



**Jacqueline Webb & Co**<sup>®</sup>  
Britain's No. 1 Rehab Cost Consultancy

## **NEWSLETTER : CHRISTMAS 2008**

Season's Greetings to you and all your staff. Thank you for your support of Jacqueline Webb & Co throughout the year.

If you have not yet received your desktop calendar with Company contact details, contact Jo Elgie at [elgiej@jwebb.co.uk](mailto:elgiej@jwebb.co.uk) and she will be pleased to send you one.

### **New law and the assessment of care costs**

In our last newsletter we mentioned two areas of employment law which could have a notable effect on care costs:

The EU **Agency Workers Directive** was agreed by the European Parliament after heated debate on 23 October 2008 with the notable addition of granting agency workers equal access to vocational training and childcare facilities as a compromise to leaving a 12 week qualification period under the hand of national governments. National legislation must be in place by 2011.

The **Working Time Directive** debate was even more acrimonious during the committee stage particularly over the maintenance of the 48 hour limit opt out which the UK supports. On 5 November 2008 the European Parliament Employment Committee voted to end the opt out which sets the Parliament on collision course with the Council should the text be adopted in plenary on 17 December. The Employment ministers are set to debate the issue later this year on 18 December. If there is no agreement before the plenary vote, conciliation talks will become necessary. This will undoubtedly delay resolution of the issue perhaps even beyond the next European elections in June next year. Complicating factors include disagreement with current text which indicates all on-call time being classed as working time rather than to be split between active and inactive on-call time, and the definition of the period during which compensatory rest periods can be granted.

### **VAT on Agency Care Workers**

When Care Workers are supplied by employment businesses they are currently permitted to account for VAT only on their margin and not on the wages element. There is however, no basis for this in Tax law and it exists due to the operation of a concession (The Staff Hire Concession) made by HMRC which was introduced in 1997 following *Reed Personnel Services Ltd STC 588*.

From 1 April 2009, this concession is being withdrawn. This is due to the absence of any UK or EU legal basis and the restrictions on employment agencies making payments directly to temporary workers introduced by the Conduct Regulations. Consequently VAT will need to be paid on all aspects of the fees charged by employment businesses in the provision of Care Workers.

Providers and hirers will be impacted in different ways, depending on the extent to which the additional VAT costs are passed through to hirers, and their ability to recover the VAT. It is

acknowledged by HMRC that the care sector will be affected, including a number of small businesses. However, it states that there is no scope for a specific exemption because of the nature of VAT and its general application.

A post implementation review will be carried out in April 2012. Further details are at:

<http://www.hmrc.gov.uk/budget2008/tn-withdrawal-staff-hire.htm>

## Charities

Last year money in lieu of Christmas cards was donated to the Child Welfare Scheme Nepal, the charity that Elizabeth Waterman supported through a trek in Nepal in November/December 2006. As you read this letter, Elizabeth and her husband are doing a sponsored trek to Everest base camp; they have raised over £12,000 for the charity, which works with deprived children in and around Pokhara, Nepal. During the year the Company has also supported further fundraising efforts, for charities as disparate as Headway, Jeans for Genes and a number of Women's Refuges throughout the South West.

In the coming year we intend to provide support to a disabled sportsman or woman who is aiming to compete in the London Paralympics in 2012. If you know of a deserving case, please contact John Ibbotson at [ibbotsonj@jwebb.co.uk](mailto:ibbotsonj@jwebb.co.uk)

## Green policies

We have made a significant effort to promote environmentally friendly policies. This has included replacement of report packaging, moving entirely to the use of recycled paper, the introduction of a recycling method of waste disposal and more effective energy saving procedures within the Head Office.

## Information Booklets and Articles written

The full range of booklets and other literature written specifically for our clients can now be downloaded directly from our website at [www.jwebb.co.uk/download.htm](http://www.jwebb.co.uk/download.htm) Alternatively you can complete and fax back the form requesting either a hard copy or an e-mail version.

## Electronic Newsletter

In May 2009 we plan to issue our second e-letter which will replace some of the hardcopy newsletters we send out each year. To ensure you receive a copy please add your e-mail address to the attached form.

## Help keep our database up to date

To ensure we keep our database up to date, please notify any changes by sending a short e-mail to Inoka Jayewardene at [jayewardenei@jwebb.co.uk](mailto:jayewardenei@jwebb.co.uk).

Working with you again in 2009.

Elizabeth Waterman

John Ibbotson