

Welcome to the Latimer Hinks
Rightfocus newsletter.

Rightfocus aims to keep both our private and commercial clients up to date with the most important legal developments affecting them.

This issue's articles include:

- New partners appointed at Latimer Hinks
- New scheme aims to stimulate business lending
- Myth: It is impossible to sack an employee
- Young people locked out of housing market
- Be aware of tax changes for Furnished Holiday Lets
- Latimer Hinks celebrates Mary's 49 years of history



New partners appointed at Latimer Hinks

Latimer Hinks, has appointed two new Partners from within its Private Client team. Elizabeth Armstrong and Natalie Palmer are both well established, senior members of the Darlington-based firm's team, specialising in wills, trusts, probate, Inheritance and Capital Gains Tax planning, and elderly client issues.

Durham University graduate Elizabeth joined Latimer Hinks in 2005, having qualified in 1998, and manages the firm's Trust Department.

Elizabeth is a member of the Society of Trust and Estate Practitioners (STEP) and committee member of the North East branch, as well as a Student Member of the Chartered Institute of Taxation.

Natalie, who studied at Sunderland University, joined the firm in 2000 and qualified in 2007.

As well as being a Student Member of STEP, Natalie is joint regional co-ordinator for Solicitors for the Elderly (SFE), a member of the Alzheimer's Society Referral Panel and a Trustee of Age UK Darlington.

Partner Anne Elliott, who with Andrew Way heads Latimer Hinks' Private Client team, said: "Elizabeth and Natalie have proved themselves to be valuable members of the Latimer Hinks team and we, the Partners, believe they will carry this into their new roles and be valuable additions to the leadership of the firm.

"This is a firm which has always thrived on being a family-oriented practice, with multiple generations of families retaining our services. This means that the area in which Elizabeth and Natalie have thrived, working closely with clients on issues which are involved and personal, is vital to our future and as Partners they will be in a position to be at the forefront of that work."

To contact the Private Client Department call: 01325 341500.

New scheme aims to stimulate business lending

The latest effort on the part of Government to stimulate banks into lending more to small and medium-sized businesses (classified as those with a turnover of under £50 million) finally arrived in March with the launch of the National Loan Guarantee Scheme.

Now, Treasury backing with guarantees totalling £20 billion will enable banks to borrow more cheaply on the international wholesale money markets. This in turn will supposedly enable qualifying businesses to benefit from cheaper credit and greater availability of funds.

At the launch, Chancellor George Osborne said: "It's only because we've earned credibility with our deficit reduction plan that we have low interest rates, and it's only because of this scheme that we can pass the full benefits of those low rates on to business."

However, the decision by HSBC not to become involved has acted as a warning to some that the scheme may not deliver all that is promised.

Any business wishing to apply for a loan through the scheme should go directly to participating banks: Barclays, Lloyds, RBS, NatWest, Bank of Scotland, Santander, Aldermore and Lombard.

Anybody requiring legal input into their application documentation should contact our commercial law team.



Myth: *It is impossible to sack an employee*

By Nick Poole, of Latimer Hinks Solicitors www.latimerhinks.co.uk

When asked what myths surround employment law, one stands out above all others: You can't sack anybody these days!

Over the course of recent years, pressure has not only tightened on the public purse – which funds the employment tribunal system – but also on the finances of businesses.

At the same time, there has become a perception that employment law has become weighted too heavily in favour of employees while, in a large proportion of cases, the cost of fighting an action outweighs the value of the actual claim itself.

Over and above the amount of money companies may actually pay out on such a case, there is the valuable management and human resources time being used up in the process.

These factors – added to such consideration as negative publicity from a tribunal – place a pressure on employers to settle cases, regardless of their merits.

However, we are seeing a move toward redressing this balance and reducing the pressure on the public purse.

In 2011, Business Secretary Vince Cable announced an Employers' Charter aimed at redressing the balance – or at least the perception that

the law was too employee friendly. One of the first things we have seen is that employees now need to have worked for two years, rather than one, to be protected from unfair dismissal.

Government believes this will mean 2,000 fewer claims – a considerable saving to the tribunal service – with employers also saving nearly £6m per year.

Further to the change to timescale for unfair dismissal, a second major change is expected to come into place in April 2013. People seeking to make a claim to the employment tribunal may be required to pay a fee.

At first glance, this would seem an anti-employee policy, but it actually benefits both sides. For the employer, it reduces the likelihood of facing a claim. For the employee making a genuine claim, the tribunal is likely to look more favourably upon their case because the willingness to risk their own money to bring the action arguably shows a greater belief that the claimant has been wronged.

While it is right that tribunals are there when required, the changes which are being discussed will cut down on vexatious claims and the extension of the qualifying period will clearly also be welcomed by businesses.

Nick Poole is an employment lawyer at Latimer Hinks Solicitors, in Darlington. www.latimerhinks.co.uk 01325 341500

Young people locked out of housing market

By Martin Williamson, Head of Residential Property, Latimer Hinks Solicitors www.latimerhinks.co.uk

Buying a first house used to be a well-trodden right of passage ranking up there with getting married or the birth of a first child or retirement. No longer however can young people expect to have reached that once accessible milestone by the time they hit the Big 3-0.

This lack of movement in the housing market has its consequences with the property ladder turning into something of a dead-end for many thousands of people who cannot move up because first-time buyers are scarce on the ground. This has a knock on effect for others further up the property ladder leading to housing market stagnation.

Reaching that first rung by their thirtieth birthday was once something to be taken almost for granted by a lot of young people. These days however having a roof over their heads that they can truly call their own has become something of a pipe dream.

The rate of home ownership is in steep decline, according to the latest studies. Around 187,000 people became first-time buyers in 2011, which was seven per cent fewer than the preceding year and less than half the recent peak of 402,800 seen in 2006. The figure from Halifax, the lowest recorded since it started recording the data for the UK, will fuel concerns that a generation of our young people is locked out of the property market.

According to the Department for Communities and Local Government, the average age of UK first home buyers (without assistance) was 37 years old in 2010. Increasing deposit requirements appear to be stunting first home buyer demand (despite lower mortgage rates), with the average deposit required now ten times higher than two decades ago, according to The Guardian.

With rental prices hovering around sixteen per cent higher than monthly mortgage payments, even the rental market is proving increasingly



Martin Williamson

tricky to access for many of our young people who are struggling with the competing demands of increasing job insecurity, economic uncertainty and rising inflation.

So what now for our young people? The answer seems to be something of a long waiting game. Should those languishing beyond the reaches of the housing market focus their minds on saving for hefty deposits and cultivating good credit histories in readiness for making that first rung of the ladder? Or should they put aside their home-owning aspirations and adopt a more 'Continental', less Thatcherite attitude to home ownership?

I personally feel increasing concern for the generation locked out of the housing market and that changing their whole ingrained attitude to home ownership could be something of a stretch for most. Incentives for first time buyers must be more accessible with a greater emphasis on part-ownership schemes and affordable deposits matched by lower loan to value ratios, which must also be grounded firmly on the principal of affordability.

Martin Williamson is Head of Residential Property at Latimer Hinks Solicitors in Darlington. Latimer Hinks has a team of around 50 people serving private and corporate clients. For further information: www.latimerhinks.co.uk or call 01325 341500.

Be aware of tax changes for Furnished Holiday Lets

April saw the introduction of further new rules affecting tax payers who earn income from Furnished Holiday Lets (FHLs) in the UK or the European Economic Area (EEA). It has been estimated that the changes will affect around 65,000 people.

These build further on the changes introduced in 2011, when the main impact was the removal of the right to offset losses against income from other sources – now they can only be offset on income made on that same holiday let.

The main 2012 changes involve the length of time for which a property is both available and actually let during a year. Now, to qualify for a more favourable Capital Gains Tax regime on the sale or gift of a property, it must be available for no less than 210 days each year (up from 140) and actually let for 105 days (up from 70).

Clearly, these changes will have a substantial impact on those FHL owners who currently close or occupy their properties during the winter months.

Contact our tax-planning team for practical advice on how to make the most of the opportunities that still remain.



Latimer Hinks

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Mary and the Latimer Hinks Team Celebrate her Retirement

Latimer Hinks Celebrates Mary's 49 Years of History

Latimer Hinks solicitors, one of Darlington and County Durham's longest established law firms, has celebrated the retirement of its longest serving member of staff.

In 1963 Mary Everitt joined the firm based in Priestgate on a three month trial. "They never did tell me if I passed!" she says. 49 years later she has seen major changes within the way law is practised and has been involved in cases which have been of importance to the local area.

Having arrived as a junior secretary, Mary, who was born in Darlington – her grandfather had a bakery in Gladstone Street – worked alongside some of the town's best known lawyers, including Charles Hinks, Eric Marsham and, for 21 years, Tony Little.

When Anne Elliott joined the firm in 1976 Mary helped her to promote and expand the already well established Latimer Hinks' Private Client Department, which Anne still heads up today. The two have worked together in that Department until Mary's retirement and will continue to have a close working relationship, in that Mary acts as Anne's personal assistant in connection with her role as Under Sheriff of the County Palatine of Durham.

When Mary joined the firm, it was known as Latimer Hinks Marsham and Little, a name which was the result of a 1950's merger. The name only changed in the late 1980s, when the decision was made to shorten it. Already based in Priestgate, the firm's offices expanded as it took over the neighbouring fish shop and the Co-Op confectionery shop, as well as taking space above the King's Head Hotel.

Whilst Mary has seen many changes, such as the move from manual typewriters to computers and from hand tracing and carbon paper to photocopying, she says: "Latimer Hinks has always based and prided itself upon personal service that continues. It is very much a family firm in the context of serving several generations of families

"Originally, one lawyer would deal with all aspects of a client's work. Now teams specialise in different areas of work, but there is still, and I hope there will always be, that element of personal service contact and knowledge of the Client.

"We have dealt with some families over the whole of the 49 years that I have worked for the practice. I have received e-mails from as far away as the US, wishing me luck and commenting that I probably know more about their families than they do."

Mary was working with Eric Marsham, when she was involved in a case where farmers whose land was on the banks of the River Tees were fighting plans for a weir at Croft. "We won," she says proudly, "and there's still no weir at Croft."

Anne said: "Mary has seen so much in her time at Latimer Hinks, not only within the firm, but also in Darlington and the surrounding areas. The knowledge and experience she has built up has been hugely valuable, not only to me and the rest of the Private Client team but to the firm as a whole.

"I am delighted, and relieved, that Mary has agreed to continue to work with me in relation to my role as Under Sheriff. She will be greatly missed at Priestgate by colleagues and clients alike, many of whom are now very good friends."