

JULY 2010 - ENEWS

In this issue we cover the end of an HMRC concession on penalties and also new guidance on safe maintenance at work.

Please browse through the articles using the links below and contact us if any issues or questions arise.

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End of Period of Grace

An HMRC concession, ESC B46, was introduced in 1995 and means that HMRC will not issue penalties for late filing of company tax returns or employers'/contractors' end-of-year returns, provided that they are received by the last working day within seven days of the filing date.

The concession ensures that penalties will not be charged where all reasonable steps to file the returns on time have been taken.

However, all forms P35 and P14 must already be filed online by the majority of businesses and contractors are no longer required to file end-of-year construction industry returns. In addition, from 1 April 2011 company tax returns for accounting periods ending after 31 March 2010 must be filed online.

Therefore, ESC B46 has become redundant and so will come to an end on 31 March 2011. Any businesses filing a return late will have to show that they had a reasonable excuse for the delay in filing to avoid a penalty.

Link: [HMRC statement](#)

Safe Maintenance

A new European initiative has been launched which highlights the risks during maintenance and repair work and how to avoid them.

It is estimated that between 25% and 30% of all manufacturing industry deaths in Britain result from maintenance activity, with common causes of fatalities and major injuries including falls from height and failure to properly isolate machinery so that it restarts while being worked on.

The British campaign includes a 'one stop shop' safe maintenance section of the HSE website, which features a checklist to assess how good current maintenance practices are and pointers on how to improve.

HSE Chair, Judith Hackitt, said:

'Maintenance work is often seen simply as a disruption to normal service, but it is fundamental to the integrity of every system and to the health and safety of workers and the public.

All organisations, irrespective of their size and purpose, need to take the opportunity to look at how they plan and manage maintenance to see if improvements could be made. With planning and the right skills it can be done efficiently and will lead to increased production and better service delivery.'

Links: [HSE guidance](#) [HSE release](#)

Energy Efficient Buildings

The European Union has published a new energy efficiency Directive for buildings, which sets out rules for the energy performance of both new and existing buildings. This is considered to be an important target area in achieving the EU climate and energy objectives.

The new Directive will require Member States to update their building codes so that all new buildings, by the end of 2020, meet high energy-saving standards. Existing buildings will have to be upgraded where possible.

Where technically and economically feasible, the energy performance of existing buildings will have to be improved during major renovations and regular inspections of boilers and air conditioning systems will also be required.

Link: [EU Directive](#)

Pay Freezes Affect the Public Sector...But Not the Private Sector

The latest research on pay settlements from Income Data Services (IDS) has found that pay freezes have dropped to the lowest level since January 2009 but that, in the public sector, 35% of pay awards with effective dates in April resulted in pay freezes.

The typical pay awards in the private sector rose to 2% in the three months to the end of April 2010, up from 1.9% in the three months to March.

Ken Mulkearn, editor of IDS Pay Report, said:

'Our latest figures present strong evidence that pay freezes – one of the key features of the recession – are now fading, in the private sector at least, as the economy stabilises.

However, the picture in the public sector is very different, with the number of freezes rising. The number of employees affected by freezes is likely to rise as well, since the public sector bargaining groups are relatively large.'

Link: [IDS press release](#)

The Sky's the Limit

Cloud computing allows businesses a way of managing data, hardware and software requirements by using internet-based resources. Documents, emails, customer information, business applications and other assets can be stored online and this makes them accessible from any computer or mobile device with an internet connection and web browser.

Cloud computing can help businesses become more efficient and this new guide from Business Link explains how cloud computing works, how to decide if it is right for your business and what you need to consider when implementing it.

This guide also looks at some of the risks involved with cloud computing including data protection, business continuity and issues around service provision.

Link: [Business Link](#)

Business Investment Increases at Fastest Pace Since 1987

Investment by UK businesses rose at the fastest rate since 1987 in the first quarter of 2010, according to the Office for National Statistics.

Business investment rose by 7.8% compared to the previous quarter but business investment is still 7.7% lower than the same period in 2009.

In addition, the UK financial services sector grew at the fastest rate since September 2007 during the second quarter of 2010, according to the Confederation of British Industry. However, the growth was much lower than expected and firms still feel that business levels are well below normal.

Links: [ONS release](#) [CBI release](#)

Scrap Extension of Rules on Working Time?

In June, the European Parliament voted in favour of including self-employed lorry drivers within the 2002 Directive on the organisation of the working time of lorry and bus drivers.

Previously, self-employed drivers could spend up to 56 hours/week driving as long as they drove no more than 90 hours over a two-week period. This change means that drivers will be limited to working a total of 48 hours/week including maintenance, loading and administrative work.

The Federation of Small Businesses (FSB), supported by business leaders and MEPs, has called on the European Commission to stand by its proposal not to include self-employed lorry drivers within the working time regulations.

Link: [FSB release](#)

New Guidance for Charities

Earlier this year a series of changes were made to the tax rules for charities and Community Amateur Sports Clubs (CASCs). Broadly, the rules are intended to offer UK tax reliefs to EU charities and also allow donations to EU charities to qualify under the Gift Aid scheme.

However, one of the knock-on effects of these changes was to alter the rules about who is allowed to manage the charity. For tax purposes, those involved in managing the charity must be 'fit and proper'.

HMRC have issued guidance on this test for managers, which is important to read if you are involved in running a charity or a CASC. If you would like further help or advice, please do get in touch.

Link: [HMRC guidance](#)

NIC Holiday

The Coalition government intends to introduce a scheme to help new businesses in targeted areas of the UK by allowing a reduction in employers' national insurance (NIC).

For a business commencing within a three-year qualifying period, the employer will not have to pay the first £5,000 of Class 1 employers' NIC due in the first 12 months of employment. This will apply to each of the first ten employees hired in the first year of the business.

The scheme is intended to start no later than September 2010. Any new business set up from 22 June 2010 which meets the criteria set out will also benefit from the scheme.

The counties and regions which will benefit will be Scotland, Wales, Northern Ireland, the North East, Yorkshire and the Humber, the North West, the East Midlands, the West Midlands and the South West.

Further details are to be released soon.

Link: [HMRC FAQs](#)