

NEW OFFICE OPENING IN VERWOOD



The global recession? We refuse to participate in it! Whilst most other solicitors seem to be shedding staff at a frightening rate, not only do we remain committed to making no redundancies, but we are continuing to grow by offering the right advice to our clients at the right price. We are delighted to open the firm's fourth office in Verwood later this month – at Bank Court in Verwood, Dorset – from where we will be offering the full range of legal services to both private and business clients.

Contact details:

Bank Court
Manor Road
Verwood
Dorset
BH31 6DY
Tel: 01202 834450
Email: verwood@bishopslaw.com

For more information, please contact Tim Bishop at tim.bishop@bishopslaw.com or 01722 422300.

Got a problem? Our Commercial Team are here to help

Whatever your legal needs, Bonallack & Bishop can give you clear, practical and professional advice. With specialists in

- Business Law
- Business Litigation
- Commercial Property
- Company Secretarial
- Debt Recovery
- Employment Law
- Landlord and Tenant Law
- Licensing
- Notary Public

we have someone who can help with your issue today.



Andrew Cutler
Head of Litigation



Alan Jenner
Commercial Solicitor



Nick Martin
solicitor



Georgina Walters
Commercial Property

NEW CONSULTANT LAWYER JOINS THE B&B TEAM



Anna Rabin
Construction Law
Consultant

We are really pleased to welcome Anna Rabin as part of our team, who joins us as a consultant specialising in non-contentious construction and engineering law. Anna, previously a partner at respected city law firm Jeffrey Green Russell, is highly experienced and her expertise has frequently been sought by the professional press and leading publishers. Anna has contributed to numerous construction, engineering and legal journals and her expertise was featured on Channel 4 just last month. She is experienced in working for both the public and private sectors, for both residential and commercial developers and on a wide range of projects ranging from schools to business parks. Anna significantly adds to the firm in growing the depth of experience and allows us to offer the highest quality city advice at local prices.

For further information about Anna, contact Tim Bishop on tim.bishop@bishopslaw.com or 01722 422300.

If you, a friend or colleague would like to receive our Commercial or Private Client Newsletter by email then please contact robin.montgomery@bishopslaw.com

We also offer FREE drop in Legal Surgeries at our:

Salisbury office: Tuesday 5.15–7pm
Andover office: Wednesday 5.15–7pm
Amesbury office: Wednesday 2–5pm
(Family Law only)

BONALLACK & BISHOP
SOLICITORS

Salisbury • Andover • Verwood • Amesbury

For more information about our full range of services visit our website at www.bishopslaw.com or contact our offices:

Salisbury: Rougemont House, Rougemont Close, Manor Road, Salisbury, SP1 1LY
Tel: **01722 422300** Email: salisbury@bishopslaw.com

Andover: 3 Eastgate House, East Street, Andover, Hampshire, SP10 1EP
Tel: **01264 364433** Email: andover@bishopslaw.com

Verwood: Bank Court, Manor Road, Verwood, Dorset BH31 3DY
Tel: **01202 834450** Email: verwood@bishopslaw.com

Amesbury: Queensberry House, 5 Salisbury Street, Amesbury, Wiltshire, SP4 7AW
Tel: **01980 622992** Email: amesbury@bishopslaw.com

www.bishopslaw.com

legal update

BONALLACK & BISHOP
SOLICITORS

For You • For Your Business • On Time • On Budget

Business Client Newsletter
Issue 4

Charging interest on late payments – are you missing out?



In this issue

Employment Law

Alternatives to Redundancy;
Making Gardening Leave Work;
Increase to Holiday Entitlement



Getting your T&C right...



Services for you

Free Debt Recovery Letters; Free Downloads; Our Breakfast Clubs



About us

Our People; Our New Office;
Our Contact Details



A recent survey showed that only 4% of British business always charge interest for late payment of bills. With the current economic downturn, it is more important than ever for firms to tighten up their cash flow and recover money owed swiftly. You have a legal right to charge interest on unpaid bills for business clients and doing so produces two dividends:

- As your clients see their bill gradually mounting, it is a strong incentive to pay.
 - If your clients do delay paying, then at least you get some return on the hit to your cash flow.
- There is no need to refer to your right to charge interest in your terms and conditions – under the Late Payment of Commercial Debts (Interest) Act 1988, the ability to charge interest at 8% above Bank of England Base Rate is automatically implied in your terms and conditions (unless you set your own interest rate on unpaid debts). You can charge 8% above Bank of England Base Rate, no matter how large or small the debt. However if you do set your own rate of interest, the statutory 8% above Bank of England base rate does not apply – so be careful your own rate is not too excessive or your client could challenge it at Court.

New Bonallack & Bishop office opening in Verwood *see back page for details*

What is the rate of interest?

All you need to know is the Bank of England base rate on either 30th June or 31st December. If the debt arose between 1st July and 31st December 31st, the relevant Bank of England base rate is the one valid on the previous 30th June. Similarly if the debt arose between 1st January and 30th June, the rate is the valid one on 31st December.

When is the debt overdue?

You can begin charging interest 30 days after your supply of goods or services, or when the client received your invoice – whichever is later. You can, however, override that 30 day period by adding a clause to your own terms and conditions stating when interest becomes due, e.g. on receipt of invoice.

How to calculate your interest

This is straightforward. If, for example, you billed £100, and your invoice remained unpaid for 50 days, and the debt fell due on 30th June.

- Check base rate on 31st Dec = 2%
- Add 8% = 10%
- Calculate how many days the bill was overdue = 50 days
- Calculate annual interest: £100 x 10% = £10
- Calculate daily interest: £10 divided by 365 days = £0.0273
- Calculate interest due to you: £0.027 x 50 days = £1.37

Making Gardening Leave Work

Gardening leave is commonly used for senior staff or when a member of staff has handed in their notice and you don't want them enticing clients to follow them or taking sensitive business information. So instead you simply pay them to stay away from the office for the duration of the notice period.

To impose gardening leave however, you need to make sure that it is in a worker's employment contract to begin with. If the clause is in place, the right time to impose gardening leave is when notice is given.

Don't forget that even though they are on garden leave, they are still employed by you – so, for example, if they pass on confidential information to their next employer whilst on leave, this could constitute gross misconduct and you may be able to dismiss them and avoid paying notice money.



For more information, contact Alan Jenner on alan.jenner@bishopsllaw.com or 01722 422300.

The Truth about Friday Afternoon Absences

Recent research shows that employees skiving off for part or all of Friday afternoons are costing British business £50 million a year. Top excuses include long lunches, external meetings near to the employees home and GP appointments, along with picking up the children from school and taking the car to the garage. Our advice is to keep an eye on the situation and look for any pattern of behaviour – don't be afraid to challenge excuses – you are paying them to be at work.



making a worker redundant or getting rid of them for other reasons, make sure you know what you are doing and follow the correct procedure.

Tim Bishop, Bonallack & Bishop's senior partner, said, "We have applied a number of these tips successfully to our business. We have stopped using temps and even though there has been a sharp downturn in the conveyancing market, instead of making redundancies we have provided people with alternative work, re-training when necessary. As a result, despite the recession, staff morale remains high."

For more information, contact Alan Jenner, employment law specialist on 01722 422300 or alan.jenner@bishopsllaw.com.

ALTERNATIVES TO REDUNDANCY

With the current credit crunch, restructuring and redundancies are becoming increasingly common. Businesses large and small may find themselves forced to shed staff in order to keep going. It is a very stressful time for employees facing potential redundancy and also often for the employer, says Alan Jenner, employment law solicitor at Bonallack & Bishop.

A genuine redundancy occurs when a job role no longer exists or can be dispensed with for justifiable economic reasons that benefit the employer. However, before you consider if a redundancy may be required, it is worthwhile taking a closer look at some of the alternatives. Can you:

- Stop using temporary staff – they can prove expensive due to the additional costs of using an agency. Can you reallocate work to existing staff instead?
- Reduce paid overtime
- Develop sources of new work
- Convert sales staff from salary to commission-only where possible
- Introduce flexible shift patterns or annual hours contracts
- Convert part of the salary to a performance-related bonus
- Cut employees' hours
- Offer sabbatical or periods of unpaid leave
- Control unnecessary travel and use telephone and web conferencing instead of face to face meetings



Staffing costs can make up the largest expenditure of your business, but when faced with difficulties, it is essential to talk to your employees, explain the current position to them and discuss with them the situation rather than simply imposing changes, which can lead to both morale problems and legal claims for breach of contract. If you do decide to implement a change and you are an employer without internal legal or HR staff, we strongly recommend that you take advice from a specialist employment lawyer.

Redundancy can be a tricky area of law and too often employers incorrectly use redundancy as the label for sacking staff. This can be dangerous as employment tribunals are becoming increasingly familiar with this trick and an unfair dismissal claim can end up being very expensive. Whether you are

Increase to Employee Holiday Entitlement

From 1st April, the minimum annual holiday entitlement for employees increases to 28 days a year (5.6 weeks) – which can include bank holidays. Employers should be aware that under the new regulations:

- Part-time workers are entitled to the same level of holiday pro rata (at 5.6 times their usual working week) and

should be treated no less favourably than equivalent full-timers.

- Employers can still control when holiday is taken
- It is up to employers to decide if bank holidays are included in this new minimum holiday entitlement
- Employees continue to be entitled to holiday leave during any normal or additional maternity or paternity leave.

For more information, contact Alan Jenner on alan.jenner@bishopsllaw.com or 01722 422300.



Get your terms and conditions right

Businesses often give their terms and conditions of business (T&Cs) low priority until a dispute arises – by which time it may be too late! It is not uncommon for a sales department to accept orders using terms that are out of date or copied from the internet. Worse still if you don't ensure your customer trades on your terms – you may end up conducting business on their terms because the customer has successfully substituted their own T&C's for yours! With 2009 looking like a tough year for British business, you must get your terms and conditions right – not least with regard to timely payment of invoices.

Our advice – make sure you have up-to-date T&Cs and bring them to your customer's attention at the outset. Consider setting out your terms in your invoices and marketing material. If you don't have your own terms and conditions, or if they are out of date or need review, we can review and, if necessary, amend your T&Cs conditions for a fixed fee.

For further details contact Alan Jenner on alan.jenner@bishopsllaw.com or 01722 422300.

Let us send a FREE solicitors' 7-day letter to recover your debt

Our debt-collecting service has been created to recover your money promptly and efficiently. Just give us the details and we will take care of the rest. We will:

- Write a preliminary solicitors' letter **FREE OF CHARGE**, demanding payment in full in 7 days. Experience has shown us that 71% of debtors will pay up at this stage.
- Subject to instructions, commence legal proceedings to recover your money if the debtor has not paid within this time.
- If the claim remains undisputed, obtain Judgement and take steps to enforce it.
- If the claim becomes disputed, we will advise on its merits and pass the matter to our experienced litigation team.



To request a 7-day debt-recovery letter today, just visit www.bishopsllaw.com and complete the online form, call one of our Debt Recovery team on 01980 622992 or send an email to debtco@bishopsllaw.com.



Have you been to one of our Breakfast Clubs?

Having grown tired of the forced formality and minimum attendance requirements at many of the local breakfast clubs, we now run our own meetings in Salisbury and Andover that offer both large and small businesses an opportunity to gather on a monthly basis and exchange ideas and build relationships.

The clubs take place in Salisbury on the first Tuesday of each month, and Andover on the second Tuesday of each month, with the emphasis very much on enjoyment and informality. Running from 8–9.30am, they cost only £10 to cover the breakfast. We have a regular turn-out of over 50 people at each breakfast, so book now to make new contacts.

For further information or to book your place, visit www.bishopsllaw.com/events.

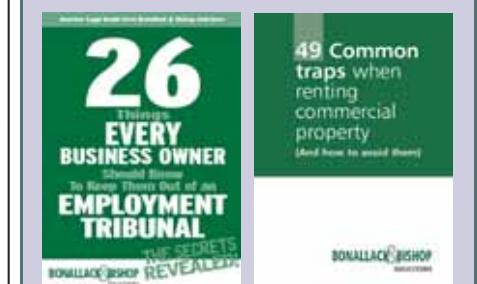
FORTHCOMING DATES

Salisbury Breakfast Club
Sponsored by *Business Link*
7th April, 5th May, 2nd June, 7th July, 4th August, 1st September

Andover Breakfast Club
14th April, 12th May, 9th June, 14th July, 11th August, 8th September

FREE DOWNLOADS

Who says solicitors never do anything for free?



Visit www.bishopsllaw.com today for your copies