

FIRM NEWS

## WJC Trainee Solicitors

Wall James Chappell continues to expand its team with the appointment of Helen Washington as a Trainee Solicitor in 2016. Helen will become the Firm's second Trainee following the appointment of Rebecca Clark in 2015.

Helen will be working alongside Partner, Ruth Latham, as part of the Firm's busy and expanding Commercial Property department. She will support Ruth in servicing the needs of the Firm's large client base whilst also assisting in the continued growth of the department.

FIRM NEWS

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Ownership



*New Trainee Solicitors Rebecca Clark and Helen Washington*

## WJC proud sponsor of Midlands Air Ambulance Corporate Luncheon

Wall James Chappell remains the proud sponsor of the Midlands Air Ambulance Corporate Luncheon. The next luncheon will take place at the stunning Edgbaston Stadium, the Midlands Air Ambulance Charity Air25 Corporate Networking Luncheon, will this year celebrate 25 years of the lifesaving charity. The Luncheon is an exclusive event best placed for CEOs, Managing Directors, Senior Managers and our Corporate Partners and is designed to facilitate high-level networking to create long-term partnerships.



## FIRM NEWS

## New Qualification for Philip

Our Corporate Partner, Philip Chapman, has gained a new qualification as an Accredited commercial and civil CEDR Mediator. Mediation is a voluntary and confidential way of resolving disputes without going to court and has developed over recent years to be a highly effective and quick way to resolve business and personal disputes.



## ARTICLES

## Proposal for fixed costs in litigation for cases worth up to £250,000

Lord Justice Jackson has proposed the imposition of a "grid of fixed costs" on all civil claims worth up to £250,000.

Describing the current system as "exorbitantly expensive", Lord Justice Jackson said that such a fixed costs regime would dispense with the need for costs budgeting, which is generally unpopular within the legal profession. Lord Jackson's proposed grid would set fixed costs for solicitors' and barristers' fees, excluding disbursements, enforcement fees and VAT. It would divide the course of a case into 10 stages, following the 10 stages in the precedent HM costs budget presently used within the multi-track, and dispense with the need for costs management. Under the grid, the band for the case would be determined by the sum or value of the property recovered where the claimant won. Where the defendant won, it would be determined by the sum or the value of property claimed.

Lord Justice Jackson called on the government to take a decision on whether to have fixed costs for the lower reaches of the multi-track, as he recommended, or for all cases.

He said that if the government did not "wish to pursue this reform as a priority", it should "suggest that a senior judge who doesn't mind being pilloried (preferably not me again)" actually draws up the scheme. He added that "if the political will is there, this whole project could be accomplished during the course of this year".

The Lord Chief Justice, Lord Thomas, recently reiterated the senior judiciary's call for the extension of fixed costs across the fast-track and the lower end of the multi-track, and in response to a question on this in Parliament, justice minister Lord Faulks said: "The government remains supportive of the principle of extending fixed recoverable costs and we continue to consider areas in which implementation might be appropriate and workable."

Lord Justice Jackson said he believed that moving immediately to a fixed cost for all civil cases would be "too great a change for the profession to accept", at least in the short-term, but once his new regime was in place, "people can see how it works and consider whether to introduce a universal fixed costs regime".

*For further information please contact our Litigation Department on 01384 371622.*



# Potential changes in Commercial Property Market in 2016

2016 is the year where the commercial property market should be ready for some changes, given the prospect of rising interest rates and potential headline risk surrounding Brexit. It would be fairly safe to say that different trends impacting our commercial property markets; some of them are:

## Globalisation

Capital is increasingly global with international investors accounting for some of the most significant capital flows into the UK property market. Cities which offer the best opportunities can attract the most talented workforce, however, one of the main challenges for 2016 appears to be based on a decrease in the supply of new property development as we continue to experience an increasing shortfall in relevant skills, which fundamentally reduces supply in the commercial property market.

Nevertheless, the UK commercial property market is still perceived as a relatively safe haven for investors, as majority of investment purchases for UK commercial property are from overseas investors, which significantly increased compared with the previous years. Therefore, the UK commercial property market is maintaining strong international investor interest, as the UK's open, transparent and consistent legal framework sits above other developed economies.

## Positive Economic Growth

The UK economic outlook is positive with moderate economic growth and rising employment forecast. Despite, uncertainty the UK might raise rates next year, and the financial markets will price in the increase which could result in a carry trade

that sees UK banks flush cash from the Eurozone seeking higher interest rates. In turn, banks will come under pressure to put the new money to work. With growing evidence of rental growth, we believe that UK commercial property could be a beneficiary should there be increased lending. A turn in the UK rate changes should be taken as a sign of confidence in the UK economy, which should benefit higher yielding assets.

## Political Pressure

Some of the threats to the UK economy could create some uncertainty across UK assets markets, especially property. As we are getting closer to the Brexit referendum, some overseas investors may become wary of investing the UK and this will impact on demand for commercial property however, the experience of the Scottish referendum was that some investors were put off temporarily, although other viewed it as an opportunity to bid for assets with less competition. Whatever the outcome, we continue believe that UK commercial property will retain its attractive investment characteristics for international investors because of the UK's standout legal and political framework, which allows for an accessible and transparent market.

Our view on commercial property remains positive and we remain of the view that select areas of UK commercial property will continue to deliver stable income in an environment of steady economic growth.

*For further information please contact our Commercial Property Department on 01384 371622.*



# Young Apprentice Employers will no longer pay National Insurance Contributions

In a change in the law designed to encourage employers to take on more apprentices, from 6 April 2016 employer National Insurance contributions for apprentices under the age of 25 and earning below £827 per week (£43,000 per year) have been abolished. As a result of this change the Department for Business, Innovation and Skills estimates that employers will now save around £1,000 a year when employing an apprentice aged under 25 and earning £16,000 a year. This exemption will apply to both existing employers with apprentices and those taking on a new apprentice.

Also to encourage more apprenticeships, by April 2017 the government intends to establish the Institute of Apprenticeships, an independent body led by employers to ensure the quality of apprenticeships in England. In addition,

the government has introduced a £10million fund to boost the number of degree apprenticeships available.

However, from April 2017 the government will introduce a new apprentice levy. This will require all UK employers with a pay bill in excess of £3m per year to pay a levy to H M Revenue & Customs through the PAYE system of 0.5% of their annual pay bill. The levy will be against their entire pay bill but they will have a levy allowance to offset against this. The broad aim is to raise £3bn a year to meet a target of three million new 'high quality' apprenticeships by 2020.

*For further information contact our Employment Department on 01384 371622.*

# Transparency of ownership of foreign companies

On 4 March 2016, BIS published a discussion paper on enhancing transparency of beneficial ownership information of foreign companies that buy land or property in England and Wales or enter into public procurement contracts in England.

The government is considering whether foreign companies that wish to buy land or property in England and Wales should be under a similar obligation to UK companies that will from 6 April 2016 have to keep a register of people with significant control or declare that there are no such people (for information on the obligation on UK companies to keep a PSC register, Small Business, Enterprise and Employment Act 2015. If such information is to be obtained, the government is seeking views on the extent of such information and how it should be held, and proposes that one option could be to establish a further register managed by Companies House alongside the PSC register. It is also seeking views on how any new requirements should be enforced, possible sanctions including a daily fine or sanctions linked to the specific activity the foreign company needs to register for.

The government is considering exempting foreign companies incorporated in jurisdictions which already have an accessible central register of beneficial ownership information from providing similar information to a UK foreign company beneficial ownership register. This would avoid duplication with the requirements of Article 30 of the Fourth Money

Laundering Directive which requires member states to ensure entities hold adequate, accurate and current beneficial ownership information in a central registry.

The remainder of the discussion paper seeks views on the proposals for obtaining information on the beneficial owners of a foreign company wishing to bid on a contract with the UK government and identifies four possible options to ensure the contracting authority obtains beneficial ownership information from the bidder companies before awarding a public contract.

*For further information please contact our Corporate Department on 01384 371622.*



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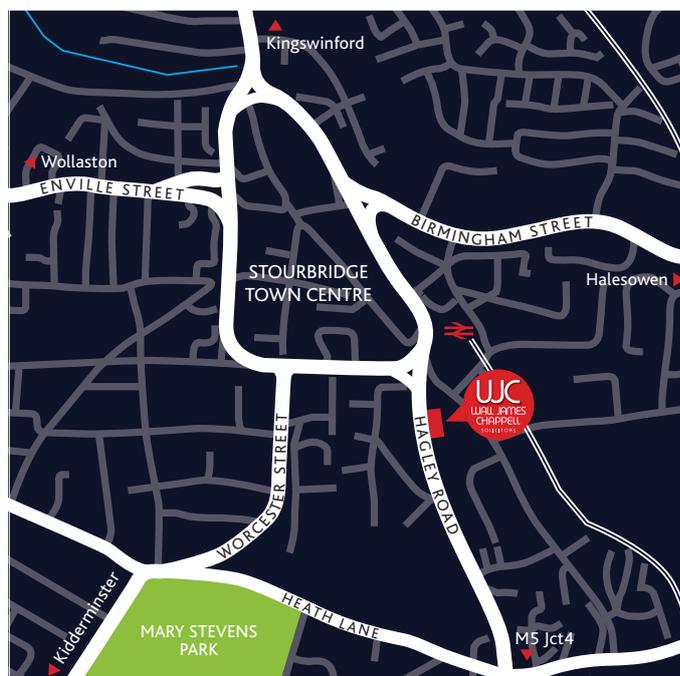
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This update is intended only to provide a summary of the law and is not a comprehensive guide. It is not intended to provide legal advice for specific cases. If you would like specific advice please contact a member of the team.