

## New system to challenge business rates outlined

**A system to allow businesses to check and appeal business rates bills has been announced.**

The aim is to ensure that disputes are settled more promptly. Currently, over 955,000 appeals have been submitted against rating valuations but less than 2% of business rates appeals proceed to a tribunal hearing.

The new process is part of the government's target of self-sufficiency for councils and the retention of 100% of local taxes by 2020.

Announcing the plan on 6 July 2016 the then secretary of state for Communities and Local Government, Greg Clark, said:

"The vast majority of disputes will now be settled long before lengthy litigation and will mean businesses and councils can get on with planning budgets, confident they are getting a fair deal."

### Appealing business rates

In England and Wales business rates are charged on non-domestic properties such as offices and warehouses. Bills are paid in February or March for the following tax year.

Currently, businesses can appeal against the rateable value of their business through the Valuation Office Agency.

Under the new system, firms can appeal through 3 stages:

- **check** – all information must be up to date and accurate
- **challenge** – providing an alternative valuation and supporting evidence
- **appeal** – the opportunity to appeal to an independent valuation tribunal.

A new £300 fee will be charged to lodge an appeal (which is refunded if the appeal is successful). Penalties of up to £500 will be issued for those sending false information.

*Talk to us today about business rates.*

## Self-employment growth driven by part-timers

**The number of self-employed workers increased from 3.8 million in 2008 to 4.6 million in 2015.**

Data from the Office for National Statistics (ONS) shows that the number of part-time, self-employed workers grew 88% between 2001 and 2015, compared to 25% for full-time, self-employed workers.

Part-time workers accounted for 1.2 percentage points of the overall 1.6 percentage point increase in self-employment between 2008 and 2015.

There was little evidence of older part-time workers moving to a full-time position, job searching or experiencing dissatisfaction with their status.

Further findings:

- older workers are more likely to make the transition from full-time to part-time self-employment than younger workers
- full-time workers are choosing to enter part-time self-employment rather than retirement.

### Self-employed checklist

Whether you are a sole trader or in a partnership, it is important to register your business with HMRC before trading.

There are 4 things to complete if you're self-employed:

- ◉ **HMRC** – register with HMRC to pay income tax and national insurance. You will need to do this by 5 October in your business' second tax year
- ◉ **self-assessment** – register to pay your tax each year. The payments will usually be due on 31 January and 31 July
- ◉ **VAT** – register your business if your turnover is over £83,000
- ◉ **records** – keep accounts of business income and outgoings.

Contact us to discuss self-employment.

## 500,000 Help to Buy ISAs opened

**More than half a million people have opened a Help to Buy ISA since the scheme was launched in December 2015.**

The Help to Buy ISA allows people to save up to £200 a month while receiving a 25% government bonus.

The figures show that the average price of a home purchased using a Help to Buy scheme is £189,795 – a figure below the national average of £292,000.

94% of property sales using the scheme have taken place outside London while over half of completions have been for new build homes.

Other findings:

- ◉ 129,000 first-time buyers have used a Help to Buy scheme
- ◉ 1,000 households a month on average have purchased their own home through Right to Buy since 2012
- ◉ 309,000 households have made use of government backed schemes since 2010.

Peter Andrew, deputy chairman of the Home Builders Federation, said:

“The various Help to Buy schemes are really making a difference, helping people to save for and buy a new build home and so driving demand, and in turn housing supply.”

### Help to Buy schemes

Alongside the Help to Buy ISA, there are affordable home ownership schemes available for those looking to purchase a property.

These include:

#### Equity loan

Those with a 5% deposit can receive a 20% low-interest loan towards a new build home worth up to £600,000 (or £300,000 in Wales). There is a separate scheme in Scotland.

#### Mortgage guarantee

A mortgage guarantee to buy a home worth £600,000 or less with a 5% deposit.

Talk to us today about saving to buy a property.

## Small firms: 10% of day spent chasing payments

**Small business owners spend 10% of their working day chasing payments, according to research by Xero.**

London businesses spend the most time chasing payments, up to 1.5 days each month followed by 1.3 days in Wales.

Customers who themselves are waiting for payments and a lack of consistency on payment terms are the main reasons for overdue payments.

Other findings:

- ◉ 52% of surveyed business owners are concerned about unpaid invoices
- ◉ the worst affected sectors for late payments include HR, IT and manufacturing
- ◉ 37% said that late payments effect productivity and cashflow.

Emma Jones, founder of Enterprise Nation, said:

“The late payment epidemic the UK is facing has to change so small business founders don't spend so many hours chasing doubt and worrying about cashflow on the back of late payment.”

### Managing your cashflow

The following steps could help small businesses who are struggling with late payments:

- ◉ **invoicing** – an efficient invoicing process is vital to receive payments sooner rather than later
- ◉ **keeping records** – managing time and material expenses on projects and ensuring that everything is invoiced
- ◉ **payment terms** – outline payment terms and shorten them if needed to encourage your customers to pay sooner
- ◉ **payment methods** – offering easy methods for customers to pay will help decrease late payments.

We can advise on ways to improve your cashflow.