

# Rightfocus

## Latimer Hinks welcomes launch of new code for Will preparations



*Anne Elliott and Andrew Way manage the Private Client Department.*

**Latimer Hinks Solicitors, has welcomed the launch of a new code of conduct for preparing wills, establishing principles to which Latimer Hinks already has a strong record of commitment**

The Society of Trust and Estate Practitioners (STEP) has announced that it is to bolster its existing set of ethical principles that demonstrate the standard of transparency and service clients can expect from a STEP member preparing their will.

The STEP Code for Will Preparation in England and Wales is a framework for members preparing Wills determining how the needs of each individual client are to be met so that members operate within set standards.

Latimer Hinks has a number of solicitors and lawyers in the firm's long established Private Client department who are members of STEP and who already adhere to the principal elements of the Code of Conduct.

“*The Code ensures that those accredited have a high standard of Will writing*”

Anne Elliott, Partner at Latimer Hinks, said: “The STEP Code ensures that a legal representative has, and maintains, the highest levels of duty of care and competency in completing what is to many people an essential, but sensitive, task. It essentially gives clients peace of mind in knowing that their affairs are being handled in the most effective and most ethical way possible.

“Our practices and procedures already to a large extent reflect the Code, so we are delighted to be able to support this, and to do so without hesitation.”

The Code will come into effect from April 1. It has been introduced following the Government's decision not to introduce a statutory scheme for Will writing. Professional bodies are now charged with voluntarily bringing in their own codes of practice.

Andrew Way, a Partner and Manager of the Private Client department at Latimer Hinks, said: “The Code ensures that those accredited have a high standard of Will writing, and are professionally qualified to give the best advice. It gives the public confidence and reassurance when they are dealing with those who adhere to the Code.”

For more information on the STEP Code for Will Preparation in England and Wales visit [www.step.org](http://www.step.org)

### Welcome to Rightfocus...

In this issue we lead with news - welcomed by Latimer Hinks - regarding the launch of a new code for Will preparation. The aim is to improve standards of Will writing and reassure clients.

Inside, we bring more good news from a study made by the Federation of Small Businesses confirming that many small businesses throughout the country are facing the year with optimism. We also look at the new CRARs legislation (for landlords and tenants) being introduced on April 6th.

Moving on, Natalie Palmer explains how to give monetary gifts and at the same time help offset Inheritance Tax.

On the back page, Martin Williamson asks if education hotspots are fuelling house prices and making life more difficult for families trying to balance finances and education.



Latimer Hinks  
S O L I C I T O R S



# The future's brighter

**A new study of 2,000 companies by the Federation of Small Businesses (FSB) confirms what many commentators have been suggesting: small businesses are facing 2014 with optimism in every region of the country.**

The FSB research found that one third of SMEs are operating at full capacity, with one in four expecting to invest in the coming year.

FSB chairman John Allan said:

“Confidence has been in positive territory for a full year, giving economic growth solid foundations moving into 2014. Small firms are creating more jobs and investing in their business – and there are encouraging results behind the headline figures, with promising trends evident across the main areas of expansion, investment and employment.”

One particularly strong driver is the Government's New Enterprise Allowance (NEA) scheme that's supporting the

creation of around 2,000 new businesses every month.

Targeted at those claiming Jobseeker's Allowance, Income Support, and Employment and Support Allowance, the Scheme provides advice and support, as well as a weekly allowance over 26 weeks, plus a loan to help with start up costs. The NEA initiative has seen more than 32,500 new businesses start trading since its launch two years ago.

Another recent report by the Centre for Economics and Business Research (CEBR) paints a similarly positive picture of the UK's outlook. Commissioned by British Gas, the CEBR study estimates that small business revenues could top £400 billion this winter – an increase of 7% on 2011/12 and the strongest growth in the SME sector since the financial crisis began.

Although Education businesses represent a significant proportion of the winter SME



***Small business revenues could top £400 billion this winter – an increase of 7% on 2011/12 and the strongest growth in the SME sector since the financial crisis began***



economy, for other sectors – such as construction and retailers facing the post-Christmas slump – winter can be tough.

The CEBR nevertheless reports an improving backdrop in which credit conditions made their most significant improvement in two years in Q4 2013 and are forecast to continue to improve following new Funding for Lending measures from January 2014.

## 'Cyber streetwise' campaign to prevent attacks on SMEs

A new government campaign 'Cyber streetwise' aims to provide businesses with the skills to boost their cyber safety.

The campaign promotes some simple steps for businesses to take to ensure they are secure online – from making sure passwords are strong and changed regularly, to simply monitoring what information is shared on social media profiles.

## Commercial Rent Arrears Recovery (CRAR) goes live from April

**From 6th April 2014, landlords will no longer be able to take direct action against tenants for outstanding rent, but will instead have to use Commercial Rent Arrears Recovery (CRAR).**

CRAR will change how landlords can seek compensation for missing rent by seizing their tenants' goods. The landlord must serve the tenant with a minimum of seven days' notice that they intend to enact CRAR – giving the tenant time to apply for a Court Order, should they feel seizure is unjustified.

There are also further changes. The missing rent due must be confirmed before

notice is served. This can only apply to rent for possession and use of a commercial premises, and anything extra such as maintenance fees or council tax cannot be recovered.

These new measures are likely to impact leases. For instance, landlords must make sure their leases are clear about what is attributable as rent, which could mean avoiding inclusive rent provisions, as this will affect what they could rightfully claim back.

As the new law ultimately gives tenants more power to resist direct action by their landlords, deposits and required guarantees may increase.



# An unusual gift that will last more than a lifetime

**New Year can be the ideal time to give a monetary gift that will also help to offset the financial pain of Inheritance Tax (IHT).**

While a new year is not the best time for morbid thoughts about the so-called 'death tax', taking the time to undertake a financial health-check focusing on IHT could save much anguish in future.

Natalie Palmer, Solicitor & Partner at Latimer Hinks, said: "A new year (and before the 5th April) is the perfect time to give a generous monetary gift to help cash-strapped children, grandchildren or other relatives out.

"You can give away £3,000 per tax year - or £6,000 if you have not used the £3,000 allowance in the previous tax year - and this will not be taken into account on your death. Anyone can give away £250 in each tax year to anyone by way of the small gifts annual allowance. Perhaps the most useful rule is that regular cash gifts out of surplus income will not be taken into account when you die.

"If, for example, you have £1,000 per month income surplus to your needs, you may like to transfer that £1,000 to a bank account for your adult children each month. The regularity of payments and keeping records of income and expenditure is most important."

Natalie added: "All gifts made more than seven years before the donor dies are free of IHT. However, if you reserve any benefit



**Natalie Palmer, Solicitor and Partner at Latimer Hinks.**

from a gift – such as continuing to live in a house you have given away – then HM Revenue & Customs (HMRC) may apply 'gift with reservation' rules to apply tax as if the transfer had never happened.

"You may ask whether anyone would find out about any gifts you give to your children. Perhaps not, but when you die your executors or personal representatives will need to make declarations verifying gifts to both the court and the Inland Revenue Capital Taxes Office."

“

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## SMEs prioritising sustainability to make them more attractive



With sustainability set to be a top SME priority in 2014, 87% of businesses that have implemented sustainable practices believe it has brought clear benefits. These include reducing costs and making a positive contribution to the environment.

## European Banking Authority warning on virtual currencies

The EBA has warned consumers that holding and trading virtual currencies such as Bitcoins holds risks.

Like physical money, virtual currency is risky from several standpoints. The Authority has advised consumers that virtual money can still be stolen, and that the value could change rapidly so as to be less than the figure invested. Also, virtual currency is not regulated – so consumers are unable to claim compensation should they incur a loss.

**Solicitors for families,  
businesses, farmers &  
landowners**

## Contacts and services

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An understanding approach to house buying and selling, long term care and retirement, wills, trusts and probate.

**Private Client Team:** Anne Elliott, Andrew Way, Elizabeth Armstrong, Natalie Palmer, Helen Thomas, Gillian Ibbotson, Nadine Kilvington, Kelly McLoughlin, Daniel Williams, Claire Conway, Julie Porter

**Residential Conveyancing Team:** Nicola Neilson, Martin Williamson

### business & commercial

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**Commercial Team:** Nick Poole, Anne Elliott

**Commercial Property Team:** Tim Haggie, Neil Stevenson, Nicola Neilson, Adam Wood

### farmers, landowners & landed estates

Knowledgeable legal expertise in land sales and purchases, land option agreements, tenancy agreements, succession planning, diversification schemes and renewable energy developments.

**Agricultural Team:** Tim Haggie, Anne Elliott, Neil Stevenson, Nicola Neilson

**Private Client Team:** Anne Elliott, Andrew Way, Elizabeth Armstrong, Natalie Palmer, Helen Thomas, Gillian Ibbotson, Nadine Kilvington, Kelly McLoughlin, Daniel Williams, Claire Conway, Julie Porter

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# Are education hotspots turning up the heat for families?

**As new research reveals that middle class parents are prepared to pay up to 170 pc property price premiums to live close to Britain's top primary schools, we ask if 'education hotspots' are here to stay.**

According to the study by property website primelocation.com, aspirational families are willing to pay an extra £91,000 to live near to better performing primary schools. Here in Darlington we have first-hand experience of a property in a particularly desirable school catchment area where the sale price achieved was almost a 20 pc increase on the original asking price. As places at schools ranked by Ofsted as 'outstanding' or even 'good' become like gold dust, the pressure on parents to ensure their children get the best possible start in life only looks set to increase.

Separate research by Lloyds Bank has found that property prices close to England's top 30 state secondary schools were on average £31,500 – or 12 pc – higher than those in neighbouring areas. The study found that nine out of the top

30 state schools were in locations where house prices were as much as £80,000 more than similar properties in surrounding areas. The study calculated the premiums on house prices in the postcodes of the top 50 fee-paying and top 50 state primary schools outside London against the average property price for the country.

The market town of Yarm, which has been dubbed 'the Riviera of the North', has become something of an education hotspot. Many families are drawn to the town by the success of Yarm School, which has topped the school league tables for all state, independent schools and sixth form colleges in County Durham and Teesside.

Despite the most recent Office of National Statistics figures showing that the North East property market is still lagging behind the rest of the UK, the town of Yarm is bucking the trend with its above average house prices. According to current data from rightmove.co.uk, the average house price in Yarm is £199,145 compared to Nationwide's national average of £174,444, and while the North East remains the weakest performing region with an average house price of £116,417, Yarm is one of the few areas in the region with a burgeoning property market.

While independent schools do not have a catchment area, many parents prefer to move as close as is practical to a school so that the school run is shorter or even so that their children can walk to school. It's almost as if parents, if they are able, feel the need to make a pre-emptive strike by moving closer to school, so that once their children reach school age they are able to attend the school of their parents' choice.

At the end of the day, however, what parent does not want the very best for their children? As the gap between better performing and failing schools seems to widen year on year and a 'good start' in life increases in importance, education hotspots do seem to be here to stay.



**Martin Williamson, Head of  
Residential Property.**