

# BUSINESS FIRST

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**CREATING A  
WINNING CULTURE**

**IS AI ADOPTION ON  
YOUR RADAR?**

**MAKE IT WITHOUT  
FAKING IT**

## HARNESSING TECH. EMPOWERING PEOPLE.

**IN THIS ISSUE** • Optix Solutions • Are yours still fit for purpose? • Disaster recovery plans  
• Workplace wellbeing • Walking the talk • More than a job title • Leasing commercial property



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# Generate success with a structured AI strategy

Since the launch of ChatGPT in late 2022, the rapid evolution of Generative AI (GenAI) has transformed industries – and the professional services sector is no exception. From streamlining workflows to enhancing client interactions, AI-powered tools can provide efficiency gains, new service opportunities and a competitive edge. Here, **Alastair Banks** explores a question asked by many businesses: where do we start?

**Firstly, it's important to realise that GenAI is about more than just chatbots and content creation. It has the potential to automate repetitive tasks, generate insights from data sets and improve decision making. At its best, it can become another member of your team, worthy of a place on your org chart.**

It can be your coach, your personal assistant and, perhaps on those days you need a little pep talk, even your positivity mentor! Legal, financial and consulting firms can leverage AI to summarise and draft documents, analyse trends, or even enhance research capabilities. Yet, many businesses hesitate, fearing complexity, cost or regulatory concerns.

## Start with the pain points

To make the most of AI, a structured approach is crucial. Begin by mapping out your business to identify pain points and areas where AI can add real value. Are there administrative tasks that consume excessive time? Could AI-powered analysis improve your marketing? By pinpointing opportunities, firms can avoid the common pitfall of adopting AI for AI's sake.

It would also be prudent to pinpoint what's already happening in the way of AI adoption – without you perhaps realising. Who's using AI tools in your business already? Are they paying for them? What are they using them for? These are all important questions to ask.

AI adoption isn't just about tools, it's about people. Providing training ensures employees understand AI's capabilities and limitations, reducing resistance and minimising risk. Governance is equally critical. Firms must set clear guidelines on data security, bias mitigation and ethical use. Blind adoption can lead to inefficiencies or compliance risks. Choosing the wrong tools, failing to address data privacy concerns or underestimating the need for human oversight can all hinder success or – in the worst case – land you in hot water. AI should enhance, not replace, professional expertise.

GenAI isn't something for the future, it's happening now. By approaching it strategically, firms can unlock efficiencies, enhance service and future-proof their businesses in an increasingly AI-driven world.

**It's important to realise that GenAI is about more than just chatbots and content creation... At its best, it can become another member of your team, worthy of a place on your org chart.**



**Alastair Banks**  
Co-founder  
Optix Solutions



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## EDITORIAL



# THIS WAY FOR AI CONFIDENCE

**The AI conversation only gets louder as businesses weigh up this transformational technology that seems to generate as many questions as it answers. In this spring edition of Business First we help you find some AI clarity with a trio of articles that explore its pluses and minuses, where to start – and its potential for shaping brand tone of voice.**

In the people management space, our contributors pool insights around mental health in the workplace, effective team building and the best way to make your firm menopause friendly. Staying with employees on which every successful business depends, we also help unpack new labour laws, as well as outlining changes in legislation around hiring foreign workers and students.

In commercial law we point you in the right direction to navigate the digital markets compliance maze, fair shareholders' agreements and directors' duties. And we take the same approach to simplifying complexity by unpacking valuable detail around commercial leases, the implications of the Buildings Mission 2030 energy reduction initiative and disaster recovery plans. A useful article on managing that business perennial – cash flow – completes our spring picture.

*Enjoy your magazine.*

**Tim Trout**  
Editor



# A healthy culture

## HOW TO BUILD POSITIVE MENTAL HEALTH AT WORK

Employees must feel they can speak up without fear of judgment. And employers should lead by example and pro-actively show openness and empathy in their approach.



Supporting mental health in the workplace should go deeper than 'box ticking' – it's about fostering an environment where employees feel heard, valued and empowered. Here, **Yara Abdallah** explores some effective strategies to create a culture where everyone can thrive.

### 1. Create a supportive, open culture

At the core of any truly supportive workplace is a culture of openness. Employees must feel they can speak up without fear of judgement. And employers should lead by example and pro-actively show openness and empathy in their approach.

Workplace mental health awareness training is highly valuable and can act as a catalyst for further action. A clear mental health policy, outlining available resources, should be visible, easily accessible and easy to understand.

### 2. Offer flexible working arrangements

Flexible working hours and hybrid models can enable employees to balance home and work life in a way that meets their individual needs, helps reduce stress and can improve productivity.

Employers should hold regular meetings and, where an employee is struggling, be prepared to adjust expectations. By being flexible, employers can create an atmosphere of trust, where employees know their wellbeing is just as important as the work they do.

### 3. Encourage breaks and promote rest

The old 'work hard, play hard' mantra may be well known, but the truth is, that overworking is one of the quickest routes to burnout.

Breaks are essential for mental clarity and emotional wellbeing. Team members should be encouraged to take regular time away from their desks and to use annual holiday allowances in full.

Employers can also promote downtime by creating spaces – such as a lounge or garden – where employees can relax or meditate.

### 4. Provide access to mental health resources

Sometimes employees need more than a sympathetic management ear. Employers could consider offering Employee Assistance Programmes (EAPs), which provide confidential counselling services.

Incorporating mental health support into employee benefit packages can go a long way in demonstrating that the company is invested in its employees' overall health.

### 5. Take a proactive approach

As well as offering mental health support, organisations should nurture a wider culture of wellbeing. By organising initiatives such as team building, fitness challenges, or stress management workshops, employers can encourage employees to prioritise their physical and mental health. What's more, when employees feel connected to their colleagues and the organisation's goals, they are more likely to feel supported, motivated and positive about the overall workplace culture.

### 6. Monitor workloads

Preventing burnout is a critical aspect of supporting mental health in the workplace. Monitoring employee workloads and ensuring no one is overloaded can help mitigate stress and anxiety.

Ultimately, supporting mental health in the workplace is not just the right thing to do – it's a smart business move too. By implementing a positive mental health strategy, businesses can help their employees thrive both mentally and professionally. Investing in mental health is an investment in long-term success.





## Shareholders' agreements

Private limited companies in England and Wales are registered at Companies House and must have a publicly available constitution and bye-laws documents known as Articles of Association (Articles). Here, **Anna Horrell** unpacks this critical topic.

Many companies incorporate using the default Companies Act 2006 (Model Articles) which automatically apply to companies incorporated on or after 1 October 2009 – unless specifically excluded or modified. Incoming shareholders are automatically bound by the Articles when acquiring shares in the company.

A Shareholders' Agreement is a private contract between shareholders of a company and, unlike Articles, is optional. Shareholders of private companies use them to make sure that potentially contentious, costly and disruptive issues are pre-addressed and agreed. A key advantage of Shareholders' Agreements is that their terms are normally kept confidential, unlike Articles, which are publicly available via Companies House. Shareholders' Agreements can be used to provide clarity and more detailed provisions than normally found in Articles. Both should therefore be drafted in conjunction to avoid any conflict.

### Securing protection for all categories of shareholder

Generally, company law is best suited when the shareholders are separate from the board of directors, and when no single shareholder or group of shareholders has control as is usual in public limited companies or larger private limited companies.

In small private limited companies this is not always the case. Typically there are few shareholders and they're often directors in the company. This is when a Shareholders' Agreement becomes helpful – because minority shareholders, majority shareholders and those holding shares equally want to ensure that their rights are protected in ways not usually covered in Articles.

A Shareholders' Agreement often includes provisions to protect shareholders around the issue and transfer of shares. It can also protect minority shareholders by reserving certain decisions for shareholder approval and giving them the option to force purchase of their shares when a majority shareholder sells ('tag along').

### Handling additional eventualities

Where there are equal shareholders, the important issue of dispute resolution can be addressed by including provisions should two equal shareholders fall out. Where both shareholders are also directors and work in the business, a Shareholders' Agreement can also govern what happens if one cannot continue to work.

Majority shareholders may want provisions to force minority shareholders to sell their shares if the majority wants to sell ('drag along' rights).

A Shareholders' Agreement can also be used to cover management issues such as the format and frequency of shareholder meetings, confidentiality provision and details regarding what shareholders should do for the company. The contents of a Shareholders' Agreement are tailored specifically to the needs and circumstances of the parties.



## Cashflow is King

Effective cash flow management is crucial for small businesses to survive, thrive and grow profitably. **Deborah Liffchak** explains how to ensure prompt payment and ease financial pressure.

**With a six-year limit to recover debts, receiving prompt payment with minimal delays is essential. So, if you're a small business owner, where should you focus your efforts?**

### Do your homework

Before starting any work, make sure you understand your audience and conduct due diligence, such as credit checks, to ensure prospective customers are financially sound. This helps identify potential defaulters early and establish firm payment terms.

### Make terms and conditions clear

It's crucial to have a robust payment and credit control policy within your terms and conditions. This helps ensure transparency about consequences for payment defaults.

From the outset, you should inform prospective customers of payment terms and late payment consequences, including relevant clauses in their terms and conditions, such as:

- 1) A higher interest rate should be charged from the due date to the payment date if the invoice remains unpaid, and may be set at a specified rate above the Bank of England base rate; and
- 2) If the customer is a company, the business is entitled to charge a late payment fee of £40 to £100 per invoice, depending on the debt size, under the Late Payment of Commercial Debts Regulations 2013.

These types of clauses are often used in contracts to make it easier to pursue payment for goods and services, to encourage businesses to pay on time, as well as compensating you for the cost of late payment.

### Communicate – and offer payment options

If an invoice remains unpaid, you should contact the customer to remind them of payment terms and resolve any issues. Their response can help identify reasons for payment delays, such as rising costs or fuel shortages.

Calling customers can usually resolve outstanding accounts, as they often simply want to be heard. This is also an opportunity to offer alternative payment options or incentives, like payment plans or lump sum settlements, to encourage payment.

If, at the end of this process, your invoices remain unpaid, you should consider involving a law firm to promptly initiate debt collection through letters before action and, if needed, pursue court action to recover the outstanding amounts.



# Unlock AI's potential

## A BEGINNER'S GUIDE TO GETTING STARTED



If you're worried you've missed the boat on Artificial Intelligence (AI), don't despair. Your competitors may have a head start, but

there's still time to make it work for your business. **James Fox** explains AI's benefits, its risks and how to get off first base.

**For many businesses, the issue is knowing where to begin. And my advice is to start small. A department-specific approach, rather than a company-wide rollout, minimises disruption while addressing your team's unique needs.**

Most smaller businesses will find that scaling gradually is then the smartest strategy. One or two people on your team may already have an interest in AI. Lean on them (and any others suited) and give them time and a modest budget to explore how you could harness the technology.

To make the most of the opportunities, it's important to get the right groundwork in place:

### DEFINE CLEAR OBJECTIVES

Don't adopt AI for the sake of it. Define specific, measurable goals that align with your business priorities. Consider phased trials or pilot projects with limited users while keeping risks and costs manageable. Also consider checking with your insurer if you have any disclosure obligations or there are any exclusions to consider.

### EXPLORE INDUSTRY-SPECIFIC APPLICATIONS

It's important to research AI functionality thoroughly and understand its potential when tailored to your unique industry challenges.

For example:

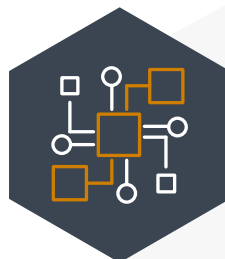
Life sciences use AI for drug discovery, predicting patient outcomes or automating regulatory compliance processes.

Logistics and supply chain harness AI to optimise delivery routes, schedule return deliveries, forecast demand and reduce inefficiencies in real-time operations.

Retail uses data to personalise customer experiences with AI-driven product recommendations and inventory management.

Highlighting these sector-specific benefits can help you better define use cases that deliver measurable value. For most smaller businesses, though, automation is the starting point.

Of course, AI isn't just about opportunities. It comes with its own set of risks including:





## DATA PRIVACY

It's critical for businesses to comply with General Data Protection Regulations (GDPR). These set strict rules about how personal data can be used, so it's crucial to ensure you and your AI provider comply.

Relying on assurances given during the sales process is not enough – you should always check that appropriate data protection clauses are included in contracts and that privacy policies are transparent. Mapping the scope of data collection and understanding how data is processed are crucial.

For instance, when data is processed through AI, you need to know where the data is sent and who it's shared with. Regular data mapping and Data Protection Impact Assessments (DPIAs) are important. And don't forget to check how your data is being used. For example, will it be training the AI? Check contract details or ask your provider to clarify this.

## ROGUE AI PROVIDERS

Not all Artificial Intelligence providers are created equal, so it's crucial to work with reputable vendors and ensure your contracts clearly define liability.

For example, one of my UK clients almost signed with an AI provider registered to a serviced office outside the EU. While the contract included carefully negotiated liability provisions, the provider had no real track record or assets. In practice, recovering losses from such a vendor would have been very difficult.

## ETHICAL CHALLENGES

AI can introduce ethical risks, such as bias in hiring tools or a lack of transparency in decision-making. These aren't just legal risks, they can damage your reputation and hurt those affected. Build accountability into your systems from the outset.

## UNRELIABLE OUTPUTS

While AI is powerful, it's not infallible. Automated tools can make mistakes – from misclassifying data to missing critical, real-world complexities. Always validate AI outputs, especially when they have a significant impact on business decisions.

## POOR DATASETS

AI relies on high-quality data. Outdated, inaccurate or biased datasets will lead to poor outcomes. For example, if your AI system is trained on old data, it might not recognise emerging trends or risks. Bad data can also cause biased decisions, under-representing certain groups. What's more, errors in combining data from different sources can make datasets unreliable, with the cleaning of bad data costly as well as time-consuming.

## INTELLECTUAL PROPERTY

If you're developing custom AI applications, safeguard your intellectual property (IP) from day one. Clear contractual terms can prevent disputes and protect your business's innovations.

## REGULATORY CHANGES

AI regulation is evolving rapidly, especially in jurisdictions like the EU with the AI Act, which takes a risk-based approach, categorizing AI systems based on their potential risk to safety and fundamental rights. Although the UK Government recently indicated a relatively light touch on AI regulation (focusing on innovation and flexibility), the Artificial Intelligence (Regulation) Bill, which was reintroduced to Parliament recently, seeks to set up an AI Authority.

Stay informed about new compliance requirements to avoid costly surprises and ensure your AI systems meet legal standards.

AI adoption can transform your business, but only if you approach it thoughtfully. Start small, involve your team and plan carefully. With the right mix of experimentation, robust legal guidance, and strategic implementation, you can unlock AI's potential while staying ahead of the risks. Remember, it's not too late to begin, but the clock is ticking and your competitors aren't waiting.

**“ Don't adopt AI for the sake of it. Define specific, measurable goals that align with your business priorities.”**



## IN SHORT

Start small and scale gradually, beginning with phased trials and pilots

Define clear, measurable goals at the outset

Be aware of data risks and privacy – know where data is sent and who it's shared with

Stay informed about compliance requirements to avoid costly surprises.



# AI FOR ALL

## How SMEs can harness the tech revolution



AI is no longer the preserve of large corporations. SMEs are increasingly using it to optimise operations, streamline processes, automate processes, unlock actionable insights and drive growth. **Ilaria Giurini** explores the applications – and the risks.



## NAVIGATING LEGAL CONSIDERATIONS

While there are many benefits through adopting AI, it's vital that businesses consider the legal implications. These include:

### 1. Data privacy and security

SMEs must comply with data protection laws, such as the GDPR (General Data Protection Regulation) in Europe. Transparency in how customer data is collected, stored and used is critical, so it's crucial your business obtains the necessary consent.

### 2. Intellectual property rights

Ownership of AI-generated content can be complex. You should carefully review the terms of service for any AI platform to understand who owns the rights to AI-generated work and ensure proper licensing agreements are in place.

### 3. Bias and fairness

AI systems can unintentionally reinforce biases in their training data, particularly in sensitive areas like recruitment or customer engagement. If you choose to use AI tools for these purposes, make sure you carefully monitor them for fairness and transparency.

### 4. Accountability

If you're using AI, what happens if something goes wrong? Clear accountability guidelines are essential if AI-driven decisions lead to errors or failures. Develop a defined process for addressing potential adverse outcomes, as well as a clear path for resolving issues.

From automating tasks to enhancing customer engagement, AI holds huge promise. But it also brings significant legal risks. With careful thought and expert planning, SMEs can unlock the full potential of AI while safeguarding their interests.





## Here are just some of the many AI tools you could use to transform your business:

### AI for marketing

**HubSpot** a CRM with AI-driven marketing automation to enhance lead generation and email campaigns.

**Mailchimp** delivers personalised email marketing and predictive analytics to improve engagement.

**Hootsuite** helps optimise social media management and track trends.

**Google Ads** automates ad campaigns, enhances targeting and optimises bidding strategies with AI.

### AI for operations

**Trello (Butler)** automates project management tasks, improving team collaboration and workflow efficiency.

**Monday.com** streamlines workflows and enhances team collaboration.

**ShipBob** optimises supply chain and logistics operations with AI-powered insights.

### AI for sales

**Salesforce Einstein** automates lead scoring and predicts sales outcomes with precision.

**PandaDoc** streamlines contract creation and pricing strategies, reducing manual effort.

**Outreach** automates customer outreach and follow-up to improve conversion rates.

“ While there are many benefits through adopting AI, it’s vital that businesses consider the legal implications.”

### AI for HR

**HireVue** a video interviewing platform that helps enhance recruitment processes.

**Pymetrics** assesses candidates through AI-driven games that evaluate emotional and cognitive skills.

**Zoho People** automates essential HR tasks, including leave management and performance tracking.

### AI for content creation

**Grammarly** helps improve grammar, style and tone for clear communication.

**Copy.ai** generates marketing copy, blog posts and social media content quickly.

**Canva** helps create stunning visuals for everything from social media posts to presentations.

**DALL-E** generates unique images from text prompts, ideal for creative and marketing projects.

**Jasper** previously known as Jarvis, this AI writing assistant helps produce SEO-optimised content across platforms.





# Walking the talk

CAN AI CAPTURE YOUR BRAND TONE OF VOICE?



Artificial Intelligence (AI) has taken the content creation world by storm. AI-driven tools promise to generate content that reflects your brand's tone of voice in a fraction of the time – and cost. But does AI live up to its claims? **Kristian Tangen-Sorgendal** separates the facts from the science-fiction.

## The rise of AI copywriting

With AI-powered tools like ChatGPT, Jasper and Copy.ai, it's never been quicker or easier to create content. These gen-AI engines scan huge volumes of text, recognising patterns, sentence forms and stylistic elements to create copy that shines with polish and professionalism. What's more, some platforms offer users the option to enter style guides, tone preferences for the brand and past writing examples so that businesses can fine-tune the AI's output.

On the surface, this level of automation is nothing short of revolutionary. AI can generate blog posts, social media updates and email campaigns in seconds – much faster than any human writer could ever hope to achieve. For businesses that need lots of content in a limited time, the benefits are clear. Speed, however, is not everything. Mastering tone is more than merely putting words together; it's about communicating the emotion, context and sincerity behind the words.

## Where AI falls short

Despite its incredible abilities, AI is still not good at the subtleties that characterise a genuine brand voice. Tone goes beyond word selection; it's about grasping emotion, cultural reference and human intention. The copy generated by AI tends to miss the depth, warmth, or humour that a good writer can effortlessly express.

For example, a brand renowned for its light-hearted and humorous tone may discover that AI is unable to create humour that actually lands with its followers. Although AI is able to replicate conversational language, it tends to fall short of presenting jokes in a way that comes across as natural. Similarly, a brand that thrives on emotional storytelling may find that AI-generated stories sound generic or emotionally hollow.

Context is another essential challenge. AI operates by predicting the most statistically probable word choices based

on the data it has learned. But it lacks true comprehension. It doesn't grasp sarcasm, subtext, or cultural sensitivities in the way a human would. This can lead to content that sounds stilted, contradictory to a brand's tone, or even hurtful in some cases.

## The human touch still matters

Though AI can be a strong content creation tool, it shouldn't be seen as a replacement for human writers. Instead, it's best viewed as a partner. With the right knowledge, writers can use AI as an assistant, using it to blast through the drudgery of brainstorming ideas, developing outlines, or even developing first drafts of content. The final touch – the refinement of tone and voice – requires a human touch.

A great writer possesses a mix of creativity, empathy and strategic thought – a combination that AI has yet to match. For example, human writers intuitively understand when to finesse a message for a given audience, how to draw out emotion and when to disregard grammar rules to create more compelling content. Above all, human writers help make sure that content fits into the values, mission and larger storytelling aspirations of a brand.

So what does the future look like? It will most likely be a balance of AI and human writing. AI is great at doing repetitive, data-driven work, thereby allowing writers to concentrate on strategy, storytelling and the art of crafting full messaging. Companies that find this balance – leveraging AI for efficiency and using human writers for creativity and emotional resonance – will create the strongest brand voices.

Ultimately, AI can assist in turning words into action, but not in fully substituting the human capacity to connect, inspire and engage. The brands that will truly succeed will be those that acknowledge the strength of AI but never lose sight of the unmatched value of the human touch.



**Don't adopt AI for the sake of it. Define specific, measurable goals that align with your business priorities."**

## IN SHORT

AI-powered tools allow users to upload style guides and examples to fine tune the outputs

Generating large volumes of content has never been more efficient

But mastering tone goes beyond putting words together – it requires creativity, empathy and strategic thought

AI should be seen as a valuable tool and partner, rather than a replacement for human writers.



# What if the worst happens?

## WHY DISASTER RECOVERY PLANS MATTER



In certain circumstances, such as a business owner dying or another major incident occurring, putting a disaster recovery plan in place is essential to minimise the impact on the business.

Here, **Paul Reader** focuses on the hypothetical death of a business owner and key things to consider in the event.



### WHY IS A DISASTER RECOVERY PLAN SO IMPORTANT?

The death of a business owner can significantly affect both the business, as well as the grieving family. Typically, the owner's interest in a business passes to family members. However, because they may be unfamiliar with how it operates, this transition can place a massive strain on the family, at a time when they're already dealing with grief.

For businesses with multiple owners, the surviving owners will usually manage operational matters, while the deceased's family will want to ensure their financial interest in the business is secured. In the case of sole traders or businesses with a small number of owners, the consequences are often far more severe. And the family might find themselves unexpectedly having to run the business.

By putting a plan in place at an early stage, you can help mitigate these consequences as far as possible.



## CONSIDERATIONS FOR LARGER BUSINESSES

Operations usually continue as before – despite the owner's death – with the main considerations for larger businesses including:

**Temporary leadership:** Identify who will take over the deceased's functions in the short term. This may involve existing staff or recruiting new personnel.

**The owner's financial interest:** Determine how the owner's interest in the business will be paid out to the family. If it's a partnership, this normally involves payment from a capital account, while for a company, it usually means purchasing the deceased shareholder's shares. These procedures are typically outlined in a partnership or Shareholder's Agreement.

## CONSIDERATIONS FOR SMALLER BUSINESSES

Small businesses and sole traders face a number of unique challenges. Important questions for them to ask include:

**Business continuity:** Can the business continue? Or should it be sold or wound up?

**Short-term measures:** What measures are needed to maintain business operations until a sale or winding up occurs? This includes ensuring customers are dealt with appropriately.

**Employment funds:** If the business continues, will funds be available to employ someone to take over the deceased owner's role if the family do not want, or don't have the skills, to run the business? If so, identify the source of these funds. Key Person insurance could help with funding the necessary recruitment.



## COMMUNICATING THE PLAN

They may be family members, key employees or professional advisers – it's crucial to make sure that the people who will be responsible for the business are aware of what steps to take in these circumstances. It's also advisable to introduce family members to these key employees and professionals, so that there's a defined line of communication when needed.

## NEXT STEPS

Once you've written the plan, document and circulate it to all key parties, including family members, colleagues, co-owners, solicitors and accountants. Make sure that the individuals in the plan have each other's contact details and have perhaps also met each other.

While you can't anticipate every scenario, having a structured disaster recovery plan removes much of the stress and uncertainty for families during difficult times. Ensuring the business can either continue running smoothly or be wound down with minimal disruption will provide invaluable peace of mind for all involved.

In the case of sole traders or businesses with a small number of owners, the consequences are often far more severe. And the family might find themselves unexpectedly having to run the business.

## IN SHORT

A disaster recovery plan is crucial should the business owner die or another major incident affects how the business runs

Larger businesses may need to recruit someone to take over the deceased's functions and decide how the owner's financial interest will be paid out to the family

Small businesses and sole traders need to consider whether to sell or wind up the business, and what short-term measures to put in place to keep operations running

The plan should be circulated to family members, colleagues, co-owners, solicitors and accountants involved with the business.



# Taking care

## WHY WORKPLACE WELLBEING MEANS BUSINESS



Mental wellbeing in the workplace remains top of the agenda for many companies – and with approximately 51% of long-term absences caused by stress, depression or anxiety, the numbers speak for themselves. Here, **Patrick Simpson** examines the role of the law and how employers can harness compliance to create a caring, compassionate culture.



### Understanding mental health in the workplace

According to the leading UK mental health charity Mind, one in four people experience a mental health episode each year. For many, the workplace can be a major source of stress and, without adequate support, can trigger health struggles. These can manifest both mentally (e.g. anxiety and depression) and physically (e.g. heart disease, back pain, digestive disorders or skin conditions), affecting an individual's capabilities and confidence at work. As performance levels go down, absenteeism drives up, and staff turnover can increase. For businesses, failing to make reasonable adjustments or enabling workplace discrimination can lead to costly Employment Tribunal claims.

Employers should therefore treat mental wellbeing and physical health equally. Conducting risk assessments helps to mitigate stress-related risks, while addressing these issues early reduces their impact – and fosters a healthier work environment.

### The business case for mental health support

A supportive workplace benefits everyone. Employees who feel valued and supported report greater job satisfaction, higher productivity and improved overall wellbeing. Employers, meanwhile, experience higher retention rates, reduced costs thanks to fewer long-term absences, and less management time needed to help with workplace stress.



“Employers must consider reasonable adjustments, such as offering flexible working or additional support tools, to assist affected employees.”

## Duty of care: employers' legal responsibilities

In the UK, the law protects the mental health of employees. Employers' legal responsibilities include:

### Equality Act 2010

Protects employees from discrimination based on nine protected characteristics, including disability. Some mental health conditions qualify as disabilities if they have a substantial, long-term impact (lasting over 12 months).

So, employers must consider reasonable adjustments, such as offering flexible working or additional support tools, to assist affected employees. The government-funded Access to Work scheme offers grants for these necessary adjustments.

### Health and Safety Legislation

*The Management of Health and Safety at Work Regulations 1999* requires employers to assess and manage risks related to both physical and mental health. *The Health and Safety at Work etc. Act 1974* further mandates proactive measures to reduce risks.

Employers should refer to the *Health and Safety Executive (HSE) Management Standards* to identify workplace stressors and take necessary precautions.

To meet their responsibilities, these three key strategies can help employers create a healthy workplace – one in which their people can thrive:

### Conduct risk assessments

Consider mental health when drawing up regular workplace risk assessments

Take appropriate actions to address identified risks.

### Develop a mental health action plan

Use risk assessment findings to create a structured plan that mitigates risks

Train managers and employees in mental health awareness to build an informed workforce and empathetic culture

Establish mental health first aiders/responders to provide immediate support

Implement a workplace stress and wellbeing policy, outlining employer commitments and available support.

### Monitor and review

Regularly review the effectiveness of the action plan (at least annually)

Adjust policies and support structures to reflect evolving workplace needs.

## Doing the right thing

While employers have a legal obligation to protect the mental health of their people, they also have a moral duty of care. Through compliance with the law and by creating a culture of compassion, business resilience rises and employee wellbeing lifts. Ultimately, that's an investment worth making.

## IN SHORT

Mental health lies at the heart of almost half of long-term absence from work

There's a clear line to be drawn between employee mental wellbeing, performance and productivity

Under UK legislation, companies can establish key support strategies – from mental health risk assessments to policy reviews

Fostering a compassionate workplace culture protects people and builds business resilience.

Source: ACAS - Supporting Mental Health in the Workplace





# Cultural cornerstones

THE FOUR BUILDING BLOCKS OF BUSINESS CULTURE



A thriving culture doesn't just improve morale, it boosts productivity, retains staff and attracts fresh talent. But creating that winning culture takes more than close proximity, as **Alexa Kemp** explains.

“A compelling vision unifies an organisation and inspires action. When employees understand where the company is headed and how they fit into the journey, it fosters connection.”

**At the end of 2024, my workplace held a Collaboration Day, a firm-wide initiative designed to bring together staff members across all levels of the business to shape strategy, service delivery and culture for the next five years and beyond.**

The day was a powerful reminder of the importance of nurturing a workplace culture that listens, values and empowers its people. Here, I've distilled down the key learnings, combined with my own experiences as a marketing and communications specialist, to arrive at four 'culture cornerstones':

## 1. CREATE A CULTURE OF COLLABORATION

An environment where everyone feels included is key to a successful business culture. Every colleague, regardless of role, should feel connected and that their voice deserves to be heard.

To achieve this sense of engagement, consider:

- Hosting or creating forums for idea-sharing
- Using feedback tools or surveys to collect suggestions
- Promoting cross-departmental collaboration to strengthen connections.

## 2. CELEBRATE MILESTONES

Recognising hard work and celebrating anniversaries motivates teams and boosts morale, so take steps to celebrate achievements. This could be publicly acknowledging individual or team accomplishments or celebrating company milestones with internal events that physically bring colleagues together. Also, consider using internal communications channels or team meetings to show colleagues that they are valued.

## 3. COMMUNICATE A CLEAR VISION

A compelling vision unifies an organisation and inspires action. When employees understand where the company is headed and how they fit into the journey, it fosters connection.

To communicate a strong vision make sure you:

- Regularly share the company's mission, values and goals using internal communication channels
- Involve employees in shaping the strategy to create personal investment
- Reinforce how each colleague's role contributes to the bigger picture.

Brand can also play an important role in bringing a vision to life. Even small things can help build a sense of team spirit – for example, branded bags with thoughtful items like mugs, biscuits and notebooks.

Internal communications have a big role to play here too. For example, ahead of our Collaboration Day, we launched The Advocate, an internal newsletter which features key information about our mission, vision and values, leadership updates, upcoming events, charitable activity, work wins and individual news. It has continued to be a valuable tool for developing connection and alignment across the business.

Other internal communications tips include:

- Creating a central hub for sharing updates and resources (e.g. an intranet platform)
- Making content engaging and relevant by utilising a mix of formats like video and infographics
- Using data and feedback to tailor content towards the needs of your audience.

## 4. SUPPORT GROWTH AND LEARNING

When employees see clear opportunities for personal and professional development such as training programs, workshops, or mentorship initiatives they feel valued and motivated.

Career progression pathways and regular feedback also help employees to align their goals with the company's vision. A culture of continuous learning not only retains top talent but enhances the collective skills and boosts opportunities for innovation within the business.

Building a culture where everyone feels valued and heard isn't just good for morale – it's a cornerstone of long-term business success.

### IN SHORT

A compelling vision and collaborative approach helps engage employees

Recognising achievements and milestones helps boost morale

Internal communications are a powerful way of creating a sense of togetherness

Career progression – and regular feedback – is key to retaining talent.





# How menopause-friendly is your business?



As awareness of workplace inclusivity grows, more businesses are recognising the importance of supporting employees through every stage of life. Here, **Karen Cole** explores the menopause, a natural phase related to the winding down of the menstrual cycle that's often been overlooked.

Menopause will affect most women, although it may not always be obvious who within the workforce might experience menopause symptoms.

Employers should keep in mind that trans and non-binary people, as well as intersex women, might also experience menopause signs, and that even those who don't experience menopause symptoms may be affected by a partner or family member who does.

Being a menopause-friendly business goes beyond offering generic support – it involves creating a culture where individuals feel comfortable discussing and managing menopause without stigma.



## What does menopause-friendly mean?

A menopause-friendly business acknowledges the challenges menopause can bring and takes active steps to provide a supportive work environment. Menopause is not a one-size-fits-all experience. Its symptoms can range from hot flushes and mood swings to brain fog, fatigue and insomnia. Affecting people both physically and mentally, these symptoms can significantly impact productivity, wellbeing and overall job satisfaction.

Fostering an environment where employees feel heard, supported and empowered to navigate this life stage (or are able to support others experiencing it) without fear of judgement or discrimination requires a menopause policy and practical framework to support staff. An appropriate framework will train managers, effectively manage sickness absence and job performance and, where resources permit, feature a menopause workplace champion.

## Why does workplace menopause support matter?

The symptoms of menopause can impact an employee's performance. Assumptions and the stigma attached to being menopausal may negatively affect how others treat them in the workplace. A 2023 report from the Chartered Institute of Personnel and Development found that two-thirds (67%) of women with experience of menopause symptoms said it had a mostly negative effect on them at work, with over half (53%) able to identify a time when they were unable to go into work due to symptoms. It's a health and wellbeing concern for staff that employers should therefore handle sensitively.

Menopause impact goes further than the individual alone, however. It often coincides with a time in life when people hold senior roles or are reaching the peak of their careers. Failing to support them means losing valuable skills, experience and leadership. As recently as October 2024, a nationwide survey by Fertifa suggested that 13% of women were actively seeking jobs that provide better menopause support, with 27% without access to support having either left their jobs or considered leaving.

Employers that ignore menopause risk losing talent and alienating other employees. On the other hand, those that take a proactive and supportive approach to menopause benefit from positive impacts on recruitment and retention, avoiding the economic costs associated with absences, reduced hours or resignations.

While there are no menopause-specific employment laws, as always, businesses cannot disregard the law. Protected characteristics of age, disability, sex and gender reassignment under the **Equality Act 2010** may cover those who are experiencing menopause at work, as well as impacting the way that the unfair dismissal regime may apply. The number of employment tribunal claims citing menopause continues to rise, and businesses that overlook their obligations here could expose themselves to complex and costly legal claims.

The reality is that effecting change is a manageable step for most businesses. Helpful guidance from ACAS' 'Menopause at Work' is a good starting point.

Menopause often coincides with a time in life when people hold senior roles or are reaching the peak of their careers. Failing to support them means losing valuable skills, experience and leadership.

## IN SHORT

Menopause is a life stage experienced by most women, as well as some trans and non-binary people and intersex women

A menopause-friendly business acknowledges the challenges menopause can bring – creating a positive, stigma-free culture around it

The upside for menopause-affected employees is improved health and well-being

The benefits for employers can include less absence and reduced associated costs, as well as related claims for unfair dismissal.



## SHAREHOLDERS' AGREEMENTS

# Are yours still fit for purpose?



The main function of a Shareholders' Agreement is to regulate the relationship between the shareholders of a company. But, as **James Bowles** points out, it's different to a company's

Articles of Association and, as a general rule, it doesn't need to be filed with Companies House.



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A Shareholders' Agreement is not a document you simply complete and then file away in a drawer. It should adapt to the ongoing changes in your organisation. Regularly reviewing it guarantees that it accurately represents the objectives and current structure of your business.

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Having a Shareholders' Agreement in place, however, does not imply that it will remain in place indefinitely. If yours hasn't been updated in a long time, it may not accurately represent the state of your company.



## WHY SHAREHOLDERS' AGREEMENTS MATTER

Fundamentally, by outlining the decision-making process, profit-sharing and contingency plans, a Shareholders' Agreement helps prevent disputes. Without one, you run the risk of misunderstandings, poor communication and possible legal issues. And as businesses change – whether that is new owners, a shift in emphasis or modifications in legislation – your agreement should alter to fit. So how can you tell whether your Agreement is still functional and fit for purpose? Signs that it's time for an agreement update:

### 1. Your business has grown or altered

It's possible that your business has expanded, modified its strategy or has obtained new shareholders. The Shareholders' Agreement that was drafted when the company was still small might also no longer be appropriate. Whatever may have happened, it's advisable to go through the agreement and check that it's still adequate for the company's current needs.

### 2. There are disagreements among shareholders

Most often, a lack of clarity in the agreement is displayed as tension among the shareholders. Whether this is on management, dividends or decision making, an old agreement may not address all issues – and frequent conflicts could indicate that all parties should review it.

### 3. Changes in the law

Over time, the law evolves and, if any changes are implemented, these need to be reflected in your Shareholders' Agreement. This is important, as the enforceability of your agreement is undermined if it has not been updated to include the new legal developments.

## WHAT TO INCLUDE IN THE SHAREHOLDERS' AGREEMENT

A Shareholders' Agreement usually sets out the rights, obligations, responsibilities and liabilities of each shareholder. It will often deal with issues such as:

- Decisions which require the agreement of either all, or a specific majority, of the shareholders
- Deciding what happens to shares (and how shares will be valued) when a shareholder wants to leave the company, if they die, or become bankrupt
- The inclusion of provisions if the shareholders want to sell the company
- Imposing restrictions on shareholders, such as their ability to start a competing company
- Providing a system for resolving any deadlocks in decision making.

## WHY REGULAR UPDATES ARE IMPORTANT

A Shareholders' Agreement is not a document you simply complete and then file away in a drawer. It should adapt to the ongoing changes in your organisation. Regularly reviewing it guarantees that it accurately represents the objectives and current structure of your business. It also helps prevent disputes and miscommunications that may result from using antiquated terminology.

Having a current Shareholders' Agreement demonstrates your dedication to equity and transparency. This fosters shareholder trust and maintains the smooth operation of your company – ensuring it stays on course for long-term success.

## IN SHORT

A Shareholders' Agreement helps foster shareholder trust and demonstrates transparency – preventing (and resolving) disputes, and misunderstandings arising from miscommunications

The Agreement should be regularly checked to ensure it clearly represents an organisation as it grows, changes, or when new shareholders join

The main signs that it needs updating or modifying are when shareholders frequently disagree on management decisions and dividends

If any new developments in the law aren't represented in the Shareholders' Agreement this risks its enforceability and creates potential legal issues.





# CONSUMER PROTECTION IN THE SPOTLIGHT

New regulations = greater business responsibilities



The Digital Markets, Competition and Consumers Act 2024 (DMCC) sets out to improve transparency

for consumers and increase competition between traders. And it gives the Competition and Markets Authority (CMA) new responsibilities and powers to directly enforce consumer law. **Anna Horrell** outlines key changes introduced by the Act and what it means for businesses.

The DMCC aims to make UK consumer and competition laws – designed for more conventional markets – keep pace with the rapidly evolving digital marketplace. The dominance of big tech has become a serious issue for competition, while the speed of change makes enforcement a challenge.

The following key changes will help address these problems and bring UK law into alignment with international efforts to do the same, namely through the EU's Digital Markets Act.

## 1. Greater enforcement of consumer law

The DMCC gives the CMA more power to enforce consumer law directly, without having to turn to the courts. Their powers now extend to issuing enforcement notices and imposing fines of up to 10% of an infringer's global annual turnover.



“ Every step of the trader-consumer relationship comes under the microscope in the new DMCC Act.”

## 2. Dialling up the existing unfair practices regime

Every step of the trader-consumer relationship comes under the microscope in the new Act, including advertising, marketing, entry into contract, performance and enforcement. Repealing the Consumer Protection from Unfair Trading Regulations 2008, the main changes include:

- **Fake reviews:** prohibits commissioning or submitting fake reviews and requires businesses to take reasonable and proportionate steps to verify reviews
- **Drip pricing:** businesses will have to make non-optional charges and fees clear upfront, including freight, delivery or postal charges and any taxes. If these costs can't be calculated in advance, the consumer must be told about them
- **Unit pricing:** unit prices must be displayed to allow customers to more easily compare pricing between products
- **Vulnerability concept expanded:** vulnerability categories are expanding to include the consumer's circumstances. In addition to current provisions for age, physical or mental health and credulity, relevant situations now include divorce, mourning or losing a job. For example, a training opportunities advert for people who have recently been made redundant will now meet the vulnerability criteria, as the consumer has recently lost their job.



## 3. Subscription contracts

Businesses will now need to provide consumers with clearer information before they sign up to a subscription contract, provide pre-renewal reminders, and make termination clear and easy. Cooling of rights must also be made clear and customers must be made aware when any introductory period comes to an end.

## 4. Insolvency protection

Traders who offer Christmas saving clubs and similar schemes (which, by their nature are not FCA-regulated or protected by the Financial Services Compensation Scheme) must protect consumers' pre-payments through insurance or trust arrangements to protect consumers in the event they become insolvent.

## 5. Alternative Dispute Resolution (ADR)

Businesses must notify consumers about any ADR arrangements they offer, and should only offer accredited services.

## HOW WILL THE NEW ACT BE ENFORCED?

Two regimes exist to enforce the Act. The first is court-based, allowing specified bodies including the CMA, Trading Standards, Information Commissioner, FCA and the Consumer Association to apply for interim or final enforcement orders.

The second route involves direct enforcement by the CMA, without going to court. Both the CMA and the courts can now impose penalties of up to £300,000 or 10% of the traders turnover, whichever is the higher.

## HOW SHOULD CONSUMER BRANDS AND RETAIL BUSINESSES RESPOND?

The CMA has indicated that we can expect to see greater focus by it on consumer protection, making use of its new direct enforcement powers for more and faster enforcements. With a stronger remit, and potential for significant fines, we would advise you to:

Get familiar with the new act, and where it applies to your business model. You can find more information at: <https://www.gov.uk/guidance/how-the-uks-digital-markets-competition-regime-works>

Review how you trade and market to consumers, with a comprehensive audit of your existing transaction cycle. Pay particular attention to pricing, reviews and the processes around subscription contracts.

Review and, if necessary, update your terms and conditions and consider how they are implemented at each stage of the consumer transaction.

Initiate staff training to raise awareness across the business.



# More than a job title

## THE LEGAL RESPONSIBILITIES AND RISKS FOR UK COMPANY DIRECTORS



If you're a UK company director, you have certain legal responsibilities and duties to uphold. But are you clear on what these are? **Evangelos Kyveris** shares the essentials.

For many company directors, the idea of 'duties' may come as a surprise. Many believe they can essentially do what they like – particularly if they are also sole shareholders, which is often the case with SMEs. However, the Companies Act 2006, and the articles of association mean directors have clearly defined responsibilities they must legally fulfil.



### WHAT ARE DIRECTORS' DUTIES?

Directors have always owed their companies fiduciary duties and the general duty of 'good faith' has evolved through case law. In the Companies Act 2006, many of these common law and equitable duties were codified as follows:

**Act within powers:** directors must exercise only the powers granted to them under the company's constitution and solely for their intended purposes.

**Promote the company's success:** directors must work to promote the company's success for the benefit of its members as a whole, prioritising the company's interests over their own.

**Exercise independent judgement:** directors must act independently and resist influence from third parties.

**Exercise reasonable care, skill, and diligence:** directors must take their responsibilities seriously and discharge their duties with the requisite expertise, caution, and thoroughness.

**Avoid conflicts of interest:** directors must refrain from actions that could conflict with the company's best interests.


**Not accept benefits from third parties:** directors must refuse any benefits offered by third parties, as these may be construed as bribery.

**Declare an interest in a proposed transaction or arrangement:** directors must disclose any actual or potential conflicts of interest in a proposed transaction or arrangement to the other directors and, in some cases, the shareholders.

Each director individually owes statutory duties to the company. These duties protect the company and its creditors and ensure that directors remain accountable when managing company affairs.

These duties cannot be seen in isolation because, in addition, a director will be subject to a wide range of regulations and legislation, including the *Insolvency Act 1986*, the *Company Directors' Disqualification Act 1986*, the *Health and Safety at Work etc. Act 1974*, and the *Corporate Manslaughter and Corporate Homicide Act 2007*.





“ The Companies Act 2006, and the articles of association mean directors have clearly defined responsibilities they must legally fulfil.”



## WHAT HAPPENS IF YOU DON'T COMPLY?

As a director, it is essential that you are familiar with your duties and ensure that these are fully complied with – if you do not, the consequences can be significant:

**Damages:** if the company suffers financial loss due to a director's breach of duty, the company can sue the director for damages to compensate for the loss.

**Injunctions:** a court can issue an injunction to prevent a director from continuing a breach of duty or to stop them from engaging in actions that would cause further harm to the company.

**Restoration:** if a director has misused or misappropriated company property, the court can order them to return the property or compensate the company for its value.

**Accounting for profits:** if a director has made profits through a breach of duty, the company can seek an accounting of those profits and an order for the director to pay them over to the company.

**Disqualification:** a court can disqualify a director from holding office in a company for a period of between two and 15 years.

**Fines and imprisonment:** in some cases, a breach of statutory duty can be a criminal offence, leading to fines and even imprisonment.

**Derivative actions:** in certain circumstances, a shareholder can bring a claim against directors on behalf of the company (a derivative action) if the directors have failed to act in the company's best interests.

**Personal liability:** directors can be held personally liable for losses suffered by the company.

In a nutshell, it is imperative that all directors know and understand the duties that they owe to their company. If you are a director and experience difficulties complying with any such duties, your first port of call should always be to seek competent and commercial legal advice.

## IN SHORT

Under the Companies Act 2006, UK company directors have defined legal duties

These protect the company and its creditors and ensure the directors remain accountable

Failure to fulfil your duties can lead to significant legal consequences – from disqualification and fines to imprisonment.



# Leasing commercial property

## A STEP-BY-STEP GUIDE



Leasing a commercial property is a major decision with many legal, financial and logistical considerations. It's easy to feel out of your depth, especially if you're new to the experience. Here, **Ben Couch**, outlines the key steps to help you navigate the process successfully.

### STEP 1

#### Understand your business requirements

Before you begin your search, clarify your needs. What do you need a commercial property for? How will you use it? Think carefully about size, location, footfall, accessibility, whether you need a short- or long-term lease – and decide on your budget. Make sure you also factor in extra costs such as rent, rates and utilities.

### STEP 2

#### Search for properties

There are many different ways to search for a suitable property. For example, use property portals, speak to a commercial estate agent, look out for 'To Let' signs locally and connect with your local business network and Chambers of Commerce.

### STEP 3

#### Understand key types of commercial lease

These include a Full Repairing and Insuring (FRI) Lease (where the tenant covers property repairs and insurance); an Internal Repairing Lease (where the tenant is responsible for internal repairs and the landlord handles external upkeep); Flexible or Serviced Leases (short-term agreements for managed spaces, often including utilities and services); and Licences to Occupy (short-term agreements that are simpler than leases, typically for co-working spaces or pop-ups).

#### STEP 4

### Consider business rates

Business rates are a local tax on commercial properties. Before committing to any lease, make sure you check the 'Rateable Value' set by the Valuation Office Agency (VOA), based on the property's market rental value. Depending on the size of your business, you may also qualify for Small Business Rate Relief.

#### STEP 5

### Conduct viewings and evaluate properties

Visit potential properties and assess their condition, the utilities and facilities in place, access, parking and legal compliance. For example, check they comply with fire safety, health and disability access requirements.

#### STEP 6

### Negotiate terms

When you find a suitable property, negotiate the lease terms. You'll first need to ascertain your maintenance responsibilities, whether the lease allows your intended business purpose, the lease term and how rent increases will be calculated before negotiations can begin.

#### STEP 7

### Engage professionals

Before signing the lease, consult a solicitor to review and negotiate the lease agreement, ensuring it's fair and legally compliant. Contact a surveyor to assess the property's condition and assist with negotiations. And talk to an accountant to confirm financial viability and advise on tax implications.

#### STEP 8

### Conduct due diligence

#### You'll need to:

- Verify the property's energy efficiency – a minimum rating of "E" is required
- Ensure the property is permitted for your intended use
- Confirm the landlord's ownership and any restrictions on the property
- Carry out searches – e.g. Local Authority, Environmental, Mining, and Drainage and Water
- Take photos and create a detailed inventory to record the condition to be documented in a Schedule of Condition (this can be done by an agent prior to signing the lease).

#### STEP 9

### Finalise the lease

Once you and your solicitor have agreed Heads of Terms (HoTs) – a summary of key lease terms, agreed upon before drafting the full lease – you can then sign the lease and make initial payments. This usually includes a deposit, first rent instalment and any agreed service charges.

#### STEP 10

### Moving in

Inspect the property when you move in. Arrange for utilities, internet and any additional services. And ensure your operations meet health and safety, fire and planning regulations.

By thoroughly understanding the leasing process and engaging the right professionals, you can secure a commercial property that meets your business needs and sets you up for success.

“ Before signing the lease, consult a solicitor to review and negotiate the lease agreement, ensuring it's fair and legally compliant.”

## Top tips for leasing commercial property

#### Start early

Begin your search 6–12 months before your ideal move-in date.

#### Break clauses

Include options to terminate the lease early, subject to conditions.

#### Budget for hidden costs

Factor in legal fees, stamp duty, moving costs and potential refurbishments.

#### Register your lease at Land Registry

Be aware of potential delays and the fact it may take up to a year for this to be finalised.





# MEES

## RESHAPING THE COMMERCIAL PROPERTY LANDSCAPE



As the UK continues to focus on environmental sustainability, the Minimum Energy Efficiency Standards

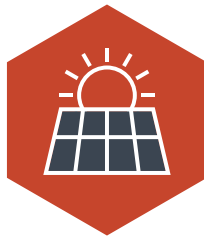
(MEES) are reshaping the landscape for commercial property landlords.

**Carlos Torres** explores how MEES brings compliance implications and increased investment, but also offers an opportunity for commercial property owners to enhance their portfolio.

Over the past few years, 'green lease' clauses have become an industry standard. A green lease incorporates clauses that provide for the management and improvement of the environmental performance of a building by the landlord and the tenant. Both parties agree to undertake specific responsibilities and obligations to minimise carbon emissions arising from the sustainable development, operation and occupation of a property.

Regulatory changes have had a significant impact on landlords, as all buildings across the UK require an Energy Performance Certificate (EPC) unless an exemption applies. Currently, the MEES require new lettings to have a minimum EPC rating of E. Unless an exemption applies, it is unlawful to let a property which fails to achieve this rating

From April 2023, the MEES were tightened, and existing commercial lettings, unless an exemption applies, also require a minimum EPC rating of E. Failure to comply could mean a penalty of up to 20% of the rateable value of the property, capped at £150,000.



Failure to comply with MEES could lead to significant financial penalties and restrictions on property transactions. Owners must ensure that their buildings meet the required EPC rating to avoid fines and loss of income from being unable to let their properties.

It is worth noting that the UK government proposed in 2021 that newly rented commercial properties would need a minimum EPC rating of C by 2027, with a further increase to a B rating by 2030. While these timelines have not materialised, the tightening of standards is anticipated to take place in the coming years. The government is currently reviewing the responses to a consultation for Reforms to the Energy Performance of Buildings regime, published in December 2024 (ended in February 2025) to inform future policy decisions.

So, how can commercial property landlords make strategic use of the regulations to enhance their property portfolio?

**1. Remain marketable:** energy-efficient buildings attract environmentally conscious tenants and in turn, may command higher rents.

**2. Save on operational costs:** energy-efficient buildings typically have lower operating costs due to reduced energy consumption. Upgrading and implementing energy-saving measures will improve EPC ratings and this short-term effort can translate into longer-term cost savings.

**3. Attract new tenants:** Tenants are prioritising sustainability and energy efficiency. Marketing yourself as a sustainable option could widen the pool of potential tenants.

#### **4. Futureproof your investment:**

MEES is not going away. Taking steps to improve an EPC rating now can help to mitigate risks for the years ahead.

#### **5. Contribute to a sustainable**

**future:** by complying earlier, commercial landlords can play a part in helping to remain environmentally responsible for future generations.

Focusing on environmental issues is not only a legal requirement, but also a strategic necessity for long-term success. Many commercial landlords are already adopting a mix of green lease provisions that align with both their current needs and their broader sustainability goals.

As businesses adopt Net Zero strategies and evolve their Environmental, Social and Governance (ESG) policies in response to changes in legislation, regulation or the practice of lenders, insurers and other stakeholders in the property market, the demand for green leases is likely to increase. My advice – get ahead of the curve.

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**Focusing on environmental issues is not only a legal requirement, but also a strategic necessity for long-term success.**

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## **IN SHORT**

The Minimum Energy Efficiency Standards (MEES) are reshaping the landscape for commercial property landlords

A phased roll out that demands higher EPC ratings is underway, and extends to existing tenancies

Turn compliance to your advantage by marketing to environmentally conscious tenants.





# Introducing Labour's employment law changes



Labour have introduced a number of significant employment law changes in the Employment Rights Bill now making its way through the House of Commons, as **Charlie-Anne Smith** explains.



While consultation on Labour's employment proposals are set to begin in 2025, reforms are unlikely to come into effect before 2026. With that in mind, businesses should not wait until the changes are brought in before updating their procedures and policies. Rather, they should get ahead of the curve and be prepared as soon as they can.

Some of the big changes for SMEs to note include:

## 1. Unfair dismissal will be a day one right

Under current laws, an employee must be employed by the employer for a continuous period of two years before obtaining the right to not be unfairly dismissed. However, under the proposed reforms, employees would have the right to bring an unfair dismissal claim from day one of their employment. Accompanying regulations are expected to set out the simplified procedure for dismissal which can be used in an 'initial period' which are yet to be determined.

## 2. Zero-hour contracts

Although zero-hour contracts will not be banned, a range of provisions will be introduced that will impact their use. For example, these include the

introduction of a right to guaranteed hours, a right to a reasonable notice of work schedules, and proportionate compensation for altered or cancelled shifts. These changes aim to prevent unpredictable working patterns and provide greater job security for workers.

## 3. Time limits for tribunal claims to be extended

The bill has been amended to increase the time limit in which an employee can bring a tribunal claim from three to six months. This applies to all claims, including unfair dismissal and discrimination.

## 4. Banning firing and re-hiring

The practice of dismissing employees who will not agree to changes within their contract, and then re-employing them on new terms, will be banned. A dismissal which occurs as a result of an employee's refusal to agree to a contractual change will automatically be deemed unfair.

## 5. Flexible working

Employers will be required to provide justification for their refusal of flexible working requests and set out why they believe their refusal is reasonable in the circumstances.

## 6. Statutory sick pay

There will no longer be a requirement for an employee to wait three days before statutory sick pay is payable. It will now be payable from the first day of illness or injury. There will also no longer be a lower earnings limit, meaning that all employees will be entitled to statutory sick pay, regardless of their income.

## 7. Parental and paternity leave

The requirement for an employee to be employed for a length of time prior to qualifying for paternity or parental leave has been removed. In addition, parents will now be allowed to take paternity leave after parental leave.

## 8. Bereavement leave

The bill provides the government with the power to bring in a day one right to at least a week of bereavement leave for employees. The specific qualifying relationship for eligibility will be set out in future regulations.

When this bill is implemented into law, it will affect businesses operating and employees working in England, Wales and Scotland.



# Skilled worker or graduate visa?

## HOW TO RECRUIT WORKERS FROM OUTSIDE THE UK



The UK's immigration system and broader socio-economic landscape are facing several key pressures. In response to these, the UK government is introducing new immigration rules designed to reduce net migration. **Sultana Ali** explores what this means for employers when recruiting foreign workers.



### The Hiring from outside of the UK

If you are hiring from outside of the UK, you will require a sponsor licence – this includes EU/EEA nationals who do not hold pre-settled or settled status. It currently costs around £536 to £1,476 depending on the size of your business. From 9th April 2025, this will increase and will cost around £574 to £1,579.

You must ensure the role you're filling meets the minimum skill level RQF level 3 or above. You must also pay the worker you want to sponsor a minimum salary of £38,700, or the going rate, whichever is higher.

Once the sponsor licence is in place, you must apply and pay £239 for the relevant Certificate of Sponsorship (CoS) if assigning the CoS prior to 9th April 2025. This fee is set to increase to £525 for any CoS assigned on or after 9th April 2025.

You may also need to pay the Immigration skills charge when assigning a CoS to someone applying for a Skilled Worker, Senior, or Specialist Worker visa.

The worker uses the CoS to make an application for a Skilled Worker visa. This allows foreign nationals to come to, or stay in, the UK to do an eligible job with the approved employer.

Skilled Workers can be sponsored for a period of up to five years, after which time, the visa holder may be eligible to apply for settlement.

### Recruiting individuals on a Graduate visa

A 'Graduate visa' allows recent international graduates to work in the UK without employment sponsorship for a set period. This depends on the visa's length – usually two years, or three years for a PhD graduate. The Graduate visa is a temporary post-study work option, whereas a Skilled Worker visa is a long-term work visa requiring employer sponsorship.

To hire an individual on a Graduate visa, your business does not need to hold a sponsor licence and you will not be confined to paying the salary levels proposed by the Home Office for skilled workers. This is the most cost-effective option for employers.

If you want to keep the employee on, it's worth exploring sponsorship under the Skilled Worker route.

The advantage of employers sponsoring workers in the UK who are looking to switch from a Graduate visa to a Skilled Worker visa is that there is no Immigration Skilled Surcharge to pay. This makes it a cost-effective option for employers looking to hire migrant workers switching into the Skilled Worker category.

	SKILLED WORKER VISA	GRADUATE VISA
Sponsorship required	Yes	No
Sponsor licence needed	Yes	No
Costs	Yes	No sponsorship costs
Skill level	RQF Level 3 and above	No restriction
Salary threshold	£38,700 or going rate, whichever is higher	No restriction
Right to Work checks	Yes	Yes



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