused alarm amongst the farming community. If he buys up large swathes of agricultural land, this will reduce the acreage that would otherwise be available for farming. Rather than benefiting the environment, many farmers fear that this venture may cause harm if others follow Sheeran's example. If less food is grown in the UK, we'll need to import more food from abroad that could otherwise have been produced locally.

Rewilding is also a current news topic because the Government have released more details of the schemes intended to replace the current Basic Payment Scheme (post-Brexit). One of the payments that will be available under the Environment Land Management Scheme (ELMS) is for 'Landscape Recovery'. While this has various aims, rewilding is likely to fall within its remit. Landowners will potentially be able to claim payments if they rewild their land instead of actively farming it, due to the benefits including increased biodiversity.

### **What are the potential benefits of rewilding?**

There are various potential benefits to rewilding – if done correctly. It is claimed that rewilding can draw carbon from the atmosphere, help wildlife adapt to climate change, support rural communities via nature-based enterprises (including tourism) and improve general health and wellbeing by providing better access to nature, healthy soils, and more breathable air.

The 3,500-acre Knepp Estate in Kent is probably the most well-known example of rewilding in the UK. Since 2001, it has been devoted to a pioneering rewilding project that has been received very positively.

### **What are rewilding's drawbacks?**

As already mentioned, rewilding critics have pointed out that buying up acres of land will ultimately restrict the amount of land available to agriculture. This could result in more food needing to be imported to the UK from abroad, offsetting the potential environmental benefits of rewilding.

Similarly, if existing landowners take advantage of Government schemes to rewild their land, they will pass up the opportunity of actively farming it – which could further impact UK food production.

There are also concerns over the way rewilding schemes are implemented and maintained. For rewilding to be successful and have a positive impact on the environment, these areas need to be actively managed. Not all land is suitable for rewilding and different areas need different approaches to match local conditions.

### **Is rewilding the right choice for rural landowners?**

Rewilding rural land may offer benefits for the environment in the right circumstances, and it is possible that this may be an economically viable option for some landowners under the new Government payment schemes.

However, these benefits must be balanced against the potential impact on UK food production, increased carbon emissions from importing greater quantities of food, and the potential impact on rural communities.

Any landowner or prospective landowner considering rewilding will need to carefully consider these factors, as well as thoroughly researching the suitability of different rewilding methods for their location and creating appropriate land management plans. It is strongly recommended that anyone thinking of doing so takes advice from suitably qualified professional advisers before committing to a rewilding project.



**Not all land is suitable for rewilding and different areas need different approaches to match local conditions**

### **IN SHORT**

The benefits of rewilding include increased biodiversity, wildlife conservation, supporting nature-based tourism in rural communities, and encouraging wellbeing

The drawbacks include large amounts of land being made unusable for farming, thereby necessitating more food imports, and nullifying the potential environmental benefits

Any landowner considering rewilding should take advice from a suitable professional(s).



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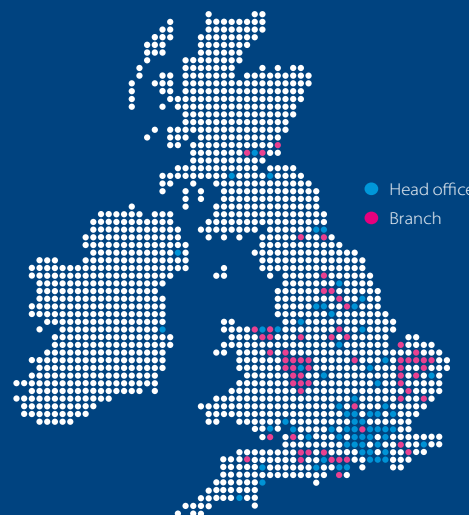
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