

## **HMRC: VAT Repayment Demands**

Revenue and Customs Brief 01/14 notifies operators of gaming machines of intended official action following the decision of the Court of Appeal in the case of HMRC v The Rank Group plc. Along with the lead appellant (Rank Group plc) many other gaming machine operators, including a substantial number of CIU clubs, received payments of VAT during 2010/11 following earlier litigation. They were also issued with protective assessments to allow HMRC to recover these repayments if, in ongoing litigation, HMRC was ultimately successful.

As the Court of Appeal has found that there was no breach of fiscal neutrality, as contended by claimant operators, HMRC has now decided to pursue recovery of the repaid VAT from all the operators concerned, so clubs affected are in the process of receiving repayment demands.

HMRC recognises that paying the money back in one lump-sum will be difficult for some businesses. They therefore advise clubs and others in this position to discuss and agree arrangements with HMRC for repaying the required amount.

The CIU urges member clubs unable to settle outright to contact HMRC without delay to negotiate a repayment arrangement consistent with the club's financial capability.

Rank plc have now been given leave to appeal to the Supreme Court. However, the HMRC policy unit has stated:

*'Rank's decision to appeal or not has no bearing on the repayment situation, the only thing that would be if they were ultimately successful in any appeal'.*

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## **152<sup>nd</sup> ANNUAL CONFERENCE**

The next Annual General Meeting of the Union will be held on the 11<sup>th</sup> of April (Saturday) 2015 – 10am.

## 'Zero-Hours' Contract – cost effective way of meeting short-term staffing needs

There has been a sharp increase in recent years in interest in so called 'zero-hours' contract. A Zero Hour contract contains provisions which create an 'on-call' arrangement between the club and its employee. It does not oblige the club to provide work for its employee, nor does it oblige the employee to accept the work offered.

### Key points:

- ✓ Most zero hours contracts will give staff 'worker' employment status.
- ✓ Zero hours workers have the same employment rights as regular workers, although they may have breaks in their contracts, which affect rights that accrue over time.
- ✓ Zero hours workers are entitled to **annual leave**, the **National Minimum Wage** and pay for work-related travel in the same way as regular workers.

### When are zero hours contracts used?

Zero hours' contracts can be used to provide a flexible workforce to meet a temporary or changeable need for staff. Examples may include a need for workers to cover:

- ✓ unexpected or last-minute events (e.g. a club needs extra staff to cater for a wedding party that just had their original venue cancel on them)
- ✓ temporary staff shortages (e.g. a club loses an essential specialist worker for a few weeks due to bereavement)
- ✓ on-call/bank work (e.g. a club requires extra work force for a short period of time).

It is important for employers to actively monitor their need for zero hours contracts. In many cases, it may be more effective or appropriate to make use of **agency workers**, or recruit staff on fixed-term **contracts** - or it may turn out that the need is permanent and therefore a permanent member of staff can be recruited.

Considerations for the employer	Considerations for the worker
<ul style="list-style-type: none"> <li>• Easily accessed pool of staff to assist when demand arises</li> <li>• No ongoing requirement to provide guaranteed levels of work for staff</li> <li>• Can be cheaper alternative to agency fees</li> </ul>	<ul style="list-style-type: none"> <li>• Provides flexible employment on same basic terms as most workers</li> <li>• No ongoing requirement to accept offers of work and no consequences</li> <li>• Gives employment experience and skills</li> </ul>

### Acas Helpline

If you are considering offering Zero Hours Contract to anyone, then please call Acas Helpline on 0300 123 1100 or visit [www.acas.org.uk](http://www.acas.org.uk) for free support and advice or to check your workplace policies and practices. The Acas Helpline provides free and impartial advice for employers, employees and representatives on a range of employment relations, employment rights, HR and management issues. For more information on ACAS see page 6.

### National minimum wage

The table below shows the current rates from 1 October 2013 and the **NEW** rates from 1 October 2014.

The 3% increase from October 2014 will be the first time in six years that the rise will be higher than inflation. More information is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

Category of worker	Hourly rate from 1 Oct 2013	Hourly rate from 1 Oct 2014
Aged 21 and above	£6.31	£6.50
Aged 18 to 20 inclusive	£5.03	£5.13
Aged under 18 (but above compulsory school leaving age)	£3.72	£3.79
Apprentices aged under 19	£2.68	£2.73

## Aon- the experts in providing the CIU with Insurance Services for more than 10 years



Aon have been working with the CIU for 10 years as CIU Insurance Services and are officially recognised by the National Executive as the preferred suppliers of insurance to all CIU clubs.

A supporting team, based in Leicester, is headed up by Dale Phillips (second to right on the picture above). Dale has worked within the financial services sector for more than 10 years, mainly in a management capacity, and has been employed by Aon since spring 2009. He previously worked for two of the largest companies in banking and personal insurance.

Dale's responsibilities are to ensure that CIU Insurance Services exceed your club's expectations and to continue to improve on what we have to offer.

You can contact Dale with any query you may have on (0116) 2906109 or you can email him at [dale.phillips@aon.co.uk](mailto:dale.phillips@aon.co.uk).

## Relaxation of Licensing Hours for World Cup 2014 England Games announced – a boost for the clubs!

The government has announced its decision to relax licensing hours nationally during England matches in the FIFA World Cup 2014.

The decision follows a recent consultation on whether a national order should be used, or whether to stick to requiring 'Temporary Event Notices' (TENs), authorised locally.

### **The relaxation of Licensing Hours grants to all clubs incorporates:**

- An extra 4 hours of trade
- 1 am cut off time
- If premises wish to extend their hours beyond the cut off time TENs will be required.

The Government says it believes that '*England playing in a World Cup is an event of exceptional national significance*', which allows the Secretary of State to relaxing licensing hours to mark an occasion of '*exceptional international, national or local significance*'.

A total of 1,463 responses, including the CIU, were received to the online consultation. The Government response says:

*"Pubs and clubs are responsibly managed environments and the BBPA, Local Government Association (LGA) and Association of Chief Police Officers (ACPO) have published guidance advising them on how to make sure match screenings are as enjoyable and safe as possible during the World Cup."*

## The co-operative bank

Work with a banking partner you can trust

**The CIU Head Office has recently received the 2013 annual results and the bank's strategic priorities, which are listed below:**

- ✓ The underlying issues in our annual results are not new and do not change our business plan.
- ✓ We have a new management team in place and we made good progress in 2013 when we successfully completed the Liability Management Exercise to stabilise the Bank. We are continuing to address the legacy issues the Bank faces.
- ✓ In March 2014 we announced that we are planning to raise additional capital to strengthen the capital base and enable the Bank to further implement its turnaround plan.
- ✓ Our strategy and business plan remain intact and there are some early indications of progress. We have started to simplify the business, reduce costs and are currently ahead of schedule in de-risking assets as we drive the change needed to return to our roots as a Bank focused on our retail and SME customers.
- ✓ The Co-operative Bank remains an important bank for our millions of customers.

- ✓ We are the only Bank to have put ethical principles in the articles of association of the Bank. We will be asking our customers' opinions as we renew the values and ethical principles that remain at the centre of why they choose to bank with us.
- ✓ We remain committed to providing excellent customer service.

If you require any further information, contact Paul Davies at [paul.davies@cfs.coop](mailto:paul.davies@cfs.coop).

### REPLACEMENT OF R22 GAS

The replacement of R22 gas is a matter of European legislation. However, they are not offering UK clubs any subsidy to replace the existing equipment.

This is on the basis that equipment with R22 gas is more than likely 10 years old or more and therefore nearing the end of its life expectancy. This is compounded by the fact that new equipment is significantly more energy efficient and these savings can be used with green deal finance solutions to offset the costs of replacing with new equipment.

As a CIU approved supplier Smart Energy have green finance deal that should help if a Club and the installation meet the criteria. But to access this they would need a site visit and to undertake a survey of the Club.

For more information, contact Phil Towndrow at [Philt@Smartenergyprojects.co.uk](mailto:Philt@Smartenergyprojects.co.uk).

## FCA – ANNUAL RETURNS AND ANNUAL FEES

The FCA has forwarded a list of CIU clubs who have not submitted their annual returns and fees.

### LEGAL REQUIREMENT

THERE IS A LEGAL REQUIREMENT, WHICH THE FCA IS UNABLE TO WAIVE FOR CLUBS, TO SUBMIT ANNUAL RETURNS EACH YEAR.

THE FCA INFORMED HEAD OFFICE THAT SOME CLUBS ARE UNDER THE IMPRESSION THAT PROVIDED A CLUB'S ACCOUNTS IS SUBMITTED TO THE CIU, THIS ALSO COVERS THE FCA. BOTH CIU AND FCA REQUIRE ALL RELEVANT INFORMATION AT THE APPROPRIATE TIME.

THE FCA REQUEST EACH SEPTEMBER, BY LETTER TO CLUBS, FOR THE ANNUAL RETURNS TO BE SUBMITTED AND FEES PAID. THE FCA ISSUE TWO REMINDER LETTERS IF THE DEBT REMAINS UNPAID.

IF A CLUB FAILS TO SUBMIT ITS RETURNS IT LAYS ITSELF OPEN TO PROSECUTION WHICH CAN RESULT IN A FINE AND/OR CANCELLATION OF ITS REGISTRATION. IF NO RETURNS ARE SUBMITTED COURT ACTION MAY FOLLOW AND A CLUB'S REGISTRATION COULD BE CANCELLED.

### CONSEQUENCES OF DE-REGISTRATION

IF A CLUB BECOMES DE-REGISTERED FROM THE FCA, THEY WILL NO LONGER HAVE THE PROTECTION OF A REGISTERED CLUB. THE CLUB WILL BE EXPOSED TO PERSONAL FINANCIAL RISK, WHICH COULD AFFECT OFFICERS AND MEMBERS OF THE CLUB. ANY LEGAL ACTION AGAINST THE CLUB COULD BE MADE AGAINST A NAMED OFFICER.

## **UNION'S CONSTITUTION**

**Following the Union's Conference in Blackpool on the 5<sup>th</sup> of April 2014, the revised Constitution is being prepared for registration with the FCA. All CIU clubs will receive a copy when available.**



The Office Manager Stephen Goulding is pleased to announce the appointment of two new part-time members of staff.

Vera Palazova joins as Administrative Assistant to the Office Manager and will be working with Stephen on managing projects.

Derek Whitmore joins as a caretaker and brings experience in this field.

Stephen Goulding adds:

*“These two important part-time positions are at no extra cost to the CIU as they replace the previous full-time caretaker post.”*

### CIU HEAD OFFICE STAFF

Office Manager Stephen Goulding <a href="mailto:sgoulding@wmciu.org">sgoulding@wmciu.org</a>	Office Administrator Marlene Bruce <a href="mailto:marlene.bruce@wmciu.org">marlene.bruce@wmciu.org</a>
Union Accountant Steve Connell <a href="mailto:steve.connell@wmciu.org">steve.connell@wmciu.org</a>	Education Assistant Catherine Fitzpatrick <a href="mailto:cftzpatrick@wmciu.org">cftzpatrick@wmciu.org</a>
Head of Rules Maureen Ross <a href="mailto:maureen.ross@wmciu.org">maureen.ross@wmciu.org</a>	Recreation Assistant Maureen Hawkins <a href="mailto:maureen.hawkins@wmciu.org">maureen.hawkins@wmciu.org</a>
Asst. Union Accountant Uto Ekanem <a href="mailto:uekanem@wmciu.org">uekanem@wmciu.org</a>	Rules Assistant Annette Johnson <a href="mailto:Annette.johnson@wmciu.org">Annette.johnson@wmciu.org</a>
Accounts Assistant Samantha Hagan <a href="mailto:sam.hagan@wmciu.org">sam.hagan@wmciu.org</a>	Receptionist Dione Mobley: 02072260221 <a href="mailto:reception@wmciu.org">reception@wmciu.org</a>
Office Administrative Assistant Vera Palazova <a href="mailto:vpalazova@wmciu.org">vpalazova@wmciu.org</a>	Caretaker Derek Whitmore <a href="mailto:reception@wmciu.org">reception@wmciu.org</a>



**The Advisory, Conciliation and Arbitration Services (ACAS) provides free, fast and less stressful alternative to an employment tribunals for resolving workplace disputes since 1896.**

Furthermore, their emphasis has now shifted towards helping businesses to prevent problems before they arise, by means of, for example, its telephone helpline and training sessions.

Employers should be aware that Early Conciliation is now available for anybody thinking about lodging an Employment Tribunal Claim. Contacting Acas will be a required step from 6 May.

### ***The main benefits of Early Conciliation are:***

- ✓ Using Early Conciliation will save people time, cost and anxiety of facing an Employment Tribunal.
- ✓ Conciliators will help you understand the strengths and weaknesses of your case, and ways of resolving it.
- ✓ It normally takes one month for resolving a dispute.
- ✓ It is confidential, whereas most of the tribunals are public.
- ✓ It is voluntary- both parties must agree to take part before the process can start, and either can change their mind at any time.
- ✓ It is not “either/or” option-if you can’t reach an agreed outcome you can still go to a tribunal.
- ✓ It is professional- Acas are the expert in helping people deal with problems at work.
- ✓ It is free.

### **Early Conciliation provides help in resolving the majority of workplace disputes, such as:**

- ✓ unfair dismissal claims
- ✓ workplace discrimination
- ✓ redundancy payments or disputes around selection procedures
- ✓ deductions from wages or unpaid notice/holiday pay
- ✓ rights to time off or flexible working
- ✓ equal pay.

If you intend to lodge an Employment Tribunal claim, you will first have to notify Acas by completing a simple Early Conciliation Notification Form. For this form or any other relevant information, please call 03001231100 or visit [www.acas.org.uk](http://www.acas.org.uk).

### **High Turnover Bingo: Stakes/Prizes over £2000 a week**

Clubs issued with a Bingo Operating Licence (BOL) because they play bingo in excess of £2000 weekly in stakes or prizes, have to make an annual return to the Gambling Commission.

The form of return asks whether a contribution is made for research, education, and treatment of problem gambling.

Clubs with a BOL may not be aware that an annual contribution is made from Head Office to the Responsible Gambling Trust on behalf of the Union and its member clubs.

The Gambling Commission is aware of this arrangement. When completing returns, BOL clubs can quote this and also advise Gambling Commission officials if they raise the issue in the course of a compliance visit.

## LEGISLATION UPDATE

### Statutory Sick Pay: employee fitness to work

An employer's guide to assessing staff fitness to work, including asking for medical evidence, fit notes, and dealing with long term or frequent absences has been published by the Government.

#### Periods of incapacity for work (PIW) and providing evidence

You must tell your employees what you expect them to give you as evidence of incapacity for Statutory Sick Pay (SSP) purposes and when you expect them to give it. You can't withhold SSP for late medical evidence as this could be because your employee is unable to get an appointment with their doctor.

#### Incapacity for 4 to 7 days

You may accept:

- self certification verbally or by letter
- form SC2 for self certification
- your own similar form

#### Incapacity for than 7 days

You can ask your employee to give you medical evidence or a fit note from their doctor. It is your decision whether evidence of illness is required, and if so, what evidence is acceptable. A doctor's fit note is strong evidence of sickness and is usually acceptable. Your employee may give you a certificate from someone who is not a doctor, such as:

- Osteopaths and Chiropractors
- Christian Scientists, Herbalists and Acupuncturists

You decide whether or not to accept them. If you have any doubts you can still ask for a doctor's fit note. Your employee must continue to notify you of ongoing sickness. You can withhold payment if there are any days for which you haven't been notified, but not for late medical evidence.

#### Getting medical advice about frequent absences for short periods

If you don't have access to your own 'works' doctor, you can ask HMRC to arrange for your employee to be medically examined by their medical services provider. The report will give an opinion on your employee's fitness for work in their job with you. This will help you to decide if the employee is incapable of work or not. You can use this service where the employee has been:

- repeatedly off sick for 4 to 7 days in a relatively short period
- sick for 4 or more short periods in a 12 month period

You can do this even after your employee has returned to work.

A report will be sent to HMRC giving an opinion as to whether:

- your employee is incapable of work
- there are reasonable grounds for your employee having frequent absences from work for medical reasons

When HMRC receives the medical report, they will write to you. You won't be sent a copy of the report as it is given under contract to HMRC by Medical Services and is confidential. It can only be made available to other parties during the course of an appeal hearing when, with written consent from the employee, it is provided as evidence. If requested, the Medical Services' doctor will attend the appeal hearing to give evidence relating to their report.

#### Stopping payment of SSP

If you decide either before or after receiving medical advice, to stop paying SSP to your employee, you should explain your decision to them. They are entitled to a written statement from you and can seek a formal decision on their entitlement to SSP from HMRC.

Further information is available at <https://www.gov.uk/statutory-sick-pay-employee-fitness-to-work>.

## Employment Allowance: up to £2,000 off your Class 1 NICs

### Key facts - who can claim

From 6 April 2014 employers can claim the Employment Allowance and reduce their employer Class 1 National Insurance contributions (NICs).

If you are eligible you can reduce your employer Class 1 NICs by up to £2,000 each tax year.

You can claim the Employment Allowance if you are a business or charity (including Community Amateur Sports Clubs) that pays employer Class 1 NICs on your employees' or directors' earnings.

If your company belongs to a group of companies or your charity is part of a charities structure, only one company or charity can claim the allowance. It is up to you to decide which company or charity will claim the allowance.

You can only claim the £2,000 Employment Allowance against one PAYE scheme - even if your

Business runs multiple schemes (also see the further guidance on claiming the Employment Allowance).

Not all businesses can claim the Employment Allowance.

### Excluded employers

You cannot claim the Employment Allowance, for example if you:

- already claim the allowance through a connected company or charity

You can find more information on <https://www.gov.uk/government/publications/employment-allowance-more-detailed-guidance>.

## KEY NATIONAL ACCOUNT SUPPLIERS

<b>Auditel</b> (utility consultant) Giles Branson: 07947039382 <a href="mailto:Giles.Branson@auditel.co.uk">Giles.Branson@auditel.co.uk</a>	<b>Coventry Silvercraft</b> (trophies) Marie/Andy Oakley: 02476223374 <a href="mailto:andy@coventry-silvercraft.co.uk">andy@coventry-silvercraft.co.uk</a>
<b>Aon</b> (club insurance services) Andy Kitchener: 07989984260 Gareth Butler: 07779702240 <a href="mailto:andrew.kitchener@aon.co.uk">andrew.kitchener@aon.co.uk</a>	<b>Co-operative Bank</b> Paul Davies: 07803212331 <a href="mailto:Paul.davies@cfs.coop">Paul.davies@cfs.coop</a>
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If you would like to include any items in future issues of the Branch Bulletin, please contact Stephen Goulding at [sgoulding@wmcui.org](mailto:sgoulding@wmcui.org).