

Start-up guide for hair salons, barbershops and beauty salons



**Supporting the hair, beauty
and barbering industries**



Starting up a hair salon, barbershop or beauty salon

Hairdressing, barbering and beauty businesses are among the most popular independent start-ups for would-be entrepreneurs. So, if you've decided it's right to launch your own hair or beauty business, this guide is for you.

We're going to show you what you need to think about, the steps you need to take and how to get your business off the ground. We'll also show you how the NHF can help you at every stage from now, before you set up, and once you're up and running.



Why should you start a salon?

HAIR AND BEAUTY IS A BIG AND GROWING INDUSTRY

According to the NHF's most recent industry statistics, there are over 40,000 hair salons, barbershops and beauty salons in the UK, employing around 270,000 people and contributing some £7bn to the UK economy.

AS START-UPS GO, HAIR SALONS, BEAUTY SALONS AND BARBERSHOPS ARE RELATIVELY LOW COST

For the smallest salons moving into a space that's mostly already kitted out, start-up costs can be as little as £5000. Most salon owners will spend considerably more than that though, probably around £50,000, and it can be much more depending on the size and sophistication of your business. For example, a beauty salon offering anything more than basic treatments will need to invest in expensive equipment such as lasers which can cost thousands. Most salon owners would say that their investment was a lot more than they had originally anticipated – so be cautious and don't spend more than you can afford until your business is established.

IT'S POPULAR

Hairdressing is the fifth most popular choice as an independent business start-up, while beauty is eighth, according to the NHF's industry statistics. It's a business you can easily explain to your bank manager or investors when you're looking to get funding.

YOU MAY ALREADY HAVE THE KNOWLEDGE

If you're already a successful stylist, barber or beauty therapist, and especially if your employer has involved you in understanding how the business works, you'll already have some of the skills you're going to need to be a success. But it is also important to recognise that being a business owner is very different to being an employee and you will need to master a whole set of new skills in management to be successful.

IT CAN MAKE YOU SERIOUS MONEY

If you're successful as a salon owner it can be a way to make a good living. And if you're really successful – perhaps running a whole salon chain – you can potentially make serious money. A successful salon can also be a useful retirement “nest egg” or something to pass on to your children if they're also working in the industry.

24/7 legal helpline

to help with HR and employment issues

How the NHF can help

- Take a look at our hair and beauty industry statistics www.nhf.info/industrystatistics/
- Business training courses
- Guides on all aspects of running a business
- 24/7 legal helpline to help with HR and employment issues
- Health & safety toolkit
- Business coaching

Why you shouldn't?

STARTING UP ANY BUSINESS IS A RISK

It is estimated around half of all new start-ups fail within their first five years. The fact that hairdressing, barbering and beauty are such popular choices means that it can be hard to survive against the strong competition you'll face in most locations. Just walk down any high street and count the number of hair and beauty businesses – what's going to set yours apart?

ARE YOU THE RIGHT PERSON TO BE IN CHARGE?

Be really honest with yourself – are you cut out to be a salon owner, and do you think you'll enjoy it? As a business owner, you carry all the responsibility and you'll have to make all the tough decisions.

Did you know?

- Half of all small businesses don't survive their first five years
- Hair salons are the 5th most popular independent start-ups after coffee shops, take-aways, restaurants, and pubs. Beauty salons are the 8th most popular.

DO YOU HAVE THE KNOWLEDGE?

You're an expert hairdresser, barber or beauty therapist, but how good is your business knowledge? Are you prepared to learn about accounts, profits, tax returns, employment law, payroll and health and safety? Remember half of all start-ups fail, and it's usually because they're don't pay enough attention to the business side of their business.

GETTING SUPPORT

You may not have all the business skills you need yourself, but you can get help from others such as a trade association like the NHF, your accountant, a business coach or a salon manager.

WILL IT FIT IN AROUND YOUR FAMILY OR PERSONAL LIFE?

Especially in the early years when you're getting established, you'll be working very long hours, with little time left over for family or friends. You'll constantly be thinking and worrying about your business, so you need to be able to cope with stress.

A WORD ON RESTRICTIVE COVENANTS

If you're thinking of setting up your business in the area where you currently work check whether your current employment contract has a “restrictive covenant” in it. These clauses are designed to protect salon owners from having their clients poached when stylists or therapists move on and so prevent you from setting up a competing salon or barbershop close to where you work, usually for 6 months after leaving.



Getting started...

LOCATION, LOCATION, LOCATION...

Choosing the right location is the biggest business decision you'll ever make. The right location will have plenty of people and traffic passing by, it will be easy to find and it'll have car parking for clients and staff nearby. A high street location is likely to be more expensive than a side street but you really need a strong and visible presence to attract potential clients into your salon or barbershop.

Decide on your target market, the type of clients you want to attract and the salon experience you'll need to offer them. If you're in an urban area targeting busy, well-off professionals, your business is going to be very different from a village location catering mainly for clients who are retired or for young mums. Age, gender and socio-economic status all affect what clients are looking for - and what they're willing to pay. Here's some things to consider:

THINK FOOTFALL

You'll have to weigh up your potential location in terms of cost versus footfall. But also think about how footfall and passing trade are likely to change during the day or week or season.

THINK SPECIFIC MARKETS OR SERVICES

If your salon is in a financial or business district there may be potential for express services for commuters on their way to or from work or at lunchtime or heading out for the night. Or if you're near a university or college that could mean a potential student market but bear in mind there may be a sharp drop-off during holiday periods. If you're in a multi-cultural area do you and your team have the technical skills needed to work with Afro-Caribbean or Asian hair types or to offer beauty services to a diverse range of clients? Or if it's an area well-known for hen and stag parties, weddings or proms, perhaps you could offer glamour or beauty packages.

THINK CHANGE

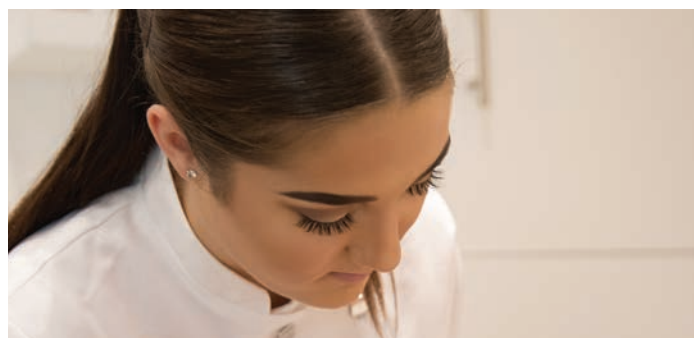
Try and get a feel for how your target area is likely to change. Are house prices and incomes going up or down? What are the transport links like and is there car parking for clients and staff? Are there any plans for big developments or regeneration, which could work to your benefit? Look for disadvantages too such as new shopping developments nearby which could mean your clients go elsewhere.

THINK "PROJECT" OR STRAIGHT IN

If you take on a salon that needs a major renovation or you're fitting out a new retail unit from scratch, you can give it your own identity from day one. The site itself may also be cheaper as a result, but there will be an upfront fit-out cost and you're not going to be able to start trading straightaway especially if you have to apply for planning permission which can take longer to come through than you expect.

Make sure there is enough space for each worker to operate efficiently and enough electrical sockets to go round. A cramped workspace can be a nightmare for your team who will be working in it all day every day. You're likely to start small, so think now about whether there's space for later expansion too.

But don't over-spend on salon fit-out, as you'll need to manage your budgets carefully in the early days. Your income will be uncertain until your business is established and large debts you have to pay off each month will make your business less profitable. You can always spend more on a refurbishment later, but for now the priority is to have a salon which is inviting, clean, tidy and, crucial for beauty salons, hygienic.



How the NHF can help

- NHF Guide on How to deliver an outstanding client experience
- Business training courses
- NHF Guide on Salon marketing plans
- Commercial helpline available Monday to Friday 9-5 to advise on leasehold agreements, landlord/tenant disputes, rent reviews etc
- 20% discount on Coversure's Salonsure insurance policies, backed by a price promise if you find a like-for-like quote elsewhere
- NHF Guide on fitting out a salon



How the NHF can help

- Discount on PPL licences for NHF members
- NHF Guide on delivering an outstanding experience covers music, TV and alcohol licences.
- NHF Guide to data protection also covers wi-fi
- NHF business training courses
- NHF business coaches provide expert support and trouble-shooting

DECIDE WHETHER YOU'RE GOING TO BUY OR LEASE YOUR PROPERTY

The main advantage with a leasehold, especially if your budget is tight, is that it will normally be a lot cheaper than a freehold. Get a survey done and take photos before you sign the lease so you can't be held responsible for pre-existing faults. Check there are break clauses in the lease.

BUSINESS RATES

Finally on premises, you need to take the cost of business rates into account. If your salon is small you may be able to get Small Business Rate Relief (see later) but if you do need to pay rates, they apply from when you take ownership, even if you aren't yet trading.

FREEHOLD	LEASEHOLD
You own the building and the land it stands on until you sell it.	You gain ownership of that property only for the term of the lease
You will be responsible for all maintenance and repairs to the building.	You will be responsible for maintaining the property internally. The freeholder will be responsible for maintaining the building itself as well as shared areas such as lobbies and stairways.
Freehold is usually much more expensive upfront and is less flexible as the only way to move on will be to sell it or lease it out yourself to someone else.	With a lease you may be asked to provide "key money", or an upfront capital sum, to secure the lease, though some leases are sold without this, called "without premium". You will also normally need to pay a deposit (which can often be as much as six months ground rent) and/or provide a guarantor and references.
With a freehold purchase, you'll need to appoint a surveyor and get legal advice. You will need to show your bank that you have a viable, properly costed business plan.	You should take legal advice to ensure the length of the lease is appropriate for your business and the business has the correct "permitted use" to be a salon.
You need to insure the building itself as well as the contents and equipment.	With leasehold you'll need to insure your contents and equipment.

Licensing

Especially if you're opening a beauty salon, you need to be aware of licensing requirements. These vary from one area to another, so check with your local council. Your premises may be inspected before licences are given, so allow for the time this takes, and any costs, in your start-up plans.

MASSAGE AND SPECIAL TREATMENT LICENSING

You will probably need a massage and special treatment premises licence if you offer treatments such as massage, manicure, chiropody, light treatments including sunbeds, electrical treatments such as electrolysis and other treatments involving heat, light or vapour eg saunas. Therapists offering these special treatments may also need to register individually with the council.

TATTOO, PIERCING AND ELECTROLYSIS LICENCE (ENGLAND AND WALES)

You will need a separate licence if you offer any skin piercing treatments such as tattoos, semi-permanent skin colouring, cosmetic piercing, electrolysis or acupuncture. Again, check with your council.

MUSIC AND TV LICENCES

If you play recorded music, music videos or the radio in your salon or barbershop you'll need both a PPL and PRS licence. And if your clients or your staff can watch live TV, you need a TV licence.

ALCOHOL

You need two licences from your council – a premises licence and a personal licence. You can't provide 'free' drinks without a licence if you're also offering clients a service or treatment.

GUEST WI-FI AND DATA PROTECTION

If a client logs onto your wi-fi and then downloads illegal materials, you could be liable if your wi-fi hasn't recorded who that user is. If you hold or process information about clients, employees or suppliers you must comply with the Data Protection Act and register your business with the Data Protection Register.

10% discount

on the PPL license annual fee for NHF members

Pricing

How you price your services will have a big effect on the amount of money your salon is going to make and your chances of being successful as a salon owner.

But it is a hard calculation to get right. Too high and you could scare potential clients off, but if your prices are too low you may not be able to make a profit. So you need to think very carefully about the right price position for your salon.

Factors that you'll need to consider will include your location, target client demographic, how wealthy (or not) your area is, the costs of having a salon (for example if property prices, rents or rates are really high you may need to reflect that in your prices), the range of services you offer and how sophisticated they are.

COSTS

Crucially, you need to have worked out the cost of running your business:

- Wages (likely to be your biggest cost)
- Stock
- Rents and rates
- Utilities
- Loan payments
- Marketing and promotion
- Insurance
- Tax and VAT

How much does your salon or barbershop need to take to cover all these costs and allow enough profit for you and your family to live on?

20% discount

on Coversure's Salonsure insurance policies
backed by a price promise if you find a like-for-like
quote elsewhere

DISCOUNTS AND PREMIUM PRICING

Don't just follow what your local competitors charge. For example, if you're surrounded by cut-price barbers you may decide not to compete on price and to make your barbershop different by aiming for a higher spending clientele - as long as you can attract those kinds of clients in your chosen location.

Salons are often tempted to price everything as low as possible or to offer discounts, but that sends an unspoken message to potential clients about how you rate the value of what you're offering - do you want to be seen as the cheap option? Recognise too that once you set your price position, it will be much harder to raise prices later on.

A service or a product can be priced at a premium because it's something clients will be happy to pay a bit extra for. As long as they feel they're getting value for their money, then it's OK to charge more.

You should consider making your pricing structure "gender neutral". It means calculating your menu of services according to the time they take and the experience of the stylist the client chooses, rather than having a different menu of prices for male and female clients, which also leaves you open to claims of gender discrimination.

TIERED PRICING

Implementing a tiered or graded pricing structure should also be implemented for hair salons. Under this model, instead of having just one price for a service, you offer clients a graded structure (often with a lower, middle and upper level) based on the level of experience or skill of the stylist. This means clients can choose a more experienced senior stylist and pay a premium, or choose a junior stylist and pay less. This allows you to set your lowest prices at what you may otherwise have charged for all your stylists so your middle and upper level prices will therefore boost revenue and turnover.

It's more typical for beauty salons and barbershops to have just one price for all therapists or barbers who should all be trained to the same standard.

How the NHF can help

- Discount on PPL licences for NHF members
- NHF Guide on delivering an outstanding experience covers music, TV and alcohol licences.
- NHF Guide to data protection also covers wi-fi
- NHF Business training courses
- NHF business coaches provide expert support and trouble-shooting



OTHER SOURCES OF FUNDING

- **Self-finance** – you will probably need to invest some of your own money in the business anyway, but you could self-finance it all
- **Investors** – make sure you draw up a clear shareholders agreement from the start, even if it's family members investing in your business
- **Crowd-funding** – can be a useful source of alternative investment
- **Grants** – you may be able to get a start-up grant, check www.gov.uk/business-finance-support-finder

Get finance

As a would-be business owner without a track record of running a successful business, the bank will see you as a potential lending risk. So do your homework before you go in to see the bank or building society, and prepare thoroughly for the questions they may ask you.

The good news is that a hairdressing salon or barbershop is a business model which is familiar to the bank, but they will also be well aware that salons come and go and many small businesses fail - so you must have a realistic business plan and financial forecasts.

Your business plan needs to show:

- What your business is going to be
- Your skills, background and experience which will make you a successful salon owner
- Who your customers are going to be, your target market
- How many employees you expect to have, what they will be doing and how senior or experienced they will be – this will help you to calculate your wage costs, which are usually the highest cost of any service industry
- Your pricing structure, including any additional services you intend to offer, and where your revenue is going to come from, either immediately or once the business is established.
- An understanding of your likely competitors and the commercial pressures you will face.
- Accurate and realistic calculations of how much money you'll need to get set up and operational, ideally showing a breakdown of costs and what the money will be used for.
- Accurate and realistic projections of cashflow, turnover, profit and loss and sales forecasts for the next three or five years that add up, make sense and appear reasonable to the bank manager.

Essentially, you need to show the bank how much you need to borrow, why, how you're going to use the money and how and when the bank is going to get its money back. Here are some other good tips:

- Make a preliminary appointment with the bank's small business adviser to talk through what they want to see within your business plan. This will not only help ensure your information is relevant, it will show the bank manager you're someone to be taken seriously and that you want a positive ongoing business relationship with them.
- Check and double-check your costs all add up – and if you're not confident yourself get someone you know and trust with figures to go over them.
- Be conservative with your projections rather than over-optimistic about what you expect the salon to be turning over within the different time periods you have outlined.
- Analyse carefully whether the profits you are projecting will actually cover your costs and pay back the loan.



Decide on a company type

There are three main business models that salons tend to use: sole trader, limited company and franchise. Chair renting or treatment room renting is another common and popular option, but you have less control over your business if you go down this route.

SOLE TRADER

A sole trader is the simplest form of business there is. It's cheap to set up – all you have to do is register as self-employed with HM Revenue and Customs and supply an annual self-assessment tax return. The downside with sole trading is its inflexibility – you take all the profits but also carry all the risk.

As a sole trader you can employ people but you have to ensure you are collecting income tax and National Insurance contributions (NICs) from them and pay these to HM Revenue & Customs. You will also need to operate a PAYE (Pay as You Earn) payroll system. You have to keep detailed financial records and, if your turnover more than £83,000 (in 2016) you will need to register for VAT.

LIMITED COMPANY

This is by far the most common business model for salons. The main advantage is the company is a separate legal entity so if things go wrong you don't carry all the risk yourself.

Limited companies are governed by strict rules. It is possible to buy off-the-shelf forms to get set up but generally it's better to use an accountant, solicitor or business adviser as "incorporating" can be complicated.

The business will need to be registered with Companies House and have at least one director. It will need a registered office (which may not be the salon, for example if you have an accountant it will often be their office) and it must include its company number on all correspondence (including emails and on your website).

As a company you will pay corporation tax and submit company accounts rather than a self-assessment tax return (although HMRC may still ask you to file one especially if you have income coming in from elsewhere). Again, if the business is turning over more than £83,000 (in 2016), you will need to become VAT registered.

FRANCHISE

A franchise is where a business (such as Toni&Guy or Saks) creates a licence allowing people to buy and run a business under that brand name. In return the owner (the franchisee) pays the franchisor a monthly fee or "royalty" for the privilege.

The advantage of a franchise is that you're buying into an already well-known and established brand and the franchisor is often able to help with finding a site, fit out, stock and so on. You will also benefit from its national marketing and promotional activity. Possible downsides include a lack of flexibility:

- You have to operate to the franchisor's business model
- The royalty will have to be paid regardless of how well the business is doing.
- You can be locked into buying specific stock, possibly at a premium price.



How the NHF can help

- NHF business training courses
- NHF business coaches provide help with business planning
- NHF Guide on self employment
- NHF Guide on the financial aspects of running a small business
- NHF Guide to chair renting or employees?
- Free chair renting agreements
- Free treatment room/area agreements, suitable for leasehold or freehold
- Commercial helpline available Monday to Friday 9-5 to help with setting chair renting/treatment room fees, VAT and tax

CHAIR RENTING/ TREATMENT ROOM RENTING

Chair renting is where a freelance or self-employed person rents space in your salon in return for a fee. Similarly, salons rent out treatment rooms or a clearly defined area of the salon, such as a floor or a room, for a self-employed beauty therapist to operate in.

One advantage of chair renting is that it's cheaper than employing staff directly, as you don't have to pay them a salary, National Insurance, sickness, parental or holiday pay.

But there are some real downsides to chair renting as you can't treat freelancers like employees – so, for example, you can't tell them:

- What hours they work
- What they charge their clients
- What uniform or clothing to wear
- Which products they use or sell
- Which services to provide

And as they are effectively running their own business within your salon, you have to recognise that their clients are theirs, not yours!

Also, be aware HMRC has been paying particular attention to chair renting in recent years, and any charge for chair rental within a hairdressing salon or barbershop has to include VAT.

NHF Guides

Go online at www.nhf.info/nhf-guides to find out more

How the NHF can help

- NHF affiliate members provide a wide range of services to salons and barbershops, often with a discount for NHF members. So before you buy your towels, mirrors, brushes, card payment systems, salon software, salon furniture and so on, check out our supplier's directory www.nhf.info/online-directory
- NHF gift vouchers, child's first haircut certificates, loyalty cards
- NHF guides on all aspects of running a business



Your guide to opening

4 MONTHS

Check services, such as gas, water, drains and the boiler. Will they be adequate? Do they work? Who will give you the best deal? Look into waste collection and management.

12 WEEKS

Order furniture and equipment, phones, computers, stationery, drinks machines, promotional and marketing materials, salon signage and photoshoots. So you need to finalise your design, brand and logo and set up your website including getting a domain name.

10 WEEKS

Start recruiting staff. They may have to work a month's notice and they will need a training and induction period. Get the salon fit-out and decoration done. Choose your product ranges for services, treatments and retail.

6 WEEKS

Start marketing and making contact with local press, build up a presence on social media and plan how you'll generate interest in the run-up to your opening day. Plan your opening event.

4 WEEKS

Order all your stock, gift vouchers, loyalty cards, towels, cotton wool, tint bowls and check on delivery dates. Train your staff on your product lines, the client journey, salon software and handling complaints. Check you've got all the licences you need.

2 WEEKS

Finish off the interior decorations, run promotional teasers online and in your local press. Get all equipment in place and set up retail displays. Finish off training and finalise staff rotas, carry out risk assessment and health and safety training. Send invitations out for your opening event.

1 WEEK

Check you've got coffee cups, spoons, tea towels, hand towels, toilet rolls, bins and recycling bins. Check the website is live and your appointment system is working. Check that stock is unpacked and retail items are priced and displayed.

1 DAY TO GO

Give the salon a final clean and make it spotless. Order in flowers, and put balloons and other decorations up. Make sure everyone helps as the run-up to opening should create a real team spirit. Open your doors and let your future in!

Keep your people happy

As a people-based industry, your salon depends on the performance of your people, so recruiting, managing, motivating and keeping people is crucial. Here are a few basics:

HIRING SOMEONE

When hiring someone give them a job offer letter including their job title, start date, hours, pay, holidays, base salary, bonus or commissions and how these are calculated, give them a proper contract of employment, which you both sign, and a staff handbook.

NATIONAL MINIMUM WAGE

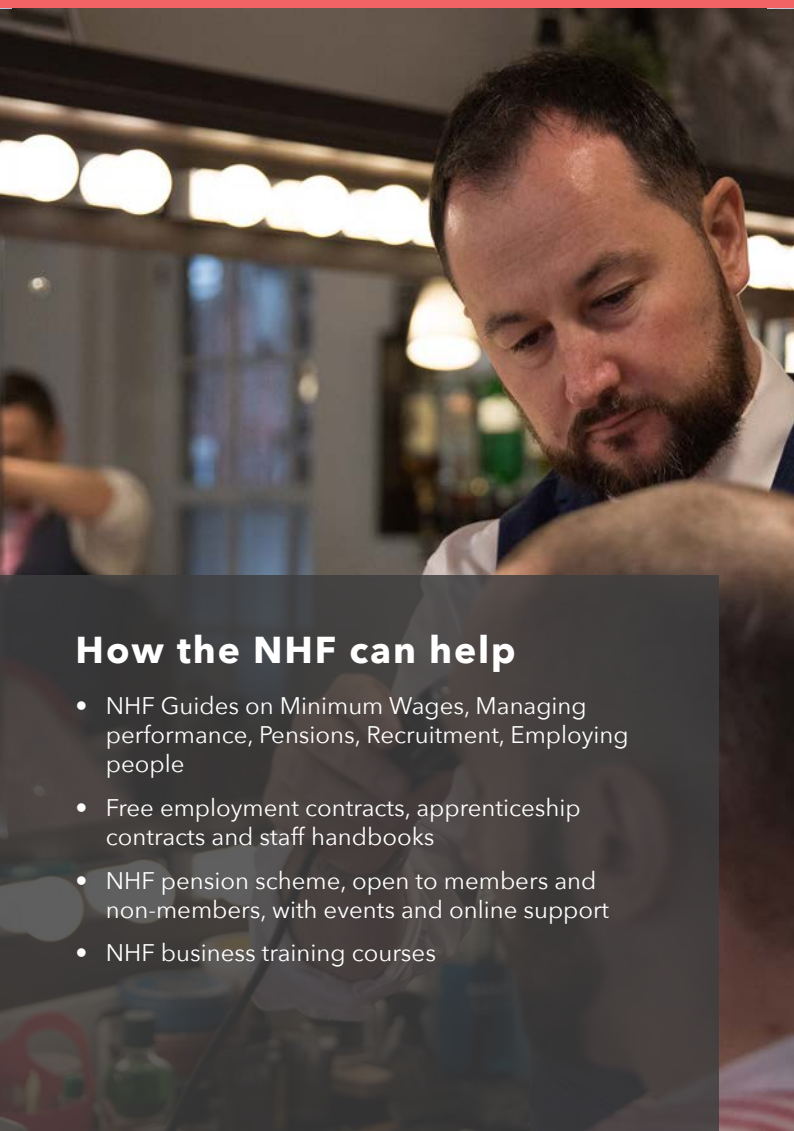
Make sure all staff are being paid the legal National Minimum Wage (National Living Wage for over 25s).

PENSIONS

It is a legal requirement for you to enrol your staff onto a pension scheme and pay pension contributions into it.

PERFORMANCE REVIEWS

Actively manage their performance by holding regular performance reviews and tackling problems as soon as you become aware of them rather than avoiding difficult conversations.



How the NHF can help

- NHF Guides on Minimum Wages, Managing performance, Pensions, Recruitment, Employing people
- Free employment contracts, apprenticeship contracts and staff handbooks
- NHF pension scheme, open to members and non-members, with events and online support
- NHF business training courses

Did you know?

- If you don't pay the right minimum wages, you risk fines of £20,000 per underpaid worker?



Insurances and health & safety

DON'T SKIP THIS BIT! IF YOU GET THIS WRONG, YOU COULD LITERALLY GO OUT OF BUSINESS.

You must make sure that your team are fully qualified to provide the services or treatments your salon or barbershop offers, otherwise you'll find your insurance is invalidated.

All salon businesses should have the following insurances:

PUBLIC LIABILITY INSURANCE:

This protects you if a client or a member of the public suffers personal injury or property damage because of your business. It will cover the cost of legal expenses or compensation claims and is vital for any business interacting with the public. Make sure you're covered for all the services or treatments you offer, particularly for more advanced beauty treatments.

EMPLOYERS' LIABILITY INSURANCE:

This protects you against the cost of compensation claims arising from an employee illness or injury sustained as a result of their work for you. **It is a legal requirement** to have this if your business employs one or more people.

PRODUCT LIABILITY INSURANCE:

This protects you if your product causes injury or damage to a person or their property, even if you are not the manufacturer of the product.

BUSINESS EQUIPMENT INSURANCE

BUSINESS BUILDINGS AND CONTENTS INSURANCE:

If you are in a leasehold property check if you will need buildings insurance or if that will be covered by the freeholder/landlord.

BUSINESS INTERRUPTION INSURANCE:

This covers your business for loss of income if there is a disaster such as a flood or fire, for example.

STOCK INSURANCE

20% discount

on Coversure's Salonsure insurance policies backed by a price promise if you find a like-for-like quote elsewhere

Health and safety

As well as insurance, it is vital not to overlook health and safety. The NHF offers salon health and safety kits which contain everything you need to meet health and safety requirements, including:

- Health and safety guidelines covering the key risks
- Short guides to give to employees or chair renters/room renters
- Risk assessment templates
- A health and safety policy template
- The health and safety poster which must be displayed on your premises by law
- A first aid box
- Fire notices, first aid location notices and an accident book

All salons should have a proper, written health and safety policy. But if you have five or more employees, you must produce one. Salons should carry out regular health and safety risk assessments and review them at least once a year. Your employees should be given proper health and safety training.

ALLERGY TESTING

If a new client is booking a colour, eyelash or eyebrow tinting, they'll need an allergy alert test. Arrange for them to pop into the salon 48 hours before their appointment for the test.

Make sure your team can explain to clients that the test is for their safety and shows your salon operates professionally.

The NHF has colour record cards which, used with Coversure's Salonsure policy, help your team to judge whether an allergy alert test is necessary every time the client visits.

If you are using any other insurance broker you must check with them first that the record card is approved by their underwriters. Remember, if you don't follow manufacturers' instructions or the NHF colour cards, your insurance will be invalidated.

How the NHF can help

- 20% discount on Coversure's Salonsure insurance policies, backed by a price promise if you can find a like-for-like quote elsewhere. Policies for the self-employed too.
- Everything you need for health and safety, literally in a box. We've done all the hard work for you, so order online or call us on 01234 831965.
- NHF emergency first aid at work courses
- NHF Guide to allergy alert testing and colour products and colour record cards, available in packs of 100, free of charge plus P&P





Reliefs and financial help

There are tax reliefs and other financial support for small businesses. Here's some you might want to check out:

SMALL BUSINESS RATE RELIEF:

This is a tax break to help the smallest businesses by either taking them out of paying business rates altogether or reducing the rates they have to pay. Currently (in 2016) you can get 100% Small Business Rate Relief so you don't have to pay business rates at all if your salon is just property, and its rateable value is less than £6,000 (or £12,000 from April 2017).

Businesses with a higher rateable value can also get tapered relief. So if your salon has a rateable value of between £6,001 and £12,000, the relief gradually decreases from 100% to the business paying full rates. From April 2017 this tapered relief will be extended to cover properties with a rateable value of between £12,001 and £15,000.

APPRENTICESHIP GRANT FOR EMPLOYERS (ENGLAND):

This encourages small businesses to take on an apprentice aged 16-24. It is for employers with fewer than 50 employees, up to a maximum of £1,500 per apprentice. You have to show you have not taken on an apprentice before or that you haven't had an apprentice on your books in the previous 12 months. You are allowed up to five grants in total. Similar grants are available in Wales, Scotland and N Ireland, but as they all change from time to time you need to check first. Funding for apprenticeships is changing in May 2017.

ENTERPRISE ALLOWANCE:

If you're aged 18 or over and receiving Jobseeker's Allowance, Employment and Support Allowance, Income Support or Universal Credit, you can get support and a grant to put towards starting up a business.

EMPLOYMENT ALLOWANCE:

Under the scheme, you can get up to £3,000 a year off your National Insurance Contributions (NICs) bill. The allowance reduces your employers' (secondary) Class 1 National Insurance each time you run your payroll, up to the maximum of £3,000 or until your tax year ends (whichever is sooner). You can also still claim the allowance if you pay less than £3,000 a year. For many of the smallest businesses you end up paying no employer NICs at all.

About the NHF

The NHF is the UK's largest trade association for over 5000 hair salons, barbershops and beauty salons. We help our members build successful and profitable businesses we campaign on issues which affect their businesses.

NHF guides

Check out all the NHF guides to running a salon or barbershop

- Allergy alert testing
- Apprenticeships
- Becoming a training provider
- Business finance
- Card payment processing
- Careers
- Chair renting
- Client experience
- Complaints
- Data protection and wi-fi
- Employing people
- Franchising
- Health and safety (part of kit)
- Managing performance
- Marketing your salon
- Minimum wages
- Pensions
- Prices, wages and profit
- Recruitment
- Salon fit-out
- Salon software
- Self-employment
- Start-up guide (updated)

A close-up photograph of a makeup artist with dark hair tied back, wearing a white chef-style uniform. She is leaning over a client who is lying down with their eyes closed. The artist is holding a black makeup palette in her left hand and a thin applicator in her right hand, focused on applying makeup to the client's face. The background is softly blurred, showing what appears to be a professional studio or salon setting.

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