

Further Red Tape Cuts for High Streets

“There have been further red tape cuts in respect of the new high st./town centre regeneration areas”

7 October saw relaxation of rules in respect of the over 150 business improvement districts, the requirement for each individual area involved in a cross boundary district has been removed. Instead only a single ballot be required, making it easy to set up the areas which deal with issues such as town centre security, parking schemes, trader support & growth promotion.

The government is pledging to provide a £500,000 loan fund later this year to help regeneration. We reported in an earlier issue how the scheme has relaxed planning rules to help revitalise disused premises.

Traineeships get extra funding

“An extra £20m is being made available to the traineeship programme whose brief is to help young people gain & prepare for an apprenticeship or employment”

The scheme launched 1 August 2013 comprises, preparation for work training, quality work placement & study support where young people don't have GCSE English & Maths at grade A*-C. The target age group is 19-23 year old unemployed individuals with little experience who are likely to be ready for an apprenticeship or employment within 6 months. The dept. for Business, Innovation & Skills has responded to requests by over 500 training providers & 150 employers who are interested in offering place to young people.

Kwik Fit's scheme has recently been criticised for offering an up to 39 hour unpaid week for 24 weeks. The general consensus is that if the trainee adds value then they should be paid accordingly.

New EU Accounting Directive

“12 June saw the EU adopt the European Commission's Responsible Business initiative”

The aim is to aid cross border accounting comparisons & trade and to ease the administrative burden for small companies. New rules will allow small comes to file simply an abridged balance sheet and P&L account if they so wish. Further easing applies to “micro-entities” (less than 10 employees & turnover less than €700,000 and/or a balance sheet total of less than €350,000) who are required only to prepare very simple balance sheets accounts with minimal notes.

Audit exemption thresholds have been increased so that an audit will be required only if a small company exceeds 2 of the following 3 criteria:- (1) Balance sheet of €6m (was €4m) (2) Turnover €12m (was €8m) (3) 50 employees. There will be significant savings in audit fees but you need to weigh up the benefits of having audited accounts for such things as raising finance. But don't pick up the phone to your accountant just yet, the UK has 2 years to implement the directive. Given UK small business initiatives, it will be sooner rather than later.

HR advice covered by “Legal Privilege”?

“If a dispute arises with an employee, they may want to see what your HR advisor has had to say. Can they?”

Due to the nature of modern employment law & practice many employers engage outside consultants to provide employment advice. If a dispute arises & you consult your provider & act accordingly, your employee may demand to see that advice. Contrary to popular the relationship between your provider & yourself is not subject to “legal privilege” just because they are an expert. Legal privilege refers to exactly that, i.e. the relationship with yourself & your lawyer/barrister/solicitor. Although beware, if you allow your employment advisor to have contact with your legal advisor “legal privilege” will be defunct. “Litigation privilege” only applies if documents are existing or reasonably contemplated or solely for that litigation.

Providing Apprenticeships?

“The National Apprenticeship Service (NAS) reports that 80% of employers who have taken apprentices have seen an improvement in productivity”

In the quarter to April 13 almost 370,000 applications were received for nearly 33,000 places available, so you're not going to be faced taking on just anybody. Where to do start?- Identify the work that you want them to do, the scope has been vastly extended & there are now over 1,400 job roles. Ideal areas are entry level or areas that have proved difficult to fill.

Create a detailed job description, list key elements of the job role & essential & desirable skills required. This will identify the level you want to aim at. Any apprentice will need to contain training in 5 core areas.(1) Knowledge (2)Competency (3)Skills (4) rights/ responsibilities (5) personal development. The period must be between 1 to 4 years. You will also need to provide appropriate supervision and of course training, if you need help contact NAS/ training provider.

Tax Investigations – Update

“HMRC's pilot Single Compliance Process (SCP) has taken another step forward”

The SCP is a standardised method by which all tax investigations will be carried out so that all parties know exactly what is to be expected. A pilot scheme ended on 31 March & a decision on full “roll-out” is awaited. HMRC recently announced a changes to how SCP investigations will commence, suggesting “roll-out” is coming soon.

In the pilot scheme HMRC would contact taxpayers first rather than their accountants, which was obviously not welcomed. This has now changed, first contact will be by a letter to the taxpayer asking whether they want to deal directly with HMRC; the taxpayer must respond within 1 week. If no response is received HMRC will within 14 days make contact with your accountant, if a response is still not received questions will be directed at the taxpayer. If the deadline has passed when you receive a letter contact HMRC & tell them. Contact accountants a.s.a.p. investigations are resolved quicker this way.