

Government Consults on New Tax Reliefs

"A new consultation has been launched worth £50m in respect of 2 new tax reliefs aimed at boosting & supporting the creation of employee-owned companies"

Evidence confirms that co-operatives, mutuals & employee-owned companies create more jobs, are more resilient and more productive. The main elements are:-

- (1) Capital Gains Tax Exemptions would apply when a majority/controlling stake is transferred into an indirect employee structure, meaning that a business can be sold to employees rather than an outside buyer.
- (2) Income Tax & NIC exemptions would allow such companies to pay their employees a sum each year that would be free of IT or NIC's. There would also be an employer NIC exemption.

The Chief Secretary to the Treasury commented that this sector has huge potential and is of significant benefit to the economy in terms of growth & business success.

Do Contracts Have to be Signed?

"There's an issue with an employee and you need to enforce the contract but the employee claims it's unenforceable because they haven't signed it"

A signed agreement is always binding even if the individual has not even read it (exc. Fraud etc.). The reverse is not automatically the case. Courts will review events that have taken place. Have the parties performed any of their obligations under the contract, has any money been paid & does their conduct indicate that a contract is firmly in place. If an employee has been acting in accordance with the contract, the fact that it is not signed does not allow an employee to ignore it's terms.

Tip: So long as the clause is both fair & reasonable and there has been no previous objection to it, the employee will struggle to argue unenforceability.

Good practice: Make sure that you hold a signed copy of the contract on the employee's file and that you have a system for chasing up unsigned contracts.

Building Sites & the School Holidays

"Construction workers are being urged not to take their children onto building sites, after a 10 year-old was spotted on scaffolding"

The HSE issued the warning after the 10 year-old was seen with his dad who was carrying out roof repairs to a house on Merseyside. The 51 year-old who is not being named was prosecuted on 11/07/13 & ordered to do 80 hours community service over 12 months & to pay £2,00 in costs.

The ladder to the lowest platform was 30cm short & the builder had to hold his son's ankles and place his feet on the rungs to ensure he did not lose his footing. The incident was spotted by a passing HSE inspector who issued an immediate prohibition notice to have the scaffolding dismantled. The incident was spotted as part of a month long initiative which saw 1 in 5 sites visited being issued with enforcement notices.

Customers More Aware of Data Rights

"The ICO states that businesses need to place greater importance on data handling in 2013 if they are to succeed"

Consumers are displaying a much greater awareness of their data rights and this is affecting how they view the businesses they interact with. A report showed 97% worry that businesses will pass on or sell their personal data. A mere 10% of businesses are aware of their obligations in respect of data handling & storage.

Over 50% of individuals regard such minor details as product purchase details, as personal data. The ICO has been making concerted efforts to raise awareness amongst consumers and encouraging them to ask for more in return for their data.

The ICO stated that "Consumers expect data to be handled in a proper and legal manner, they understand the value of their data. Businesses that fail to comply will quickly lose customers.

Withholding Sick Pay!

"The Government is setting up the Independent Assessment Service (IAS) to control long-term absence"

The details are currently being finalised and IAS is expected to go live in early 2014. The IAS will be state funded and run by occupational health professionals. The main tenets will be:-

- (1) To make an assessment of physical/ mental capabilities after 4 weeks sickness has elapsed.
- (2) Offer to both employer & employee.
- (3) Support a return to work where this is practical.

This will remove GP's from the process at this stage & avoid any conflict of interest.

Tip: refusal to co-operate will mean no further fit notes will be provided to the employee. Consequently there will be no medical evidence to support absence. An employer can then refuse to pay any Statutory or Contractual sick pay. Employee groups will issue challenges but the government is determined to control benefits & will respond strongly & robustly.

Three Firms Sentenced After Man Killed

"3 Firms have been ordered to pay a total of £685,000 in fines & costs after a plumber died & six others were seriously injured by flying gas cylinders"

Adam Johnson 38 from Sutton, Surrey was hit by one of 66 heavy cylinders as they were propelled at up to 170 mph after one toppled over, discharged high-pressure gas colliding with others and setting off an alarming chain reaction at the site in Welwyn Garden City. Several other workers, including electricians were injured in the incident on 05/11/08.

The HSE concluded that there had been a series of unsafe practices relating to the installation of fire suppression equipment. Crown House Technologies Ltd, Kidde Fire Protection Services Ltd & Kidde Products were prosecuted for failing to properly secure & protect 80 cylinders (2m high & weighing 142kg) in the appropriate racking, failing to co-ordinate work & failure to carry out adequate risk assessment.

