

Maidstone's (new) space age

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Maidstone Council hopes it will benefit more than a thousand entrepreneurs a year through a combination of affordable workspace, flexible time-based and virtual memberships, peer-to-peer business support and collaboration, along with high-quality, bespoke mentoring, events, seminars and workshops and informal networking.

The Business Terrace will help break down barriers to business formation and survival across the borough. These include:

- The high cost and inflexible terms of premises in Maidstone. 'Generic' start-up or move-on space is dwindling. There is a lack of premises available on flexible enough terms and costs are comparatively high – particularly for those without start-up capital such as first time entrepreneurs, recent graduates and residents starting in business from low income backgrounds;

- Too many micro businesses working in isolation with few natural clusters or opportunities for developing local supply chains; and

- A lack of business skills. In some areas there is little awareness of what is available and the cost of getting help is perceived to be high.

The Business Terrace will combine best practice and innovation from across the UK to establish a leading-edge facility



to meet the aspirational needs of Maidstone.

For more information contact Karen Franek on **01622 602392** or email karenfranek@maidstone.gov.uk

The council's economic development team looked at how incubator and affordable workspace is delivered across the country to find the best model for the borough. It will include:

- Day passes (a little like internet cafes) for use in breakout areas

- Desk space, on a membership basis from just 30 hours a month to unlimited use

- Highly flexible, easy-in easy-out terms on six office pods – enabling space for expansion as businesses grow

- Seminar, meeting, events and networking spaces: vitally important for businesses to offer impressive hosting facilities for clients, which could lead to them winning more sales and investments.

Meeting spaces

Small meeting room: Up to four people.

Seminar room: 40 theatre style / 20 board room

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Terrace 30: Bookable desk 30 hours per month (equivalent to one day a week)

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Main place of work with dedicated desk

Offices

Two-person 7.5m2 (81 sq ft): With meeting table/two chairs. Licence to occupy for up to six (plus six) months (12 months maximum) – thereafter only on sub lease terms

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Pension freedom... time for an update

A PENSION has, historically, been generally viewed as a long-term savings vehicle, to help provide cash and income in retirement – and this is how they should still be viewed, not as a 'cash cow' to deal with short-term needs.

It is just over four months since the introduction of pension freedom legislation came into full effect and the Financial Conduct Authority (FCA) has begun to look into how the product providers are implementing the new changes and dealing with customers who want to access some or all of their pensions.

The move came after George Osborne and Harriet Baldwin (economic secretary to the Treasury) expressed concerns that people may have been facing unnecessary barriers when seeking to make use of the new flexibilities.

The regulator has raised a number of questions with providers, including details of the options they are offering pension savers, the advice requirements for consumers seeking to transfer out, the treatment of insistent clients and transfer procedures and exit charges.

In an update on the market, the FCA said that there had been a significant increase in activity since the pension reforms came into force, including over one million calls to insurance companies in the first month after the freedoms were introduced, representing an 80 per cent increase in year-on-year volumes.

The regulator said that while most firms have coped well with this additional demand, there had also been "some operational challenges at a minority of firms". As an example, it said that telephone call wait times and

abandonment rates were higher than all parties would have liked, but that they have improved since and are continuing to reduce.

This news is hardly surprising given the significant and unexpected changes in pension legislation. Providers had little time to prepare and had to guess the volume of enquiries they would have to deal with.

Based on a survey of firms representing 84 per cent of the market, the FCA said that in the first three months, 60,000 people had taken advantage of the flexibilities, with 53 per cent of customers accessing their savings using some form of full or partial encashment. It was also noted that many of the people looking to access their pensions as a result of the new freedoms have smaller pots, typically under £50,000 and that many of these have been taken as cash.

The turnaround times for applications have also slipped with some providers taking over 25 working days to deal with transfers out to other providers, this clearly delays the funds reaching the customer.

The changes in legislation have definitely stimulated huge interest in pensions. Behind all this activity are some concerns about the advice that consumers are getting before they access their pension benefits. The government has set up www.pensionwise.gov.uk, a service that is designed to provide guidance not advice, on your retirement options and which could be a good place to start if you don't feel that you want to receive independent financial advice.

However, if you feel you would like to get advice you can find advisers near you through www.unbiased.co.uk

Value of cash-flow modelling

The use of Lifestyle Cash-flow Modelling tools offers a solution to understanding how long your pension needs to last and how much. In the past your pension would have been used to provide a regular income via a lifetime annuity or income drawdown, the income level that you took was designed to ensure that it was sustainable throughout life. Today as long as you know how long you are going to live you can spend your last 'pension pound' the day before...

But who knows how long they are going to live?

Cash-flows are used in business all the time and, although not often associated with domestic financial planning, they do allow you to model your various income sources and show how long they are likely to last, taking into consideration how they might increase over the years, in the case of a state pension; or if they are only a short-term income source, like part time work as you enter retirement. All these income sources can be plotted against your expenditure as you progress

towards and into retirement.

It is a good idea to split your income into 'essential expenditure needs' and 'desirable expenditure needs', which will help you appreciate the absolute minimum income requirement needed to be secured in retirement and what will allow you to live a little or a lot!

Now that the legislation seems here to stay, product providers are starting to look at ways in which they can offer a hybrid structure within one product, catering for some level of guarantee to cover minimum income requirements, married together with an element that can provide a top up income; we expect this area of the market to expand.

Given we don't have the ability to predict our life expectancy, it is extremely important to ensure we plan our retirement income and expenditure effectively, bearing in mind that many people spend as much time in retirement as they done have working and that pension monies have to last.

Phil Cross

A pension is a long term investment the fund value may fluctuate and can go down. Your eventual income may depend upon the size of the fund at retirement, future interest rates and tax legislation.

Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from taxation, are subject to change.

The views and opinions in this article are simply those of the author. This article does not constitute personalised advice and therefore should not be relied upon in making decisions. Should you wish to discuss the concept further, or receive personalised financial advice, please contact Phil Cross or Alex Cross on 01634 730800 or phil@directfp.co.uk and alex@directfp.co.uk

Philip Cross is an Independent Financial Adviser working for Direct Financial Planning (UK) Limited and Close to Retirement. Direct Financial Planning (UK) Limited is an appointed representative of TenetConnect Services Ltd, which is authorised and regulated by The Financial Conduct Authority.

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Kent Profile

AUGUST/SEPTEMBER 2015

FEATURING KENT PEOPLE, PLACES AND BUSINESSES

We're moving!
College joins the
Ashford A-listers



and

Magna Carta story
keeps growing

Wellington at
Walmer Castle

Maidstone's
new space age

plus

THE ONLY 60-DAY ENTERTAINMENT GUIDE