



Chancellor confirms devolution of business rates

Both the Confederation of British Industry (CBI) and the Local Government Association (LGA) have welcomed proposals unveiled by Chancellor George Osborne to give councils in England the authority to alter the level of business rates in their area, and the opportunity to keep all of the proceeds of those rates.

Currently, businesses pay a uniform business rate set by the central government, which is calculated by multiplying the rental value of a property by either the standard rate (49.5p) or the lower rate (48p), before subtracting any rate relief. Councils retain 50% of the earnings, with the rest going to the Treasury which then redistributes the revenue to compensate areas with fewer businesses.

The new proposals, announced by the Chancellor at the Conservative Party Conference, will mean that councils can cut these rates and effectively compete with each other to encourage enterprise and attract businesses to their area.

CBI director-general John Cridland said that the change 'could spur councils to take a pro-growth approach, and has the CBI's support,' adding: 'But this must not be a way to increase rates without the consent of the local business community'.

Gary Porter of the LGA commented: 'While this is good news for councils and businesses, local authorities will face almost £10bn of cost pressures by 2020 so we will now seek to work with government about how this proposal can be introduced more quickly.

'We would expect measures to ensure local areas with less ability to generate business rates income do not suffer as a result of these changes and all councils are also given leeway to vary business rates up as well as down.'

However, as some analysts have noted, the proposals are not necessarily as radical as they might first appear. A system of tariffs and top-ups to support areas with lower levels of business activity will be kept in its present state, and the Government also plans to introduce a 'safety net' for any area where business rate receipts fall by 7.5%.

We can advise on all aspects of business taxation. Please contact us for further assistance.

National Living Wage will have a 'negative impact' on hiring, says FSB

A survey released by the Federation of Small Businesses (FSB) has revealed that a significant amount of small firms are concerned about the potential impact that the new National Living Wage (NLW) will have on their businesses.

Of the firms that are likely to be negatively affected, some 50% said they would increase prices, while 52% reported that they would put off hiring new recruits to help offset the wage hike.

According to the FSB's research, wholesale and retail companies, alongside food and accommodation services, are most likely to believe that the NLW will impact negatively on their business.

Additionally, firms located in the South West, Yorkshire, the West Midlands and Wales are amongst those most likely to foresee a negative impact.

Only 6% of companies thought that the policy would have a positive impact on their business when it is implemented next April. Announced in the Chancellor's July Budget, the NLW of £7.20 an hour comes into effect in April 2016 for workers over the age of 25.

Following the publication of the latest Cost of Employment Index, the FSB predicts that, for a small retail business with six full-time staff members aged 25 or over and earning the current minimum wage, the NLW will cost an additional £5,900 a year.

John Allan, national chairman of the FSB, stated that: 'Over half of our members already pay their staff above the voluntary living wage, but those that don't are often operating in highly competitive sectors with very tight margins.'

He concluded: 'With the economy recovering it is right that employees should be rewarded with a pay rise - but we cannot allow wage changes to become a political football.'

'It's important that the independent Low Pay Commission continues to play a central role in setting the minimum wage - and that includes deviating from the Government's plan to raise the National Living Wage to over £9 an hour by 2020, if it becomes apparent that the economy cannot afford it.'

Other news in brief

Businesses warned about new 'whaling' email scam

Businesses are being warned about a new email scam - dubbed 'whaling' - which targets the finance departments of SMEs.

Grandparents in work to receive shared parental leave and pay

Working grandparents could be permitted to make use of shared parental leave and pay in order to help care for their grandchildren, under new plans.

State 'top-up' scheme permits pensioners to increase retirement savings

Over seven million Britons could potentially boost their state pension through a new 'top-up' scheme.

'Delivery is what counts' - business groups react to Prime Minister's conference speech

Business groups including the Confederation of British Industry and the British Chambers of Commerce have stressed the importance of delivering practical reforms to encourage enterprise.

New employment laws come into effect

1 October saw the introduction of a raft of new employment legislation, including an increase in the National Minimum Wage and a new law banning smoking in cars in which children are present.

For more on these visit our website www.nhllp.com

ESSENTIAL TAX DATES FOR NOVEMBER

1 November

£100 penalty if 2015 paper Tax Return not yet filed. Additional penalties may apply for further delay (no penalties if online return filed by 31 January 2016).

2 November

Submission date of P46 (Car) for quarter to 5 October.

Gerrards Cross Christmas Festival – December 2nd, 5.30pm

Save the Date! Come and see us at Station Road for festive treats to celebrate the run up to Christmas in Nunn Hayward style.



Quote of the month

'Allowing them instead to share leave with their children will keep thousands more in the workplace, which is good for our economy.'

Chancellor George Osborne commenting on the new scheme allowing grandparents to help care for grandchildren using shared parental leave and pay.