

## June 2017

Dear Client,

In this month's eNews we report on the roll out of tax free childcare and the guidance available for parents on the choices and support available, the latest advisory fuel rates and labour market statistics. With guidance on cyber security, the latest report from the Pensions Regulator and what the Small Business Taskforce wants following the election there is lots to consider.

Best wishes

Alan McCappin – Practice Manager

### TAX-FREE CHILDCARE AND CHILDCARE OPTIONS

Tax-Free Childcare, the new government scheme to help working parents with the cost of childcare launched at the end of April and is being rolled out to parents, starting with those parents with the youngest children first.

For every £8 a parent pays in, the government will pay in an extra £2. Parents can receive up to £2,000 per child, per year, towards their childcare costs making a total amount of £10,000. Higher limits of £4,000 and £20,000 apply for disabled children.

To qualify for Tax-Free Childcare parents and partners in the household must generally meet a minimum income level of on average £120 a week and each earn less than £100,000 a year.

The scheme will be available for children up to the age of 12, or 17 for children with disabilities. All eligible parents will be able to join the scheme by the end of 2017. Those eligible will be able to apply for all their children at the same time although the government rollout will start with the youngest children first. Parents will need to open an online account, which they can use to pay for childcare from a registered provider.

For those employers who currently offer Employer Supported Childcare, usually in the form of childcare vouchers, these schemes can remain open to new entrants until April 2018. Existing members have the option to remain in their existing scheme or change over to Tax-Free childcare as their child becomes eligible. It is not possible to benefit from tax-free childcare and employer supported childcare at the same time.

A calculator for parents comparing the options and guidance on the other government provided free childcare available are available on GOV.UK.

**Internet links:** [Childcare calculator](#) [Childcare choices](#)

### SMALL BUSINESS TASKFORCE OUTLINES PRIORITIES AHEAD OF THE GENERAL ELECTION

The Small Business Taskforce has outlined its priorities ahead of the General Election.

The Taskforce which is made up of 14 organisations, including the Institute of Chartered Accountants in England and Wales (ICAEW), Enterprise Nation and the Entrepreneurs Network, has set out six key recommendations in its election manifesto to help 'build a positive and progressive business case for Britain'.

The Taskforce is recommending the next government should provide an environment which 'champions the role of small businesses' and creates a tax system that supports businesses of all sizes.

They also call for the next government to provide an advantageous pensions and benefits system, supply procurement opportunities that are beneficial to all and create a workforce that is equipped for enterprise.

Clive Lewis, Head of Enterprise at the ICAEW, commented:

*'Whatever the outcome on 8 June, the incoming government must provide a solid platform for small businesses to flourish and grow.'*

*'Currently businesses are cautious about the future and are holding back on investment, therefore it's vital that, in the run-up to the General Election, all political parties spell out how they plan to encourage businesses to invest in long-term growth.'*

To read more of the Small Business Taskforce's manifesto visit the following link.

**Internet links:** [economia news Manifesto](#)

### ADVISORY FUEL RATES FOR COMPANY CARS

New company car advisory fuel rates have been published which took effect from 1 June 2017. The guidance states: 'You can use the previous rates for up to one month from the date the new rates apply'. The rates only apply to employees using a company car.

The advisory fuel rates for journeys undertaken on or after 1 June 2017 are:

Engine size	Petrol
1400cc or less	11p
1401cc - 2000cc	14p
Over 2000cc	21p



T: 020 8303 1287

[www.bradleysaccountants.co.uk](http://www.bradleysaccountants.co.uk)

[contact@bradleysaccountants.co.uk](mailto:contact@bradleysaccountants.co.uk)

[www.bradleysaccountants.co.uk](http://www.bradleysaccountants.co.uk)

Engine size	LPG
1400cc or less	7p
1401cc - 2000cc	9p
Over 2000cc	14p
Engine size	Diesel
1600cc or less	9p
1601cc - 2000cc	11p
Over 2000cc	13p

The guidance states that the rates only apply when you either:

- reimburse employees for business travel in their company cars
- require employees to repay the cost of fuel used for private travel

You must not use these rates in any other circumstances.

If you would like to discuss your car policy, please contact us.

**Internet link:** GOV.UK AFR

### GUIDANCE PROTECTS AGAINST 'RANSOMWARE' ATTACKS

The National Cyber Security Council (NCSC) has published guidance for small businesses about how they can prevent, detect and respond to ransomware attacks following the widespread 'WannaCry' ransomware attack in early May.

Further guidance has been produced by the Charity Commission for England and Wales for charity trustees on this issue.

**Internet links:**

<https://www.ncsc.gov.uk/guidance/ransomware-latest-ncsc-guidance>

<https://www.gov.uk/government/news/ransomware-threat-keep-your-charity-safe>

### TPR NAME AND SHAME THOSE WHO FAIL TO COMPLY

The latest Compliance and Enforcement Bulletin from the Pensions Regulator (TPR) makes interesting reading as it sets out cases and the powers TPR have used relating to automatic enrolment and associated employer duties.

TPR are warning employers that ignoring TPR penalties could seriously damage a business' reputation.

TPR are maintaining a tough approach towards those employers who try to get away with not giving their staff the pension that they are due. The latest development is to publish details of those who have paid their Escalating Penalty Notice (EPN) but remain non-compliant. We will also publish the details of those who failed to pay their EPN, and as a result have been made subject to a court order.

The details published will include the employer's name, the penalty amount, and the first part of their postcode.

**Internet links:** TPR Bulletin EPN employer details

### RISING EMPLOYMENT STATISTICS

The Office for National Statistics has published the latest employment statistics which reveal:

- Estimates from the Labour Force Survey show that, between October to December 2016 and January to March 2017, the number of people in work increased, the number of unemployed people fell, and the number of people aged from 16 to 64 not working and not seeking or available to work (economically inactive) also fell.
- There were 31.95 million people in work, 122,000 more than for October to December 2016 and 381,000 more than for a year earlier.
- The employment rate (the proportion of people aged from 16 to 64 who were in work) was 74.8%, the highest since comparable records began in 1971.
- There were 1.54 million unemployed people (people not in work but seeking and available to work), 53,000 fewer than for October to December 2016 and 152,000 fewer than for a year earlier.
- The unemployment rate (the proportion of those in work plus those unemployed, that were unemployed) was 4.6%, down from 5.1% for a year earlier and the lowest since 1975.
- There were 8.83 million people aged from 16 to 64 who were economically inactive (not working and not seeking or available to work), 40,000 fewer than for October to December 2016 and 82,000 fewer than for a year earlier.

**Please contact a member of our Tax Team if you would like to discuss any of the issues raised in this newsletter.**

- The inactivity rate (the proportion of people aged from 16 to 64 who were economically inactive) was 21.5%, down from 21.8% for a year earlier and the joint lowest since comparable records began in 1971.
- Latest estimates show that average weekly earnings for employees in Great Britain in nominal terms (that is, not adjusted for price inflation) increased by 2.4% including bonuses, and by 2.1% excluding bonuses, compared with a year earlier.
- Latest estimates show that average weekly earnings for employees in Great Britain in real terms (that is, adjusted for price inflation) increased by 0.1% including bonuses, but fell by 0.2% excluding bonuses, compared with a year earlier.'

Responding to the latest data, Alpesh Paleja, CBI Principal Economist, said:

*'Rising employment continues to reinforce the importance of the UK's flexible labour market.'*

*'However, weakening productivity and slower pay growth, coupled with rising inflation, will continue to squeeze real household earnings.'*

*'Therefore maintaining the UK's reputation as a great place to do business, for example by increasing R&D spend to 3% of GDP by 2025, will help boost the UK's productivity. This is the only sustainable route to higher wages, and better living standards.'*

**Internet links:** ONS statistics CBI news

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