

More help for SMEs dealing with large companies

The government has announced new regulations to help small businesses get paid quicker when supplying large companies.

The new 'duty to report' will require large companies and limited liability partnerships (LLPs) to publicly report twice yearly on their payment practices and performance, including the average time taken to pay supplier invoices.

It's hoped this will put a spotlight on bad practice and lead to improved standards.

A survey carried out by the Federation of Small Businesses showed that, on average, 30% of payments are received late. Government figures suggest the amount of money outstanding at any one time could be as high as £28 billion.

The new measures aim to tackle this problem by increasing transparency and helping small businesses make informed decisions when dealing with large companies.

Small Business Minister Margot James said: "Unfair payment practices and unnecessary red tape hamper the ability of small businesses to grow and have no place in an economy that works for all.

"By shining a light on how large businesses pay their smaller suppliers, we want to empower small businesses and drive a real change in payment culture."



Mike Cherry, National Chairman of the Federation of Small Businesses, said: "The comprehensive and regular duty to report is the first step to combat a business culture that feels like one where it is OK to pay small firms late.



"It is not OK - we estimate that 50,000 business deaths could be avoided every year, if only payments were made promptly – adding £2.5 billion to the UK economy. We need to see executive board level engagement and scrutiny of payment practices to deliver lasting cultural change."

The duty to report requirement is one of a number of measures to tackle the issue of late payment. Others include the appointment of the Small Business Commissioner, who from autumn this year will support small businesses in resolving payment disputes.

The government also has a manifesto commitment to find £10 billion worth of deregulatory savings for business from unnecessary regulation that stands in the way of growth.

The duty to report is effective from April this year.

Please contact us if you would like help with debt collection and credit control.

Company wins £360,000 negligence claim against brokers

A company that lost thousands of pounds worth of stock in an arson attack has won its claim of professional negligence against its insurance brokers.

The court heard that the company used a former church to store amusement arcade machines and to carry out maintenance work on them.

An insurance policy covering the premises and the machines had been obtained from an insurer for the period from July 2008 to July 2009. In December 2008 there was a fire at the premises following an arson attack. The company made a claim on the

policy, but the insurer declined the claim on grounds that the premises did not comply with the minimum security standards (MSS), which was a condition of cover. The MSS required external doors to have mortice locks and hinge bolts, and windows to have locks or steel bars.

The insurer also claimed that the company had not taken reasonable steps to prevent the loss from occurring.

The brokers accepted that the company had not been informed that the MSS were a condition of the policy but argued it would not have made

improvements to the property even if it had been informed.

The court found in favour of the company. There was no real evidence that it would not have carried out the necessary work to comply with the MSS if it had been informed that it was a condition of cover. The expense involved was modest compared with the cost of the insurance.

The company was therefore entitled to receive £360,000 compensation.

Please contact us if you would like help with making a professional negligence claim.

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Banning orders for rogue landlords

The government is to use banning orders to crack down on rogue landlords and property agents.

If a landlord or property agent is subject to a banning order they could be prevented from letting or managing a property indefinitely.

Their name would also be included in a national database of rogue landlords and property agents.

Proposed banning order offences include:

- illegally evicting a tenant
- renting out a property considered to be unsafe as a dwelling by local authorities
- failing to carry out works required by local authorities to prevent health and safety risk to tenants
- renting out a property to an illegal migrant.

The Minister for Housing, Gavin Barwell, said: "The banning orders will force the most serious



and prolific offenders to either drastically improve the standard of the accommodation they rent out, or to leave the sector entirely, with a minimum ban lasting 12 months and no upper limit for a maximum ban.

"Those subject to banning orders will also not be able to earn income from renting out housing or engaging in letting agency or property management work."

Please contact us for more information about landlord and tenant issues.

Number of private businesses at record high

The number of private sector businesses in the UK has hit a record high of 5.5 million, according to the latest official figures.



The Business Population Estimates show that the UK had a million more small businesses at the start of 2016 than in 2010.

Establishing and developing a business can be exciting but it also presents many challenges.

It's vital to carry out extensive research to make sure you progress in a sustainable way. You need to know your potential

market but you also need to consider the legal structure of your business.

For example, you may start out as a sole trader but as you develop there might be advantages in creating a limited

company or perhaps entering into a partnership. The correct approach will depend on the type of business you operate.

You may also need to consider employment contracts if you need to take on staff, and leasing arrangements if you need premises.

Good legal advice at the outset can prevent mistakes that could prove costly in the future.

Please contact us if you would like advice about the legal aspects of starting a new business.

Pilot 'too tired to fly' wins employment claim

A pilot who was suspended by travel company Thomas Cook after saying he was too tired to fly has won his grievance claim.

The Employment Tribunal was told that Captain Mike Simkins was suspended for six months and threatened with dismissal because he refused to fly a Boeing 767 with more than 200 passengers on board.

He told the company he was too tired because he had made three early starts in a row and on one of those days had worked an 18-hour shift.

If he had continued to work as requested he would have been committing to a 19-hour day.

He took legal action to have his suspension and threat of dismissal lifted.

The tribunal heard that Thomas Cook's fatigue monitoring software showed that if Mr Simkins had flown his plane that day, his predicted loss of performance would have been equivalent to being four times over the legal alcohol limit for flying. The company insisted that it had

not asked him to fly while fatigued and said his claim was due to a disagreement with management.

The tribunal found in Mr Simkins' favour and ordered that the suspension should be lifted.

In a statement, Thomas Cook apologised for the "hurt and distress" suffered by Mr Simkins.

Please contact us if you would like advice about employment law.