

legal advice

Leading specialist commercial law firm, Blackbourn & Bond, has teamed up with *Border Business* to offer businesses in the region expert legal advice. And in this, our third feature of the series, director Dwight Bond answers your questions and provides some useful legislation updates...

Positive thinking

There's no denying that times are tough, but current economic hardships can force businesses to review their systems and processes, which can lead to improved customer service and, ultimately, a more streamlined, efficient and profitable business that is stronger and better equipped to face the challenges that lie ahead.

A good example of this comes from a manufacturer that suffered a downturn in business because of the recession and has now turned its fortunes around with the help of Blackbourn & Bond.

Alpha-Rowen Ltd, Based at Tipton in the West Midlands, is one of the largest UK sub-contractors of the heat treatment known as austempering for the spring and presswork market.

Earlier this year the company was facing difficult times as a result of the sharp decline in the automotive industry that has formed a key part of its business for the last 22 years.

However, instead of burying its head in the sand, the company sought advice from Blackbourn & Bond. Through consultation with director Dwight Bond, it was decided to restructure the business and consolidate its assets.

"Many UK businesses who are tier 1, 2 or 3 suppliers to the automotive industry have faced, and are still facing, tough economical times, as was Alpha-Rowen," explains Dwight.

"The big difference, however, was that after successfully surviving three recessions over the past 20 years, the business was quick to recognise that this recession was unlike any other it had faced.

"The board's swift action in agreeing to consolidate the business means that we have been able to implement all the steps required to protect its assets with the aim of making it a compact and successful organisation once again."

A few months on, Alpha-Rowen is now a far more streamlined and profitable organisation that has managed to keep secure the jobs of the majority of its employees.

And, by implementing new strategies and improving efficiencies as part of the process, the business is in a much stronger and more competitive position for the future, and has already started to see an increase in orders.

"Demand for our products from the automotive industry had reached critical levels earlier this year," explains Kevin Rowen, owner of Alpha-Rowen Ltd. "It was only with the help and advice from Blackbourn & Bond that we were able to restructure the business enabling it to move forward.

"The specialist business and commercial legal expertise provided by Dwight throughout this difficult process was invaluable. With his constructive advice and unprecedented support, we were able to quickly make key decisions to prevent the business slipping further into decline."

New beginnings

To celebrate the culmination of a number of exciting new developments at Blackbourn & Bond recently, including the announcement of a new company name, new corporate identity and the appointment of Mark Callahan as business development director, the law firm hosted an evening of drinks and entertainment for its clients at Shrewsbury's Bang & Olufsen Dealer of the Year showroom.

The event was organised in conjunction with Swedish bank Handelsbanken, Blackbourn & Bond and Bang & Olufsen, three Shrewsbury-based businesses that all share the same core values for offering quality products, high customer service levels and approachability.

Indeed, Blackbourn & Bond is proud to have been the first business account opened by Handelsbanken in Shrewsbury, and enjoys first class service from a forward-thinking organisation.

"The evening was a great success for everyone," says Dwight, "and provided us with the opportunity to celebrate the beginning of a new era for Blackbourn & Bond with clients and close business associates."



Nick Blackbourn

Nick is the firm's founding partner and set up the practice in 2003. He has more than 25 years industry-based experience, working with some of the UK's largest PLCs. He specialises in the corporate finance and company commercial sectors, focusing on working alongside clients involved in company acquisitions and disposals, business development, management buy outs/ins, private equity, commercial contracts, intellectual property and corporate structures.

Dwight Bond

Dwight specialises in commercial property, including residential site acquisitions and developments, construction, planning, environment, landlord and tenant and licensed trade properties. With a background in leisure and retail, he is also able to offer a comprehensive range of legal advice in numerous commercial sectors.

If you have any questions you'd like to ask Nick or Dwight, then email us here at info@borderpublishing.com

BLACKBOURN & BOND

LAWYERS FOR BUSINESS

The long run

Q. Do employees have any rights to legal representation during employment disciplinary or grievance proceedings?

A. Originally, any employee who attended a hearing of a disciplinary or grievance nature had a statutory right to be accompanied to the hearing by either a trade union official or work colleague. However, there was no right to have legal representation.

On an application for review, the High Court has now held that if legal representation is refused, in certain circumstances this will be seen as a breach of human rights.

These circumstances are defined as cases where the hearing might 'irretrievably prejudice' the employee, such as where the outcome of the hearing might result in the loss of the employee's job, damage their future employment prospects or ability to continue with their career, or permanently damage their reputation. Then, the individual is entitled to legal representation.

While these developments relate to a minority of cases that are quite specific, employers need to be aware of the implication this has on their duties to employees while undertaking disciplinary action.

We would always advise employers to seek legal advice and clarification as to the correct process they should be following in each situation.

Quicker sales

Q. I have some business premises that will soon become vacant. Is there any way to prevent having to pay

commercial rates for empty premises?

A. From April 2008, landlords of unoccupied business premises could no longer receive the empty rates benefits they were previously entitled to.

This now means that owners of unoccupied commercial premises (such as shops and offices) can claim three months exemption after which they will then have to pay 100 percent of the basic occupied business rates. Prior to this change, landlords could claim three months' exemption and then only 50 percent rates were due.

With regards to industrial premises, landlords now have a six-month exemption before having to pay 100 percent. Prior to this, industrial premises were totally exempt. Following this change, landlords have been able to mitigate their tax liability in various ways, including:

- Short-term letting
This involves a tenancy of a mere six-week period. As long as the tenancy is genuine, this allows the owner to claim a further period of relief if the premises become empty again. This is only possible if there is a genuine and continuous six-week period of occupation.

- Using the property
An owner is able to use empty premises for storage purposes for a period of at least six weeks. Once vacant at the end of that time, this will then lead on to a fresh period of empty rates relief. As with the previous technique, there must be a genuine and continuous occupation of the premises. Another factor to consider is that the intended use of the building must be consistent

with the planning use permitted.

- Letting to a charity

As well as the changes to empty rates for commercial premises, charity organisations have been subject to change and are now exempt from rates on any unoccupied premises that are either commercial or industrial.

As well as this, when in occupation, they are required to pay only 20 percent rates. If there is no other available occupier, you might wish to look to give a charity the use of a building (for example, rent-free) as an effective means of avoiding empty rates liability.

"Landlords now have a six-month exemption before having to pay 100 percent"

LEGAL SOUND BYTES

PRIVATE ADDRESS

From 1st October 2009, company directors and secretaries will no longer be required to have their residential address on the register of directors. Instead, this will go into a separate new register, which will be classed as protected information. This will prevent their residential addresses being in the public domain. A service and residential address must be provided to Companies House, but it will be Companies House's responsibility to then keep the residential addresses from appearing on the public register.

IN WITH THE NEW

From 1st October 2009, new company formations will no longer be required to have a separate memorandum of association. Instead, the company's memorandum will form part of the articles. The articles will simply need to contain a statement that the founders wish to form a company, which will include details of the subscriber shares. To amend the memorandum, companies will need to amend their articles. This change will not affect existing companies.

HOLIDAY TIME!

From 1st April 2009, part-time workers have been entitled to 5.6 weeks holiday pro rata per annum. There is no legal obligation to grant time off for bank holidays and this is included in the 5.6 weeks allowance. Employers need to ensure they don't treat part-timers less favorably than full-time employees.

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