



HOW TO SET UP YOUR BUSINESS IN **LONDON**

LONDON
& PARTNERS

SUPPORTED BY
MAYOR OF LONDON

About this guide

This guide is published by London & Partners, the official international trade, investment and promotion agency for London.

Inside you'll find:

Essential steps

Things you must do when setting up a business in London.

Guidance from our professional partners

Expert insights on tax, property, finance, legislation, recruitment, R&D, intellectual property and more.

Living in London

Information on accommodation, schools and getting around the city.



London & Partners were an incredible source of knowledge and support for our business expansion.

Nick Keating, Director
EMEA, BounceX



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1 WELCOME TO LONDON

A world-class city in which to live, work and build a global business.

As CEO of London & Partners, I'd like to thank you for considering London.

Whether a growing startup or an established organisation, you are joining a business ecosystem that's diverse, innovative and full of exceptional talent.

Since 2011, our team has guided more than 2000 companies like yours from more than 67 countries to set up and scale their businesses.

Our vast network of expert and experienced professionals can advise and guide you on every aspect of locating and doing business here.

From advice on setting up your legal entity and UK taxation, to practical guidance on visas, building your team or finding a well-priced office, this guide is designed to give your business a head start in this market.

We look forward to supporting you on your journey to set up and succeed in London.



Laura Citron
CEO
London & Partners



ABOUT LONDON & PARTNERS

London & Partners provides international businesses with the information they need to take advantage of London’s unrivalled opportunities from day one.

Our team in London and around the world would be delighted to support you.

Free of charge, bespoke and confidential services include:

- Building the business case for London.
- Sector-specific information, contacts and event calendars.
- Access to high-quality banking, accounting, legal and immigration advice through our accredited professional service providers.
- Finding the best property in the right locations.
- Advice on relocation and discounted desk hire.
- Help finding the best people from London’s huge pool of talent and skills.
- Connecting companies to London’s business networks.
- Information on living in London and making the most of the city.

Contact us to see how we can help:

business@londonandpartners.com
business.london



We have helped

2000+

companies set
up operations
in London
since 2010



London & Partners have been an invaluable source of support and guidance to ChargePoint in the months following our establishment as a UK company and we will continue to work with them to help promote our offering to new audiences.

Tanya Sinclair
Policy Director UK & Ireland, ChargePoint



10 REASONS TO SET UP IN LONDON

London is one of the world's most exciting, dynamic and profitable cities in which to establish a business.

1

EXCEPTIONAL BUSINESS ENVIRONMENT

The UK ranks consistently in the top 10 in the world for ease of doing business.¹

2

LOW TAXATION ECONOMY

Corporation tax at 19% – the lowest in the G20.

3

EXPERTISE AND TALENT

The capital has more software developers than any other European city² and has four of the world's top 40 universities.³

4

RESEARCH AND DEVELOPMENT

SMEs can receive up to 33% of qualifying expenditure as tax credits and the Patent Box scheme enables a Corporation Tax rate of 10% to profits earned from a company's patented inventions.

5

TECH CITY

London and the south-east make up the largest tech ecosystem in Europe, with an estimated value of \$47bn.⁴

¹ The World Bank

² The State of European Tech

³ QS World University Rankings

⁴ BDO

⁵ UK FinTech, State of the Nation

⁶ fDi Benchmarks

⁷ Dealroom.co

6

WORLD-LEADING

London is home to 64,000 financial and professional service firms, the highest concentration of any financial centre in the world.⁵

7

CONNECTIVITY

With the Eurostar, six international airports and direct flights to 326 destinations⁶, London is one of the world's best-connected cities

8

TIME ZONE ADVANTAGE

Waking hours overlap with both Asia and North America, so staying in touch is easy.

9

ACCESS TO FINANCE

VC funding into London reached a record \$9.7bn in 2019, and over the last five years the UK has created more than double the number unicorns than any other European country⁷.

10

QUALITY OF LIFE

A world-class cultural offering with 3,530+ pubs, 857 art galleries, 215 museums, eight Royal Parks and four UNESCO World Heritage sites.



WHY LONDON?

A comment from Stuart Lisle, Partner at BDO

The world is going through a period of immense change. Developments in technology and regulation, a changing relationship with the EU and the increasing pace of globalisation means that uncertainty is now the “new normal”. But with uncertainty there is also opportunity.

London is undoubtedly the best city in the world to realise that opportunity. London remains entrepreneurial, outward looking and full of creativity and possibility. The strength of London is its diversity – a diversity of cultures, of ideas and of businesses. Diversity is the lifeblood of the city and that won’t change.

London is globally recognised as an international hub of finance, but it caters for all sectors of business. London has innovative manufacturers, pioneering digital startups and forward-thinking retailers. Why? Because as well as being a business-friendly city and home to world leading entrepreneurs it is also a fantastic place to live and to study.

London offers one of the most business-friendly fiscal environments in the world, with the lowest corporate tax rate in the G20, one of the widest tax treaty networks of any country and lowest social security costs in western Europe. Add to this its business-friendly labour laws, the UK will continue to be the one of the best global locations for setting up for international businesses.





INVESTOR INSIGHTS

Innovation capital

“One of the strongest regions and cities on the planet. It’s highly attractive and it offers one of the best prospects for business development and innovative thinking. London is the showcase for our work throughout Europe and is paramount in our global strategy.”

Jeff Brennan,
Chief Privacy Officer, Finsphere Corporation

Access to talent

“The access to talent in London is second to none in its diversity, meaning we can find and foster the best talent whether we’re looking for artists, producers or creatives.”

Mike McGee,
Chief Creative Officer and Co-Founder, Framestore

Business-friendly

“London is very easy to work in and is a very business-friendly city. The process was a lot less complex than we expected. It took just six months from the initial idea to opening the office.”

Will Fleming,
President and CEO, MotionPoint

Fast-track business growth

“In terms of regulation, London is a walk in the park. Coming to London was so much easier compared to other cities. We had a lot of support from London & Partners – what normally takes months took one week.”

Surobhi Das,
COO, Zomato

Commerce and culture combined

“London has an unbelievable energy, thanks to its incredible mix of commerce, culture and people. If you want to grow outside the United States you’ve got to come to London.”

Shimon Bokovza,
Founder and CEO, SushiSamba

Capital, clients and people

“Our decision to expand to London was based on three classic elements: access to capital, access to clients and access to people.”

Ben Chesser,
CEO, Coniq

2 FORMING A UK ENTITY

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HOW TO GET STARTED

Tim Stovold, Head of Tax at Moore Kingston Smith, walks you through five steps for establishing your business in the UK.



1. Think about your structure

You will probably find that a UK limited company will be the right entity. Alternatively, if you are intending to carry out more than one type of activity in the UK or need to ring-fence real estate or intellectual property from risk-bearing trading activities, you might want to consider a holding company with multiple subsidiaries. Another option is registering your business as a branch, known as a UK establishment.

2. Get registered and insured

When applying for immigration permission, you will need tax registration and insurance documents to prove you are a genuine UK business.

- i) Register for a payroll scheme so you can make tax deductions at source from payments you make to your employees;
- ii) Register for value-added tax (VAT) so you can recover VAT on your expenses and charge VAT (where applicable) on your sales invoices;
- iii) Arrange £5m of employers' liability insurance so you are covered for any compensation claims brought by employees.

3. Talk to banks early

Do not underestimate the time it will take to open a bank account, especially if your business has a complex ownership structure outside the UK and/or the relevant people are constantly travelling. If you have relationships with banks in your home country that are represented in the UK, this would be an easy place to start. Start the process as soon as your entity is formed.

4. Register your seconded employees

HM Revenue & Customs (HMRC) is the UK tax authority that collects taxes. Your seconded employees will require either a UK social security number (known as national insurance number) or a unique tax reference. They must apply for these reference numbers as soon as they arrive in the UK to avoid delays and mistakes later on.

5. Plan ahead

Establish a calendar of compliance activities for your UK entity and plan whether to handle them in-house or outsource them. UK tax has monthly, quarterly and annual obligations to be met. Evidence that you are tax-compliant is increasingly required in tenders and therefore essential for your business to have the greatest chance of success in the UK.



CHOOSING A LEGAL ENTITY

When establishing a business in London, you need to set up a legal entity. Andrew Oury, Partner at Oury Clark, takes you through the options.

There are various ways to trade in the UK and the most common types are:

UK limited company

A limited liability company structure owned by shareholders and run by its directors.

Pros

- Quick and inexpensive to set up.
- Robust limited liability protecting directors and shareholders.
- Well recognised and understood.
- No need for directors or shareholders to be UK resident.
- No minimum share capital, and only one director required.
- UK Corporation Tax at 19%.
- Access to generous UK R&D incentives.
- Compatible with EIS and SEIS.
- Management and ownership can be separate.
- Can be used for an Innovator visa, Tier 2 visa sponsor and a Representative of Overseas Business visa.

Cons

- Tax losses stay in the UK.
- An audit may be required based on the size of the worldwide group.
- Information on directors publicly available.
- Requirements to publicly disclose all persons of significant influence.

Limited liability partnership

A partnership but the liability of the members is limited.

Pros

- Easy to set up.
- Transparent for tax.
- Flexible for profit distributions.
- Can be useful for ensuring efficient repatriation of profits.
- Can be used for an Innovator visa and a Tier 2 visa sponsor.

Cons

- Not as well recognised or understood as a limited company.
- Needs at least two people or companies to set one up.
- Members all have to file UK tax returns and pay UK tax on profits derived from UK activities.
- Very limited access to R&D incentives.
- Cannot be used for a Representative of an Overseas Business visa.



UK establishment (branch)

A UK establishment is the place of business or branch of an overseas company within the UK. Effectively, it's a direct extension of the overseas company, officially registered at Companies House and the tax authorities to trade. Financial reports of the parent company are likely to be filed in the UK annually.

Pros

- Enables the direct offset of costs in the parent company jurisdiction, and can mean that losses can be claimed in a foreign country.
- Part of the parent and therefore could in theory give better credit terms than a newly incorporated company.
- Compatible with EIS and SEIS if establishment is with the holding company of the overseas company.
- No audit required.
- Can be a Tier 2 visa sponsor and a Representative of an Overseas Business visa.
- May enable parent company to claim R&D relief in the UK depending on branch activity.

Cons

- Part of the parent without separate limited liability thereby exposing the whole business to the UK risks.
- It is likely the group accounts would need to be filed publicly with Companies House, even if they are not filed at home.
- Cannot take advantage of the low UK rate of 19% if the parent company jurisdiction has a higher rate of Corporation Tax.
- Unlikely to work under an Innovator visa.
- Can be seen as temporary or early stage activities.
- Cannot be used for a Representative of an Overseas Business visa.

GUIDE TO UK TAXATION



Which taxes should you be aware of, what rates should you pay and what are your obligations? James Dolan, Partner at Blick Rothenberg, covers the essentials.

Corporation Tax

Corporation Tax is the tax levied on a company's profits. UK resident companies are subject to Corporation Tax in the United Kingdom on their worldwide taxable profits (subject to an option to exempt profits of non-UK branches). Furthermore, an overseas entity trading in the UK through a UK branch or "permanent establishment" is subject to Corporation Tax on profits relating to UK activities.

A UK company needs to register with the UK tax authorities, HM Revenue & Customs (HMRC), and prepare a Corporation Tax Return and tax computation each year based on its annual statutory accounts. This is filed with HMRC. Similar obligations apply to UK branches of foreign companies.

How much?

Corporation Tax is paid on the tax adjusted profits the UK business makes. The rate of Corporation Tax in the UK is 19%. Special rates of Corporation Tax can apply to companies in the oil and gas, banking/insurance or shipping sectors.

Who works it out?

UK companies are required to calculate their own tax liability and file an annual Corporation Tax return on a self-assessment basis. Payment of Corporation Tax may also be due on an instalment basis for larger groups. It is important to seek advice early on regarding the most appropriate trading model to adopt in the UK. For example, whether the UK company should be a service provider to the overseas parent company or whether the UK company will directly enter into contracts with customers. These factors can influence the level of taxable profits in the UK company.

Income Tax

Income Tax (and National Insurance as outlined below) is generally deducted from an employee's salary on a monthly basis, through an employer-run system known as "Pay As You Earn" (PAYE), and paid monthly to HMRC.

How much?

For the tax year beginning 6 April 2020, a UK employee will pay 0%, 20%, 40% or 45% income tax, depending on their earnings. The tax is paid on a "slice" basis, so individuals can usually receive the benefit of their tax-free personal allowance before they begin to pay tax at higher rates.

Employer responsibilities

As an employer, it's important that you calculate income tax liabilities for your UK workforce and any overseas workers you are hosting, taking into account items such as workplace pensions, social security and any benefits provided.

How much income tax will you pay?

Depending on your circumstances, for the tax year beginning 6 April 2020 the first £12,500 (personal allowance) of earnings are tax free. The next £37,500 is taxed at the basic rate of 20%. The higher rate of 40% applies to taxable income between £50,001 and £150,000, after which the additional rate of 45% applies. Note that if an individual's income exceeds £100,000, their personal allowance is tapered away at £1 for each £2 over this limit.

National Insurance Contributions (NICs)

NICs is the UK's social security mechanism.

Both employers and employees are subject to NICs as a percentage of the gross salary paid to an employee.

How do I calculate NICs?

As an employer, you must calculate this amount for both your workforce and the company and pay it to HMRC on a monthly basis, along with income tax. Current rates for employees are 12% of their salary between £183 and £962 per week, and then a further 2% on income above that limit.

For employers, the rate is 13.8% of a total salary above £183 per week. This is a cost that should be factored into budgeting for UK staff in addition to basic salary and any benefits provided. In certain circumstances, overseas nationals may be exempt from paying UK National Insurance; however, it's important to seek advice to ensure the correct approach.



VALUE ADDED TAX (VAT)

David McDonnell, Indirect Tax Director at RSM, provides a quick guide to Value Added Tax (VAT).

What is VAT?

It's a consumption tax on goods and services in the UK and European Union, with different member states having different levels of VAT. All companies that transact with customers or suppliers within the EU will need to understand these levies, even if they do not have a European presence.

What is the VAT rate in the UK?

The VAT rate applicable depends upon the goods or services you supply, although certain goods or services are exempt from VAT and therefore may not count towards the VAT registration thresholds.

The standard rate in the UK is currently 20% and is applied to most taxable goods or services. A reduced rate (5%) or a rate of 0% can apply. You may also be charged UK VAT on goods and services that are supplied to you, but if you are a UK VAT registered business you can recover these payments by paying (or reclaiming) the net amount via your next VAT return.

Who needs to pay VAT and when?

The time at which a VAT registration is required will depend on several reasons such as whether the registration is for a UK entity and/or subsidiary or for a non-established trader. A non-established trader can take many forms, eg, a business that does not have a place of business in the UK, usually a business that is supplying goods from its local country to consumers in the UK.

If the annual VAT-taxable turnover of your UK business (via a subsidiary) exceeds £85,000 per year, you are required to register with HMRC and charge your UK customers VAT on all sales. The tax should then be paid to the UK tax authorities (Her Majesty's Revenue & Customs or HMRC) on a periodic basis, usually each quarter. For a non-established trader selling goods to UK customers, the threshold is zero; therefore, there will be a mandatory requirement to register for UK VAT before the first sale takes place. If a UK business receives certain services from non-UK suppliers that

cumulatively exceed the VAT registration threshold, this may also create a requirement to register for UK VAT.

Further information

You should seek expert advice to make sure that you are paying the correct rate of VAT and if your supplies will be treated as VAT-taxable supplies of goods or services. Furthermore, penalties can be levied by HMRC for not registering at the correct time, for claiming VAT incorrectly or not accounting for VAT correctly on sales.

TAX INCENTIVES

Eyad Hamouieh, Innovation Incentives Tax Partner at BDO, explains the range of options available to support businesses looking to invest in innovation within the UK.

Research and development (R&D) tax credits

There is a lot of terminology around R&D tax relief, but don't be put off.

R&D can be costly, but the UK has some of the most effective tax reliefs available in the form of R&D tax credits. There are two R&D tax credit schemes in the UK:

- SME scheme: delivers between 26% to 33% of qualifying expenditure as refundable tax credits
- Large company scheme (RDEC): delivers a 12% boost to earnings before tax, in the form of a taxable above the line tax credit. This equates to a circa 10% net tax benefit, which is repayable in cash where a company is loss-making.

Qualifying for these schemes can be challenging, especially if your group structure is complex. However, we can help you navigate through this – our expertise in the legislation, underlying guidance and HMRC interpretation and how it applies to companies of all sizes is invaluable.

There's a misconception that R&D only applies to those that wear "white-coats" or businesses engaged in pharmaceuticals, technology or manufacturing.

In reality, R&D tax relief looks to incentivise the improvement of products and processes as much as blue sky thinking – and doesn't only apply to projects that are completed successfully.

The Patent Box

The Patent Box scheme is available to companies earning profits from goods and/or services that have been patented in the UK or with the European Patent Office. It takes the form of a lower effective tax rate at 10% of the relevant profits.

The rules may seem complicated at first, however the calculation need not be, particularly with a little bit of upfront planning and with the support of expert advisers.

Creative sector tax reliefs

The creative industry plays an increasingly significant role in the UK economy. The government has introduced eight targeted tax credits designed to encourage development and production activities in the UK. These can result in a cash refund of up to 20% of eligible expenditure.

The tax credits are:

- Film Tax Relief (FTR)
- Animation Tax Relief (ATR)
- High-end Television Tax Relief (HTR)
- Children's Television Tax Relief (CTR)
- Video Games Tax Relief (VGTR)
- Theatre Tax Relief (TTR)
- Orchestra Tax Relief (OTR)
- Museums and Galleries Exhibition Tax Relief (MGETR).

Employee share plans and incentives

Retaining and incentivising your people is an important objective for most employers and companies. Structuring your cash and share-based incentive arrangements to achieve that goal as effectively and efficiently as possible will give you a competitive advantage.

How you approach this challenge will vary depending on your business's current stage of development and strategy for growth – so it's vital to take advice on the most appropriate scheme for your business.



There's a misconception that R&D only applies to those that wear "white-coats" or businesses engaged in pharmaceuticals, technology or manufacturing. In reality, R&D tax relief looks to incentivise the improvement of products and processes as much as blue sky thinking – and doesn't only apply to projects that are completed successfully.



A QUICK GUIDE TO PATENT BOX

A scheme allowing companies to apply a 10% rate of Corporation Tax to profits attributable to qualifying patents, whether realised as royalties or embedded in the sale price of products.

Who?

A broad range of sectors, including electronics, defence, pharmaceuticals, life sciences and manufacturing can benefit.

Why?

To incentivise companies to retain and commercialise existing patents and to develop new, innovative patented products.

And not forgetting...

The regime also applies to some other IP rights such as plant variety rights, regulatory exclusivity rights and supplementary protection certificates (SPCs).

Visit [hmrc.gov.uk](https://www.hmrc.gov.uk) to find out more.

INTELLECTUAL PROPERTY RIGHTS IN THE UK

Mark Owen, Partner, IP and Media at Taylor Wessing, provides a quick essential guide to intellectual property rights in the UK.

There are several forms of intellectual property rights (IPRs), which can protect a wide variety of different creations including as brand names, logos, inventions, designs, text or images. The main forms of IPRs in the UK are:

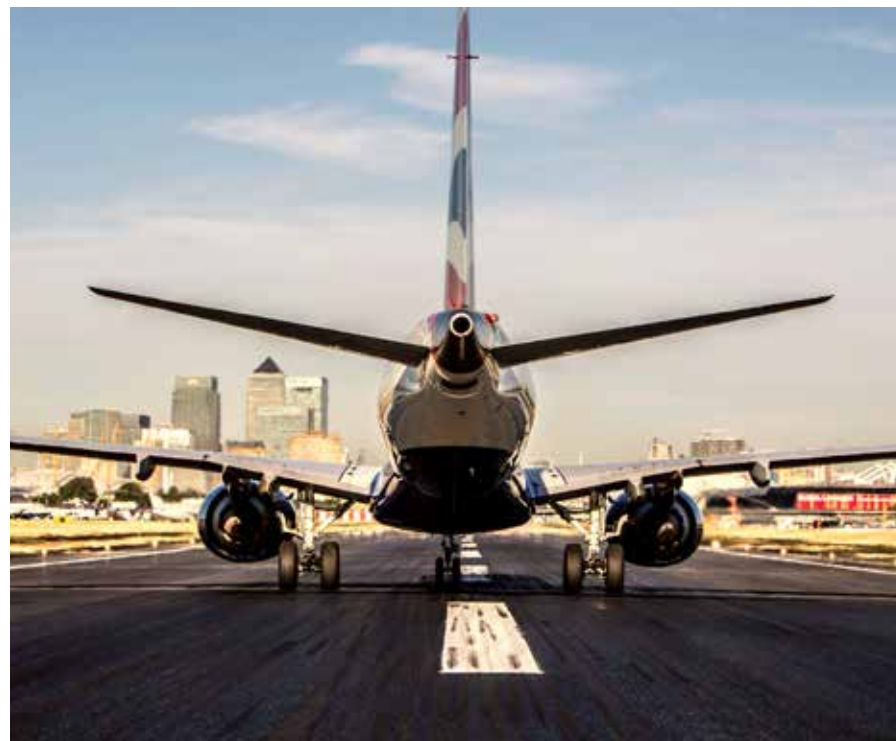
Form of protection	Examples of what can be protected	Duration
Registered trademarks*	Your brand names, business names, domain names, social media handles, logo and product names (but also, potentially packaging, colours, shapes and the like).	10 years, but can be renewed potentially indefinitely.
Rights in passing-off	Your brand names, domain names, social media handles, goodwill and reputation, including packaging.	Potentially indefinitely.
Registered* and unregistered designs	Packaging, the whole or part of a product, 3D shape or configuration, product shapes, graphic designs and surface decoration.	Generally 3 to 25 years depending on which form of design.
Copyright and database rights	Investment in databases, text (such as product descriptions), images, pictures and drawings (such as design documents, marketing materials and product packaging), films, music and software, consumer and sales details.	Generally 70 years from the death of the creator.
Patents*	Inventions. Ones which are essentially a business model are harder to protect.	20 years.
Confidential information	Any commercially sensitive information such as customer or supplier information, know-how, manufacturing processes and product launches.	Potentially indefinitely.

*Registration is required for a right to arise.

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GUIDE TO UK VISAS

Tom Redfern from Redfern Legal explains how to identify the right UK visa for your type of business and what you want to achieve.

Consider the options early on to avoid surprises and to ensure choices down the line, such as residence, are not ruled out.

Leaving the EU

Once the UK leaves the transition period as a result of its departure from the EU, it will automatically leave the European Economic Area (EEA). Until this happens (currently scheduled for 31 December 2020), the rights of EEA nationals remain unchanged. There is a pre-settled and settled registration scheme in place for EU nationals to preserve their residence status in the UK once the transition period ends. It's simple and free of charge.

Visa types

A standard visitor visa allows you to come here for a business activity, but it does not allow you to work. There can be a grey area between the two. If you are a company based overseas with no UK presence, you can expand your business here by sending a senior employee to establish a registered branch or wholly owned subsidiary of the overseas business through the **Sole Representative visa**.

If you're an early-stage high potential entrepreneur who is starting a business in the UK for the first time, consider the **Start-up visa**.

If you're a more experienced entrepreneur with an innovative, viable, scalable business idea and have access to at least £50,000, try the **Innovator visa** route.

The **Global Talent visa** (previously called the Exceptional Talent visa) is for people with the required talent level and is also one of the self-employed routes.

For hiring outside the EEA, make sure your UK company has a **sponsor licence**. These applications fall under Tier 2, an employed route. Your business will need to show it has a UK bank account, and due to money laundering checks expect a four to eight-week preparation time for your application.

The sponsor licence comes with different sub-categories – the ones commonly used when hiring non-EEA employees are the **Tier 2 General** and **Tier 2 Intra-Company Transfer (ICT)** categories.

Tier 2 visa applications include an NHS surcharge and a skills charge. Contributions are also payable by the employer. However, secondees from outside of the UK may be eligible for an exemption of between one and five years of National Insurance contributions. Application for a certificate of coverage may be needed from the home country, so leave plenty of time for this.

DECISION MAKER: WHICH VISA?

Anita de Atouguia, Partner and Head of Business Immigration at Doyle Clayton, runs through the options

Visa type	Ideal for...	Applicants must...
Sole representative visa	Established senior employees who are not majority shareholders , to set up a UK branch or a wholly-owned subsidiary for an overseas parent company whose headquarters and principal place of business is outside the UK.	If using your own money which is transferrable to the UK to invest, you must show: - how much money you have and where it's being held; - where the money came from if held for less than 2 consecutive years prior to application; and - supply evidence of the source of funds. If using money that is owned either jointly with, or solely by, your husband, wife, civil partner, unmarried or same-sex partner, you must: - have unrestricted right to transfer and dispose of the money; - have permission from your husband, wife, civil partner, unmarried or same-sex partner to have control of this money in the UK; and - supply evidence of your relationship plus permission to use the joint funds given.
Tier 2 visas for sponsored workers (overview)	<ul style="list-style-type: none">• Sponsored visa for skilled workers.• You'll need a sponsorship licence from UK Visa & Immigration.• There are minimum skill and salary levels required for all Tier 2 visas .• You may need to undertake a Resident Labour Market Test (RLMT) for Tier 2 (General) visas.• A cooling-off period of 12 months may apply at the end of a Tier 2 visa or UK assignment, preventing the migrant from returning to the UK as a Tier 2 migrant for 12 months (exceptions apply for high earners and for assignments that are less than 3 months).• In addition to government application fees, applicants may also have to pay a mandatory upfront contribution to the National Health Service, which is currently set at £400 per person, per year of the visa.• Sponsors must also pay an "Immigration Skills Charge" at the rate of £1,000 per year of the Tier 2 Visa (reduced to £364 for small and charitable sponsors). Certain exemptions apply, such as for the hire of UK graduates switching into Tier 2.	
Tier 2 Intra Company Transfers (ICT): - Long-term staff - Graduate trainee	(Transferring skilled overseas-based non-EU employees from overseas group companies to your UK operation.) The migrant must have been employed for 12 months in the overseas company to be eligible for a long-term staff visa, unless earn at least £73,900 gross per year. The migrant must have been employed for 3 months to be eligible for a Graduate Trainee visa.	The migrant must be paid at least £41,500 gross per year for the long-term staff sub-category (£23,000 gross per year for Graduate Trainee), or the market rate for the role if higher (as dictated by the relevant Code of Practice for Skilled Workers).
Tier 2 General	Usually for hiring of skilled non-EU staff from outside your "employing group" (eg new hires from abroad or recruits from other UK businesses currently on Tier 2 visas with another sponsor), but can also use for current staff relocating permanently to the UK.	The migrant must be paid a minimum gross salary package of £30,000 gross per year (experienced workers) or £20,800 gross per year (new entrants) or the market rate for the role, if higher (as dictated by the relevant Code of Practice for Skilled Workers).
Start-up visa (formerly known as Tier 1 Graduate Entrepreneur visa) (Early-stage, high potential entrepreneurs starting a business in the UK for the first time, which has been endorsed by an approved body. Can have an entrepreneurial team, but must have individual endorsement.	You do not need any funds to invest in the business at this stage and must not have previously set up a business in the UK. Must propose a business idea that meets the requirements of innovation, viability and scalability and obtain an endorsement letter from an approved endorsement body. Must be able to show business idea is: <ul style="list-style-type: none">• A new idea – cannot join/invest in business already operating in the UK;• Viable, with growth potential; and• Innovative, must be an original business idea unique to anything else in the market
Innovator visa (formerly known as Tier 1 Entrepreneur visa)	Experienced business people seeking to set up or run a business or business idea in the UK, which has been endorsed by an approved body. Can have a team, but investment funds cannot be shared.	Must have a minimum of £50,000 funding available to invest in a new business, and obtain an endorsement letter from an approved endorsement body. No funds required if the business is already established and has been endorsed for a previous visa. Must be able to show business idea is: <ul style="list-style-type: none">• A <i>new idea</i> – cannot join/invest in business already operating in the UK; and• <i>Viable</i>, with growth potential
Global Talent visa (formerly known as Tier 1 Exceptional Talent visa)	A recognised leader (exceptional talent) or an emerging leader (exceptional promise) in a qualifying field (science and medicine; engineering; humanities; digital technology; arts and culture which includes fashion, architecture, film and television). This visa route is also ideal for eligible senior academic or research positions.	Must obtain an endorsement from an endorsing body: <ul style="list-style-type: none">• The Royal Society (for science and medicine);• The Royal Academy of Engineering (for engineering);• The British Academy (for humanities);• Tech Nation (for digital technology);• Arts Council England, (for arts and culture which includes fashion, architecture, film and television); and• UK Research and Innovation (for research applicants).
Tier 1 Investor visa	Individuals with at least £2m in cash funds available.	Have access to at least £2m to invest in UK-registered companies, excluding property development or property management businesses. If using your own money which is transferrable to the UK to invest, you must show several things, including how much and where it came from. If using money which is jointly owned, there are other requirements that need to be provided. Refer to the full list for more information.

*Please note: visa timings fluctuate, and the UK's immigration rules and salary thresholds often change at short notice. In addition, this table summarises some key issues only and therefore should be used as a guide and not be relied upon to provide legal advice.

Resulting in...	Don't forget...	How long to organise?
A 3-year visa, extendable by a further 2 years. Permanent residency after 5 years' continuous stay.	You must meet the English language requirement and work full time for that employer only in the UK (personal and business travel is permitted). A business plan for the UK expansion is required.	Standard processing time is 2 to 4 weeks from the date of the application. Use the priority service option (if available) and receive an outcome within 3 to 5 working days.
		The business must be established and trading first. Licence should be granted (if the application is successful) within 2 to 6 weeks from the date the application is made, but may take longer if the business receives a pre-licence audit from the UK Home Office. Once the sponsor licence has been granted, the migrant's visa must be applied for. So, total timings are likely to be 3 to 6 months.
For the long-term staff sub-category, visa of up to 5 years in total (or 9 years if annual gross salary package is at least £120,000). Maximum granted for a graduate trainee is 12 months. NB: ICT route does not lead to permanent residency.	For the long-term staff sub-category, after a maximum of 5 years (or 9 years if annual salary package is at least £120,000), the employee must leave the UK as a cooling-off (lock-out) period of 12 months will apply. The same applies for graduate trainees unless returning under the Tier 2 ICT long-term staff route. There is no English language requirement.	Standard processing time is 2 to 4 weeks from the date of the application (but a sponsor licence must be in place first). Use the priority service option (if available) and receive an outcome within 3 to 5 working days. 24-hour processing is available in certain limited countries, eg in China and the USA.
Permission capped at 6 years (3- years visa initially with a 3-year extension). Leads to permanent residency after 5 years if certain conditions are met.	The migrant must meet the English language requirement . Applicants must not own more than 10% of the business (unless gross annual salary package is at least £159,600). The migrant's UK company may need to advertise the role for at least 28 days and the migrant may need to apply for permission to recruit against the UK's immigration cap (currently set at 20,700 per year), unless an exemption applies, before offering it to a non-EU national. RLMT must be carried out unless it is a shortage occupation, or the gross annual salary package is £159,600 per year or more. 12-month cooling off period applies unless returning as a high earner with annual gross salary package of at least £159,600.	Standard processing time is 2 to 4 weeks from the date of the application (but a sponsor licence must be in place first). Use the priority service option (if available) and receive an outcome within 3 to 5 working days. 24-hour processing is available in certain limited countries, eg China and the USA.
A 2-year visa that cannot be extended further in this category. Not able to obtain permanent residency in the UK on this visa.	You must meet the English language requirement, as well as providing evidence of prescribed personal maintenance funds for a set period. You should spend the majority of your working time in the UK to develop your business venture(s), but will not be restricted from undertaking work in another job. You can progress to an Innovator visa after two years.	Up to 3 months, depending on timing of the endorsement. However, from the date of submission of the visa application, it usually takes around 2 to 4 weeks to be processed. Use the priority service option (if available) and receive an outcome within 3 to 5 working days.
A 3-year visa. Permanent residency after 3 years' continuous stay.	You must meet the English language requirement as well as prove prescribed personal maintenance funds for a set period. You should spend most of your working time in the UK to develop your business venture(s) and will be restricted from undertaking employment for another business. An endorsement is required at every stage (initial application, extension and settlement).	Up to 3 months depending on timing of the endorsement. However, from the date of submission of the visa application, it usually takes around 2 to 4 weeks to be processed. Use the priority service option (if available) and receive an outcome within 3 to 5 working days.
An initial visa granted for between 1 - 5 years, extendable by 1-5 years on each further application. Applicants endorsed by the science, engineering, humanities and medicine bodies can apply for permanent residency after 3 years regardless of whether they were granted under the "promise" criteria, the "talent" criteria or a new endorsed funder option. The qualifying period to apply for permanent residency under the "promise" criteria for digital technology and arts and culture applicants is 5 years.	No English language requirement. You cannot switch into this visa from a Tier 4 (General) student visa – although previous holders of Tier 4 visas can apply from outside the UK. No "cap" or limit on the numbers of Global Talent applicants. You may work for any employer, work as a director or be self-employed. The two-stage application process involves: 1. Endorsing body will assess your skills, abilities and achievements, and advise the UK Home Office of their decision 2: If endorsed, you can apply for a visa from your home country or normal place of residence or switch status into the Global Talent category from within the UK, if eligible. <i>Possible to submit stage 1 and 2 together at the same time, but not advisable due to loss of fees.</i>	For stage 1, up to 8 weeks, depending on the endorsing body. For stage 2, from the date of submission of the visa application, it usually takes around 2 to 4 weeks to be processed. Use the priority service option (if available) and receive an outcome within 3 to 5 working days.
A 3 years and 4 months visa will be granted, extendable by a further 2 years. Permanent residency after 5 years' continuous stay. Permanent residency can be expedited to 2 years of continuous stay if you invest £10m or 3 years if you invest £5m.	Must have a UK bank account opened for the purpose of investment and the £2m must be held in cash funds, either in a UK bank account or be transferrable to the UK. Must invest the £2m by way of share capital or loan capital in active and trading UK-registered companies within 3 months of entry of the Tier 1 Investor visa. No restrictions regarding work and study activities in the UK (save for employment as a professional sportsperson or sports coach and or as a doctor or a dentist in training) and there is no English language requirement.	Standard processing time is 2 to 8 weeks from the date of the application. Use the priority service option (if available) and receive an outcome within 3 to 5 working days.

THE SOLE REPRESENTATIVE VISA: CASE STUDY

Smith Stone Walters secured visa approval under this category within eight days for a Chinese business touching down in the UK for the first time.



Our client is a technology company based in China with its head office in Xiamen. For the purposes of this article, they will be known as TSC.

In order to expand their business into the European market, TSC handed an existing 27-year-old Chinese employee (‘Mr. JM’) the responsibility of setting up a wholly-owned subsidiary in the UK on behalf of their Xiamen based operation.

As General Manager, Mr. JM held a senior position within the organisation’s headquarters in China but was not a shareholder within TSC. Alongside his existing knowledge of TSC’s operations, Mr. JM also held relative sector-based experience and possessed a strong command of the English language.

Having accepted the company’s offer to move to the United Kingdom with his

family as TSC’s sole UK representative, Smith Stone Walters were engaged to assist in the filing of the UK visa application.

Smith Stone Walters directed TSC and Mr. JM on the rules surrounding the Sole representative visa and the requirements Mr. JM needed to fulfil in order to apply for this type of visa. Our advice included the following:

- *Must have already been recruited and employed outside the UK by TSC whose headquarters and principal place of business are outside the UK, prior to the submission of the visa application;*
- *Must hold a senior position within TSC (but not as a majority shareholder) and have full authority to make decisions on its behalf;*
- *Must have extensive and relative*

- industry experience and knowledge;*
- *Must meet the English language requirement;*
- *Must be in receipt of a salary high enough to support himself and any family members he wishes to take with him to the UK, without needing to turn to public funds for help;*
- *Must intend to work only as a full-time representative of TSC in China and not to undertake any other employment upon arrival in the UK; and*
- *Must intend to establish TSC’s first commercial presence in the UK, eg, a registered branch or a wholly-owned subsidiary.*

As more overseas businesses look to establish a UK hub, this UK visa route is becoming increasingly popular. Companies wishing to take advantage of this visa category, such as TSC, also have a responsibility to fulfil certain conditions. Smith Stone Walters therefore ensured TSC understood the following:

- *Must have satisfactory motivation to establish a UK presence;*
- *Must maintain its headquarters and principal place of business outside the UK;*
- *Must have no other branch, subsidiary or representative already in the UK; and*
- *Should intend to operate the UK branch or subsidiary in the same type of business activity as its overseas business.*

Having ensured TSC was eligible to set

up in the UK, and Mr. JM qualified to represent their organisation in the UK, Smith Stone Walters set about assisting in the preparation and submission of the UK visa application.

For convenience, Mr. JM’s biometric appointment was arranged at the Fuzhou Visa Application Centre, even though the completed application would be assessed by the British Consulate General in Guangzhou.

In order to make this application a success, it was necessary to prepare a range of supporting documents for submission at his appointment. These included:

- *A full description of TSC’s financial*

- activities, including details of assets, accounts and share distribution;*
- *A letter from TSC confirming their intention to establish a wholly-owned subsidiary or register a branch in the UK in the same business activity as their Chinese based operation;*
- *A detailed business plan for the proposed UK office; and*
- *A job description, employment and salary details in respect of Mr. JM’s intended UK role.*

Success! Visa approval...

Just eight working days after Mr. JM attended his biometric appointment in Fuzhou, he received formal confirmation that his “Representative of an overseas

business” visa application had been approved along with those of his three dependent family members. Mr. JM had been granted permission to enter the UK for an initial three-year period in order to perform the specific task of setting up and running the UK branch or wholly-owned subsidiary of his employer, TSC.

Should Mr. JM and his family decide to remain in the UK long-term and extend their existing visas, they would be eligible to secure UK permanent residence (“settlement”) after five years.



OPENING A BANK ACCOUNT

Charles O'Neill, Head of Inward Investment at Metro Bank, tells you what you'll need to bring along if you've set up a company or limited liability partnership (LLP).

- Your business plan, key people, markets and customers:**
- What the firm will do, projected sales, income and expenditure.
 - Who are the key suppliers and customers.
 - Everything a bank needs to know to understand the account movements and the services you need. Especially with regard to industries and countries to avoid payment being classed as unusual and so delayed or denied.

- Company structure chart:**
- Detailing ownership and respective percentage shares held down to an individual level.
 - You will be asked for underlying documentation unless it is available on a public register. This might include things like the certificate of incorporation, share registers, share certificates, partnership agreements and trust agreements.

- Identification and verification:**
- The bank needs to verify the identities and addresses of the key individuals.
 - Usually we need a passport or driving licence for ID plus a recent bank statement or utility bill for the address.
- Bank statements:**
- If your company is a newly registered subsidiary of an existing company, you will need to provide 6 months statements for your parent company.
 - Depending on where the initial funds come from and how much is invested we may also need bank statements from the beneficial owners as well as an explanation of their source of wealth.





RECRUITING AND RETAINING TALENT

At a glance

RECRUITING AND RETAINING TALENT

Harry Martin, Manager of the European Division at Centre People Appointments, shares the key areas to consider when recruiting in the UK.

UK legal requirements

- Maximum 48-hour working week, but individuals can opt-out
- Normal working day considered 9am to 5pm, with one hour for lunch
- Flexible working is becoming more common in UK working culture – this might be worth considering for attracting top candidates.
- Minimum 20 days' holiday and 8 national holidays (most companies offer more to stay competitive and attractive to employees)
- Automatic enrolment pension contributions: employees have the option to opt-in or opt-out Minimum pension contributions are: 3% from employer/5% from employee

Right to work in the UK

All employers in the UK have a responsibility to prevent illegal working.

To do this, the employer should conduct a simple right to work check before employing someone.

- Employer must see the applicant's original documents
- Employer must check that the documents are valid with the applicant present
- Employer must make and keep copies of the documents and record the date you made the check

Interviews: providing equal opportunities

The UK has strict discrimination laws which will dictate what you can and can't ask when interviewing candidates.

Avoid questions relating to:

- Gender
- Age
- "Native" or "mother tongue" speakers
- Nationality/ethnicity
- Others – religion, sexuality, a parent/ planning a family, etc.

Knowing what you want when starting your talent search

London is a very competitive talent market, so it's important to set out clear objectives for what you want when starting your search:

- **Identify what staff are needed**
How many and when you need them by?
- **What order to hire staff**
Start with senior commercial staff, then add support staff?
- **Prepare full job descriptions**
Staff will want written job details in full, without this the process and organisation can come across as unprepared and unprofessional.
- **Salary and package**
Are you offering enough to secure the right talent?
Recruitment agencies can help with salary benchmarking to help you get the salary range right.
Consider additional benefits outside of base salary – these are a massive drawcard.

The UK recruitment process

- Prepare details and salary/package
- Take the job to market
- Consider CVs and shortlist
- Interview (ideally 2 to 3 stages max)
- Verbal offer
- Written offer (ideally within 24 hours) and contract

Ideally aim to have the process last no longer than 2 to 3 weeks.

How recruitment agencies can help

- Full end-to-end support
- Sample job descriptions, salary guidance
- Broad advertising and active search
- Arrange all interviews
- Sample offer letters

EMPLOYMENT TAX AND NATIONAL INSURANCE CONTRIBUTIONS (“NIC”) RESPONSIBILITIES

As an employer you have several tax and NIC obligations relating to your workforce. Lee Knight, Employer Solutions Director at RSM, highlights the main obligations new employers to the UK should be aware of.

The basics

Employers in the UK are required to register as an employer with HM Revenue & Customs (HMRC), to pay employees in accordance with minimum wage legislation and to deduct income tax and employees’ NIC from earnings through the Pay As You Earn (PAYE) system. Employer’s NIC is due on employees’ earnings via this system too.

Under PAYE you will need to complete tasks by statutory deadlines each tax month. For example, information must be reported to HMRC online under Real Time Information when employees are paid; and tax and NIC must be paid to HMRC by the 22nd of the month following payment. It’s important you seek professional advice to find out whether this also applies to your international employees and directors working in the UK.

Employers with a total pay bill in excess of £3m each year are also required to pay an Apprenticeship Levy through the PAYE system.

Non-cash benefits and employee expenses

As an employer, you are also required to report certain non-cash benefits provided to employees on forms P11D by 6 July of the following tax year. It is, however, also possible to “payroll” certain benefits and/or deal with certain benefits via a PAYE Settlement Agreement.

An exemption for employee businesses expenses that are not reportable to HMRC and liable to tax or NIC exists, where conditions are met.

Do not get caught out on self-employed individuals and off-payroll workers

If you engage self-employed individuals, you are required to check that their contractual and working arrangements support self-employed status by applying certain tests.

If HMRC contends that self-employed individuals should have been treated as employees, it can recover the underpaid tax and NIC which should have been paid through PAYE from you together with interest charges and penalties. Make sure the status of self-employed individuals is properly considered from the outset.

Businesses can also have obligations in respect of other off-payroll workers who are not engaged directly by them as individuals. In particular, the UK’s “IR35” rules, which apply when a worker personally provides their services via their own intermediary (such as a personal service company) can, with effect from 6 April 2020, place complex obligations on the end-user of such a worker’s services, and anyone else involved in the supply of such a worker. This can include the obligation to operate PAYE.



UK EMPLOYMENT LAW

David Greenhalgh, Employment Partner at Joelson, takes you through the key things to consider when building your team in London.

There are three main categories of employment status when hiring in the UK: employees, workers and self-employed consultants (as individuals or through a service company).

Employees and workers have statutory rights and protection whereas most self-employed individuals do not. The employment status of the individual you are hiring will depend on their role. We can help you determine the correct employment status in each case.

For both employees and workers, an employer has to pay social security contributions to the UK Government. Employees have various protections and entitlements including paid holiday and notice, minimum levels of pay and a limit on their working time, unless the employee has explicitly opted out. They also get sick pay and a pension and have family related leave and pay entitlements.

Recruiting

During the recruitment process, you need to avoid using any criteria which could be considered discriminatory. In order to maximise your legal protection, it is important to get your staff signed up to employment contracts drafted by specialist employment lawyers. Contracts need to be detailed and should cover areas such as confidential information, intellectual property and post termination restrictions. Carefully drafted post-termination covenants can protect your business against your former employee joining a competitor, poaching your staff



and clients and/or interfering with your supply chain for a period of time post termination.

Onboarding

During the first two years of employment it is possible to dismiss unwanted employees, subject to special protections which apply to in relation to discrimination and whistleblowing. After two years’ employment, you will need a solid legal ground to dismiss (such as redundancy or capability) and you must follow a proper process.

You must ensure successful candidates have the right to work in the UK. There are a range of visas that may be available and a specialise immigration lawyer will be able to advise you.

There is no such concept as **“employment at will”** in the UK, meaning that statutory minimum notice periods apply to any termination of employment. Contractual notice periods, on the other hand, usually vary from one month for junior employees to anywhere between three and six months for senior level hires. We recommend including a probation period in your employment contracts, during which a shorter notice period will apply.

The above is only a brief summary of employment law in the UK and should not be relied on as legal advice. Please contact David Greenhalgh for more information: david@joelsonlaw.com

HOW TO ATTRACT AND RETAIN TALENT

James Webb, Managing Director at Propel, draws on recent research on talent in the workplace.

Whether growing your company from a people perspective, or in a new ecosystem or country – talent is crucial. Previous surveys conducted at Propel have shown that at any point in a company, 63% of its staff might consider a new role within a year. So, what can companies do to ensure they hire the right people and, once in place, keep them motivated, valued and happy as well as profitable?

Propel’s 2019 publication: Digital Nation: Propel’s Talent Manifesto emerged from speaking to 13 business owners, founders and entrepreneurs as well as 200 professionals working in the digital economy.

The importance of culture

Two thirds (67%) of respondents said they had declined a job offer due to the culture and values of the prospective employer. The biggest reason for leaving their last company was people/culture/working environment (44%), with the opportunity for a new work challenge (34%) and a lack of career progression or opportunity (28%) following close behind. Employees who say they have a great place to work were four times more likely to say they were willing to give extra to get the job done, according to research by Fortune magazine and Great Place to Work.

The importance of flexible working

Flexible working and respecting your employees are essential drivers in attracting and retaining talent. People will turn down higher salaries for flexible working and benefits that tune in to their needs, like childcare, sabbaticals and medical insurance benefits. Flexible working practices have increased up to 57% from 49% in 2017 and 36% in 2016 and have become such a hot topic with potential and existing employees, it should be at the forefront of every business founder/owner/CEO’s mind.

The importance of diversity and inclusion

Propel published the second book in its Digital Nation Series: Funding the Digital Economy to add to our research and thought leadership on working culture, diversity and inclusion (D&I). Across 18 Female Senior VC interviewees, what came up time and time again was the increased importance of D&I, both internally and in the companies that they partner with and invest in.

The conversation is now moving to what needs to happen next; how can companies hire, promote and retain those with diverse backgrounds and the importance this carries.



SETTING UP YOUR OFFICE

Clive Buckley, Founding Partner at First Office Hub, takes you through your options when choosing a serviced office space.

The “perfect” office is different for everyone. A startup might benefit from being in a collaborative co-working environment, whereas a well-established brand may feel more at home in their own space. The good news is, with 14 million sq ft of flexible workspace in London and counting, there’s a match out there for every business.

Which office type should I choose?

All flexible workspaces have one thing in common: licence agreements. Unlike a lease, a licence agreement allows you to rent an office for shorter periods of time and there’s room for negotiation. Also, monthly all-inclusive billing makes it easier to keep track of cash flow.

Co-working

If you’re a solopreneur or manage a small team, you might decide to rent desks in a co-working space. Many run events for members, enabling you to network and grow.

Private office

If you want your own space, you can rent a private office in a flexible workspace. Shared amenities mean you’ll still pay a competitive price and get to meet other businesses.

Managed office

Designed with medium to large businesses in mind, a managed solution provides a self-contained, customisable workspace solution on flexible contractual terms.

How to find an office

“With so many office options out there, it can be difficult to know where to look,

but help is at hand,” explains Clive Buckley, Founding Partner at First Office Hub.

Using a free flexible workspace broker can simplify the process of finding an office. Brokers know the market inside out, can match you with options that meet all your requirements and may even be able to negotiate the best terms on your behalf.

Step 1: browse locations

London is a diverse ecosystem that caters to businesses across all sectors, and certain areas are better suited to some than others. For instance, financial services companies often opt for an office in the City of London, whereas creative enterprises usually prefer places like Shoreditch and Hoxton.

Key locations include:

West End

London’s prestigious West End covers Soho, Mayfair, Fitzrovia and Covent Garden. As well as high-end retail brands and galleries, the area is home to a number of established businesses in finance and media.

City of London

Bank, Moorgate and Liverpool Street are all part of London’s financial epicentre. As such, it attracts banks, brokers, investment managers, private equity firms and other businesses in the finance sector.

Tech City

As the name suggests, this part of London is popular with tech startups and digital creatives. Old Street (Silicon Roundabout), Shoreditch and Hoxton all cater to new businesses looking to attract talent.

King’s Cross

London’s largest transport hub has undergone extensive regeneration over the past few years and is now home to a selection of workspaces, as well as Google’s upcoming 1 million sq ft office space.

Westminster

Victoria in Westminster has also been regenerated to accommodate businesses moving to the area. Desk prices are cheaper than those in the neighbouring West End and it’s also a key transport hub.

2. View options

Once you’ve shortlisted your favourite offices and discussed your requirements in more detail, your broker will arrange for you to view them at a time that suits you. You can squeeze a visit in between your meetings or make the best of a day by viewing several options at once. We recommend you view 3 to 5 options.

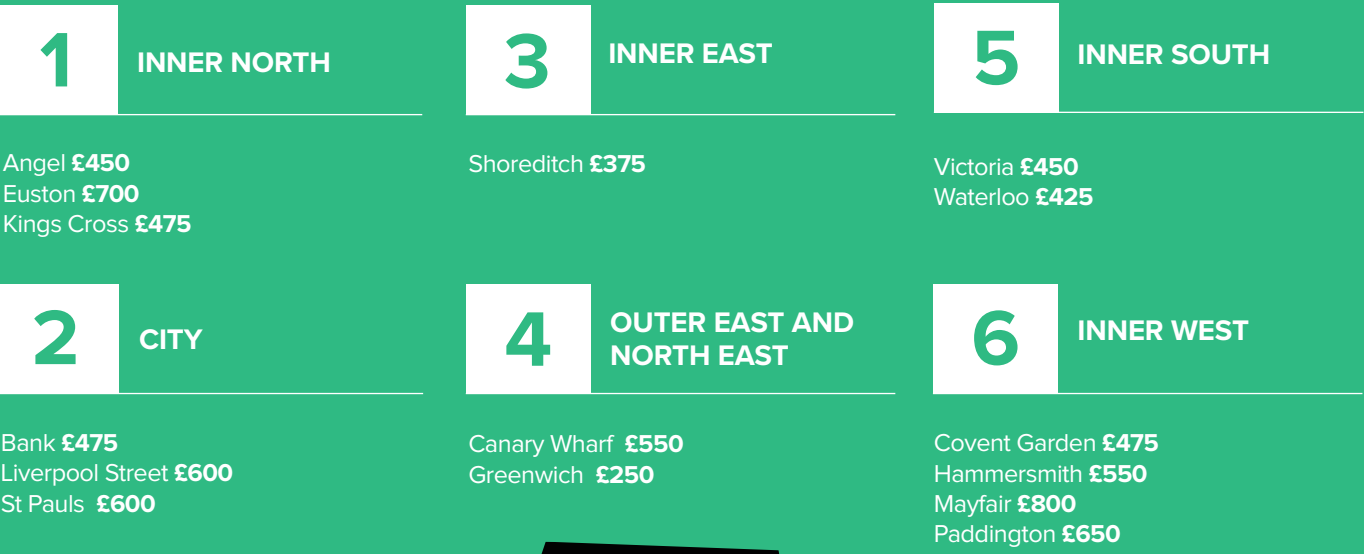
3. Sign and move

Most flexible workspaces are pre-furnished and connected, so you can move in at short notice and start working straight away. You can usually sign for anywhere between one to 36 months. Prices quoted exclude VAT, which is 20 per cent in the UK. You should expect to pay a two month deposit when you sign, however, some operators charge less or no deposit.

Visit First Office Hub’s website to browse offices across London.

At a glance

SERVICED OFFICE COSTS ACROSS LONDON



Data provided by First Office Hub. All prices are based on the average cost of one mid-range workstation per month and subject to VAT.

PLANNING THE PERFECT OFFICE

Planning your office starts with your people, says Joe Firestone, Project Director at Progress Workplace Solutions.

We recommend that you begin the process by collating the information you need to brief your project manager and designer. Starting with an organisational chart, it's good to consider how this might change during your likely expansion throughout the lease term. Clearly state your IT requirements. Do you need a server room? Video conferencing? Laptop or PC-based solutions? You should also decide how the workplace should feel and help support your company culture.

- Do:**
- Employ a professional project management company, an interior designer or an architect
 - Establish your requirements throughout the likely lease period
 - Decide on your office look, feel and culture
 - If you operate in a talent-competitive sector, think about how your facilities could attract the talent you'll need to thrive
 - Decide how much you want to be involved personally - a good project manager can take the stress away.

- Don't:**
- Attempt to deal with the statutory regulations, contractors and suppliers yourself
 - Assume additional space can be easily added as the business expands
 - Assume that services and costs will be the same as your home market
 - Spend your valuable time on setting up the office unless you want to
 - Rush. It's important that you set a realistic timetable and understand how long the search, negotiation and fit-out process is likely to take.

Progress is pleased to offer all London & Partners' clients a detailed feasibility study prior to your property search without charge. This will clarify your requirements and provide an accurate prediction of the property space you will need. This is an important first step in the process of your property search and selection.



At a glance

NEGOTIATING A LEASE

Karli Hiscock from Bates Wells sets out the key points to consider when negotiating a lease.

1

THE PREMISES

Consider not only the space you need now but also your options for the future. The lease will govern your ability to sublet, share or assign. You will need the landlord’s consent to make alterations to the premises.

2

RENT AND SERVICE CHARGE

You may be able to negotiate a rent-free period or a stepped rent and also a service charge cap.

3

REPAIR

You will be responsible for the standard to which the premises must be maintained during the lease as well as the condition they must be handed back in at the end of the lease. You may want to negotiate a schedule of condition to qualify the standard of repair.

4

BREAK RIGHTS

If you need the option of terminating the lease early, a break right must be negotiated. The break will be subject to conditions.

5

USE

You need to ensure that the premises can be used as you intend – the position under planning law should be investigated.

6

DATA CABLING

If you need new cabling, then you must ensure that the landlord will help you put in place the necessary agreements with the data.



Co-working space in London
Benefit from exclusive rates on co-working space in London with our London Touchdown Membership Package.

London & Partners’ clients can receive discounted 3 and 6-month desk hire, saving up to £198 per month (max 3 desks).

In collaboration with First Office Hub, membership includes:

- A flexible, rolling contract.
- A business address and mail handling.
- Discount on meeting room hire.
- Access to co-working spaces across London.
- Access to more than 20 lounges and members’ bars.
- Invitations to members only events.

Find out more: business.london/invest/setting-up/co-working

SETTING UP A COMMS NETWORK

Danny Hill from ITRM advises on considerations for your IT and telecoms provision.

Setting up a new office can be a larger project than most people realise. It is essential that you consider your IT and telecoms options early in the process as far too often they are left to the last minute, leading to added stress, or at worst, long delays and increased costs.

Have you considered your requirements?
Every business wants fast internet and you will need to determine your requirements as well as assess what is available in terms of both speed and providers at each location before you commit to an office site.

With many things to consider, it can be a daunting task. Other key areas to think about include:

- The type of telephone system to install
- How much cabling you'll need
- The best internet service – and what is available at your new site
- Whether to publish geographic or non-geographic numbers
- Setting up a server room

Managing your IT and telecoms provision
Technology is vital for business success and progression in the digital age. Working with an IT managed services provider will alleviate all of your concerns knowing that you are in safe hands and will ensure that your infrastructure is properly managed, assembled and fully functional in your new office right away. Every enterprise is unique, so you won't want a one-size-fits-all package that lacks what you need and includes the things you don't. ITRM has extensive experience in setting up low cost, simple and effective solutions and will take into consideration your long-term business needs to make sure you are receiving managed IT services that are efficient and completely tailored to you.



“

The administrative cost of building a company in London is relatively low, with co-working spaces popping up all over the city to combat high rents. As London continues to foster an ecosystem that supports innovation, businesses will continue to achieve scale-up success.

Phil Cox, Silicon Valley Bank

4 LAUNCH AND GROW

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PLANNING FOR SUCCESS

Setting up in London requires a clear vision for it to be a success. Sian Rudling and Tom Moore from Moore Kingston Smith share their market entry advice.

Most businesses are founded by people with a passion for their industry, meaning leaders spend most of their time working in the business, rather than on it. This can leave little time for proactive strategic planning. Ensuring you have a clearly defined and measurable strategy for new market entry is the best way to achieve your goals.

Why are you entering the UK market?

Before you begin, it's important to define the main reasons why you are entering a new market. Some common examples include finding new talent, filling talent gaps, developing your product, supplying an existing demand, building brand awareness, or simply because of a unique opportunity that has presented itself. Understanding the “why” of your international expansion will help you to drive decisions and measure your success.

What are the key areas of consideration?

Expanding your business into the UK offers countless opportunities, however a new country comes with a distinct set of challenges. In order to plan effectively, knowledge of the local business landscape is crucial and understanding the economic, business and cultural environment of the country is key to getting started. Perhaps obvious but often overlooked practical implications of setting up abroad, including time zone and language consideration, can have a huge impact. It's also important you seek professional advice on things such as legal business structures, fiscal and accounting implications, tax and compliance, the ability to hire and how to protect your intellectual property.

How will you plan an effective strategy and measure your success?

Taking a proactive approach to entering the UK market and ensuring your team has a clear roadmap for the business will position you well for success. An international expansion strategy needs to consider decisions about primary markets of focus, channels for winning new business, your unique service offering, resourcing, brand positioning and a clear operating model. Doing your research allows you to produce useful management information that will drive smart decision-making. Your strategy, business plans and metrics should be compelling and realistic.



At a glance

How to sell in the UK

Act like a local, says Damon Bonser, Director at market entry company, Trade Horizons.

1

SET AMBITIOUS, BUT ACHIEVABLE TARGETS

Understanding what is achievable in your market sector is essential to setting ambitious, but achievable targets. Examine your direct competitors: how long did it take them to build their market share? For how long were they a tier two supplier, before they became a preferred partner? What type of activities and level of investment helped them establish their position?

2

THE VALUE OF LOCAL TALENT FOR SALES

The value of hiring a local senior sales-person to lead your early sales efforts, someone who has sector experience, knowledge, and contacts, cannot be underestimated. Such a person is most likely to get appointments with target prospects and start generating results quicker than someone from HQ.

3

HIRE FOR ATTITUDE, TRAIN FOR SKILLS

As a new market entrant, you need a sales team that is willing to adapt. Provide constant training and support to develop their knowledge of your products or services and invest in developing any required skills. Do not over-focus on having a sales team with knowledge and skills from day one. The right sales attitude is much more important, certainly in the early years.

4

REWARD WITH MORE THAN JUST MONEY

If you are hiring sales people in the UK, they will have chosen to work for you, not the other way around. These people need to be kept motivated and feel they are valued. If not, you will find yourself over-spending on recruitment and lose time and focus on vital early sales.

5

FEED YOUR SALES PIPELINES

As a new business in the UK, you will need a steady flow of sales leads to feed your sales pipelines. You will also typically experience a slower rate of conversion as your reputation is being built in the marketplace and so a constant, high level of qualified leads is required. Resources (people, money and time) are required to find and qualify these leads, and also to manage the data in the pipeline to ensure you have an accurate snapshot of the sales you expect to close.

6

GET YOUR PITCH RIGHT

UK clients will have different expectations, the tender processes may be different and more complex, and most importantly, the competitors may have shaped the way new business is pitched. As a new entrant, you have an exciting opportunity to change the way things are done, but always be mindful that your pitch may need to be adapted to be effective against the established competition.

PROMOTING YOUR BUSINESS THROUGH AN AUTHENTIC NARRATIVE

Larry Weber, CEO and Chairman at Racepoint Global, shares his insights on how to bring your brand to market in a meaningful way that captures hearts and minds.

Your business has achieved exciting levels of growth and is ready to take on a new market by expanding to the UK. But today's customers and consumers are surrounded by a constant influx of marketing messaging and content, making it challenging to cut above the noise.

To truly resonate with customers and partners, your story needs to come from a place of authenticity – around the values and purpose-driven efforts unique to your business and its mission.

Consider these principles when developing your marketing plan:

1. Humanise your brand

Showcase the human side of your brand and those within your organisation to create emotional connections and greater trust with customers and partners.

2. Practice storydoing

Go beyond storytelling to storydoing by highlighting the actions your company is taking to make a real difference in the world.

3. Leverage data-telling

Validate the impact your company is having on people and the planet with data. Set measurable goals and track your progress against them.

4. Focus on earned media

Earned media is reclaiming the lead in the paid, owned and earned equation. Focus your outreach on credible, trusted journalists who can validate and share your story.

5. Leverage your leadership team

In today's world, the senior leadership team, and specifically CEOs, have emerged as a source people turn to for credible information. Infuse their voice into the mix as a trusted, reliable source and guiding light on issues and trends.

Businesses and brands that embrace authentic marketing will experience more transparent and organic sales – largely done at the hands of today's consumers, who are eager to share positive stories. More importantly, it will help your brand establish trust with constituents, the fundamental component of engagement and brand loyalty.



ART OF NETWORKING – OFFICE FREEDOM

Networking is an important investment for your business and it allows you to develop a professional and social connection within your sector.

Before you start networking, it's important to do your homework. Every company has an audience to engage with; find a way to explain how your product or service will benefit and help that audience. If you want to make a connection with a new contact, especially a very busy one, the quickest way is to awaken that person's curiosity with something they aren't expecting.

Smarter networking

Understanding that you're networking with people and not positions can drive your networking success. Everyone knows people who are ambitious, smart and motivated to succeed in their chosen careers and it's much easier to connect with them early in their career rather than later, when they are working for a large corporation or even CEO's of their own company.

In an ever-changing business climate, it's important to keep up with the target market conditions and changing trends within your industry. Knowing and understanding the market is key to developing a relationship with your target audience while ensuring you're front and centre in the minds of the right people.

London's networking hotspots

Whether you're a freelancer, startup, growing business or an established corporate, London is a hotbed of networking opportunities. Liverpool Street and Shoreditch are London's tech hub and various networking events run throughout the year aimed at connecting startups within the industry.

Venture into Barbican and Farringdon and you'll be in fintech territory, with Old Street the place to be for IT, telecoms and the creative industries. "Silicon Roundabout" symbolises its hi-tech status.

Head into the West End and networking opportunities are presented around every corner. Global fashion and media brands often have their offices located here, making it an ideal location to connect with high-end establishments and global enterprises.



Coworking and collaboration

While social media, online groups, trade associations and industry events present excellent networking opportunities, some of the most fruitful contacts might be on your doorstep – literally. Setting up office in a flexible workspace can provide numerous networking opportunities through coworking, collaboration, hosted events and sharing the plentiful amenities that serviced offices provide.

5 ENJOY LONDON LIFE

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At a glance

TIPS FOR RELOCATING

Relocating to a new city can be both daunting and exciting. Katie Shapley, Managing Director of The Organisers, gives her top tips to finding your new home.

1 THINK

Think about what kind of property you would like. Would you prefer an apartment, house, bungalow, new build or character home? Do you want to rent or buy? Do you want to be able to move straight in, or would you like to add your own twist on décor and layout?

2 RESEARCH

What kind of area would you like to live in? Are you looking for the city buzz or the calmer suburbs? Make sure you investigate the local area – whether you're after a local supermarket, a park to run in or a tube station for easy commuting, do your research.

3 BUDGET

When you have an idea on the property type and location, get your finances together. Property costs can veer wildly, even in the same area, and remember to allow for additions like council tax and in some cases, agent fees. Ensure you feel comfortable with the budget and what it covers.

4 PLAN

Start thinking about when you need to move in. Make a plan of action for your international relocation. Once you have an idea of these dates it will help with your new property search and create a timeline. A good British saying: if you fail to plan then you are planning to fail.

5 SEARCH

Whether it be online, through a relocation agent or recommendations from friends, start your property search. Be patient and flexible, and make sure your search partner understands what is really important to you. Ask lots of questions, including minimum rental period, inventory, who will be the property manager, what are the estimated bills and if there are any issues in the neighbourhood. When ready to sign on the dotted line, read the small print on your contract.

6 MOVE

Congratulations! You now have your documents all signed and a move date in the diary. Ensure you give yourself enough time to move to your new property. Get two quotes from removal firms and make sure you buy insurance too. Check the inventory carefully and give feedback within the allotted time.

7 UNPACKING

Boxes, boxes, boxes – where do you begin? Unpacking can be a daunting task, but The Organisers HomeMaker service can help. Our HomeMaker team arrive after your removal firm has left, or they work alongside them unpacking every box and finding a home for your belongings. Taking the stress out of your move and making a house a home, instantly!

8 LONDON IS OPEN

Once unpacked and moved in, relax and celebrate your new home and your exciting London adventure. From Lettings to Sales with Hamptons reporting their biggest quarter for years, London is open for business.

WHAT PRICE FOR A ROOF OVER YOUR HEAD?

Data based on a sample completed by Greater London Authority covering January to December 2019.

Median monthly rental values: One bed



SCHOOLS

The competition for good school places in London remains fierce so plan ahead, says Katie Shapley, Managing Director of The Organisers.

The main options for education in London are the state and private school systems; the latter is also known as the independent school system.

The state system operates on a catchment area policy: your home address entitles you to a place at a school within a certain geographical radius. You will be asked to select your preferred schools from a list, but you will not be guaranteed a place at your “number one” choice. The local education authority allocates school places, rather than the school itself. Parents do not pay for state school education, except to fund items such as uniforms and school trips.

Every state school is assessed and scored for the quality of its education. Visit [ofsted.gov.uk](https://www.ofsted.gov.uk) to read the reports. State school classes are typically around 30 to 35 pupils in size, with a teacher and teaching assistant.

In the private sector, you are not limited to a catchment area: you can apply to any school you choose. Many private schools have feeder nurseries that they select their children from, so it is important to know where to try and place pre-school children. You can find ratings for independent schools at [isi.net](https://www.isi.net).

Private nurseries and schools have smaller class sizes compared to state schools: typically, there are 15 to 20 children per class with a teacher and – in the younger classes – there could be a teaching assistant too.

Annual private school fees range from around £8,000 to more than £35,000 per year depending on age and type of school. Applying to a private school usually involves a registration process and visit, a report from your current school head teacher, an entrance exam and an interview.

The Organisers have a wealth of knowledge within the industry, as well as established relationships with many schools throughout London and can organise and guide you through the entire process.



TRANSPORT

With six airports and a high-speed Eurostar terminal, London is an easy destination to arrive to and travel from.

Air

London has great links to six international airports, London Heathrow, London Stansted, London Gatwick, London City, London Luton and London Southend. Each are accessible via public transport.

Eurostar

London St Pancras offers a walk-on passenger service to and from Paris in two hours and 16 minutes, Brussels in one hour and 48 minutes and Amsterdam in three hours and 52 minutes. This service runs frequently and is a great form of international travel, cutting out airport waiting times. Tickets can be bought online prior to travel or on the day depending on availability.

Travelling around London

London Underground

The Underground is divided into nine zones which have a range of different fares. The tube map is divided into different colour tubes lines, of which there are 11, to show the available routes around London. The easiest way to travel on the Tube is to use your Oyster card or contactless bank card to tap in and out of tube stations.

National Rail

Trains offer transport across London and are useful to reach places that do not have the Underground. There are price changes depending on which zone and whether travelling during peak times

Black Cabs

London’s traditional and iconic black cabs are available all-around London. When in need of a taxi, they can be hailed down when they have their yellow light on show. Taxis can travel in bus lanes, reducing travel time. Payment can be made with cash or card.

Bus

Iconic red, double decker buses ride around London via their own bus lanes. Enjoy the views and atmosphere of the city by sitting on the top deck. Payment can be made with your Oyster card or contactless bank card.

Bicycle

There are lots of cycle lanes in London. Santander Cycle Hire has various docking locations to hire bicycles. The hire process is easy using your debit or credit card as payment, but if you are after a quick cycle the first 30 minutes are free.

Transport for London (TfL) provides information on all modes of transport. For 24-hour information visit [tfl.gov.uk](https://www.tfl.gov.uk)

Time off and time out

As a London resident, you, your family and friends will have some of the world’s best sights and attractions on your doorstep. Here are some of London & Partners’ top reasons to spend time away from your desk.

TOP ATTRACTIONS

You can’t fail to be excited by London’s amazing attractions. See London from above on the London Eye, meet a celebrity at Madame Tussauds or examine precious treasures at the British Museum. What’s more, many of London’s top attractions are free!

WEST END THEATER

London has the best theatre scene so don’t be surprised to see a few famous faces on the London stage. Take your pick from long-running musicals, classic plays or a West End debut.

PREMIER SHOPPING DESTINATIONS

You’re spoilt for choice when shopping in London; from the flagship stores on Oxford Street, to gifts and bric-a-brac at London’s markets, or visit an iconic department store such as Harrods or Selfridges.

ICONIC SKYLINE

There are plenty of places to view the iconic skyline along the river, but make sure you take in a panoramic view of London from up high too.

BEAUTIFUL GREEN SPACES

The capital is home to eight beautiful Royal Parks, including Hyde Park, St James’s Park and Richmond Park. Alternatively, visit one of London’s peaceful gardens such as Kew Gardens or Chelsea Physic Garden.

RIVER AND WATERWAYS

The Thames flows through Central London and provides a stunning backdrop to many of the city’s top tourist attractions. River bus services and river tours are great ways to beat the traffic and enjoy wonderful views.

TOP SPORT

See a match in London or take a tour of the capital’s spectacular sporting venues from Chelsea FC’s home at Stamford Bridge, to Lord’s Cricket Ground or Wimbledon Lawn Tennis Museum.

EXPLORE LONDON’S NEIGHBOURHOODS

Venture outside Central London to discover fascinating London areas, from leafy Richmond with its green spaces and riverside walks, to Greenwich’s maritime attractions, or Brixton’s markets and lively cultural scene.

[visitlondon.com](https://www.visitlondon.com)

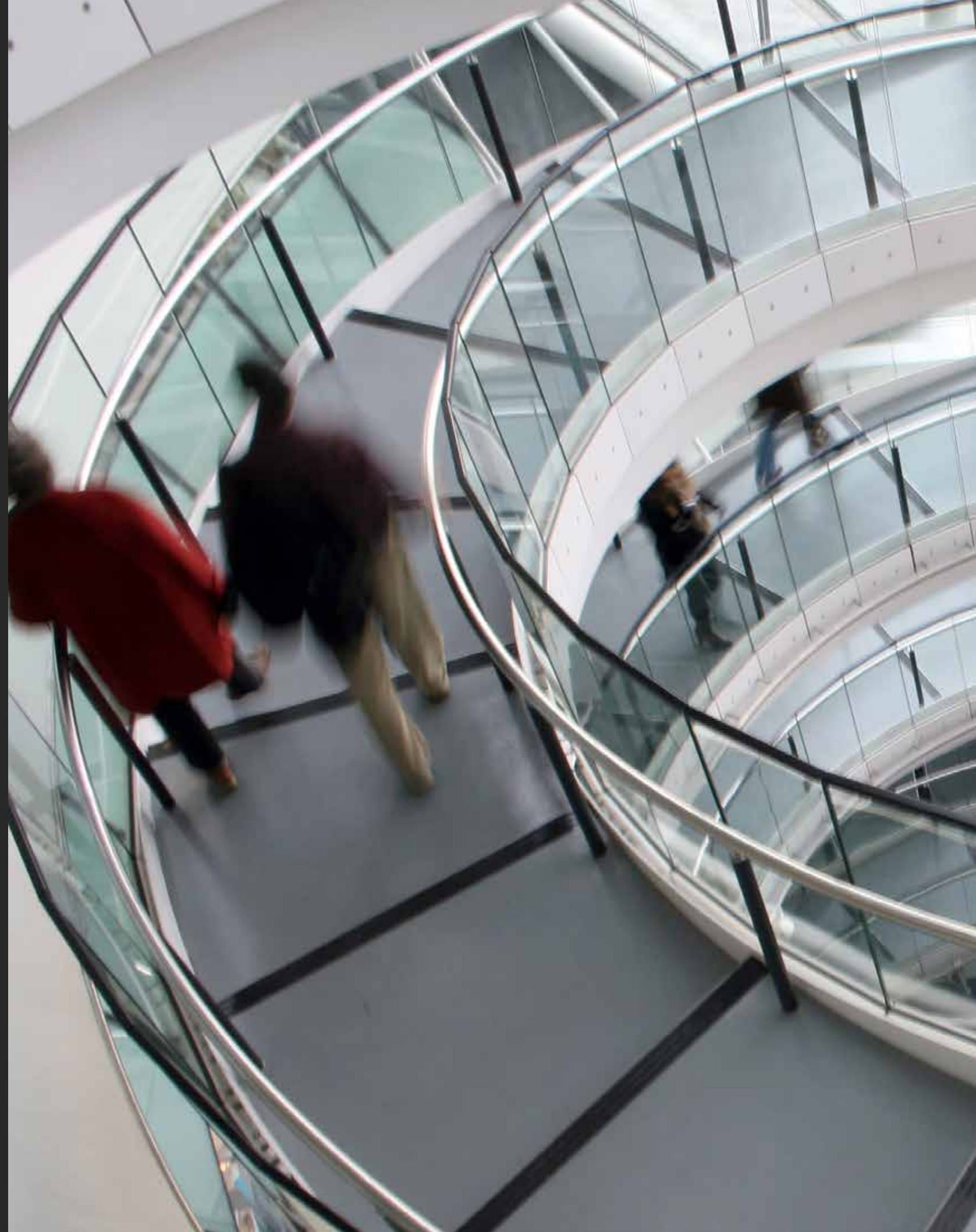


TIME OFF
AND
TIME OUT

LONDON & PARTNERS IS THE OFFICIAL INTERNATIONAL TRADE, INVESTMENT AND PROMOTION AGENCY FOR LONDON.

**Our purpose is to support the Mayor's priorities by promoting London internationally,
as the best city in the world in which to invest, work, study and visit.**

We are the experts on doing business in the capital, helping businesses to set up and grow. We open direct access to expert and experienced professionals, who advise and guide businesses through every aspect of locating and doing business in London.



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