INSIGHT

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WELCOME

Welcome to the Autumn 2017 issue of *Insight*. We are very proud to be celebrating our 150th year in business and have been undertaking a series of roadshows around the locations where we are based. We've commissioned a local artist to paint portraits of some of our long-standing clients who have also been kind enough to have spoken at the various events around the value which Armstrong Watson has added to their lives and to their businesses over many generations. We work with an incredibly wide range of individuals, businesses and other entities – these include family businesses, charities, Trusts, private clients, pension funds and academies. Whilst the financial needs that exist at any one time are incredibly varied, there is one thing that they all have in common – at some point in their relationship with us, they will have cash funds that will need to be held in a deposit environment either for the short or medium term which David Squire, Financial Planning Director explores further on page 10.

Could you be one of the six million workers who will have to work an extra year before retiring after the Government announced that it would be extending the retirement age to 68? On page 04, we look at the new plans announced in July this year and how they could affect you.

The financial ramifications of a divorce can be devastating. The average age of divorce has reached an all-time high at almost 46 years for men and 43 years and six months for women, according to data released from ONS. Obtaining professional financial advice is essential during a divorce – read our article on page 06.

The full list of the articles featured in this issue appears opposite. We hope you enjoy this issue of our magazine. For further details on how to download a digital copy or subscribe to new issues electronically, please visit www.armstrongwatsonfp.co.uk.

Paul Dickson
Managing Partner

NEW STATE PENSION AGE

How will it affect your retirement plans?

WILL YOU BE ONE OF THE MILLIONS OF WORKERS WHO WILL HAVE TO WORK AN EXTRA YEAR BEFORE RETIRING AFTER THE GOVERNMENT ANNOUNCED THAT IT WOULD BE EXTENDING THE RETIREMENT AGE TO 68? NEW PLANS ANNOUNCED IN JULY THIS YEAR MEAN THAT THE RISE IN THE STATE PENSION AGE TO 68 WILL NOW HAPPEN IN 2039, AFFECTING PEOPLE BORN BETWEEN 6 APRIL 1970 AND 5 APRIL 1978.

The rise in the pension age will be phased in between 2037 and 2039, rather than from 2044 as was originally proposed. Those affected are currently between the ages of 39 and 47, but the exact date that you receive your State Pension will depend on the year you were born. This announcement is aimed at catching up with years of increasing life expectancy, even if recent indications suggest that growth has slowed.

HAVING TO WAIT A YEAR LONGER

Six million men and women will have to wait a year longer than they expected to get their State Pension, the Government has announced. The announcement was made by the Secretary of State for Work and Pensions, David Gauke.

WAITING FOR FUTURE ANNOUNCEMENTS

The announcement is based on the recommendations of the Cridland report, which proposed the change. The change will affect those born between 6 April 1970 and 5 April 1978. Anyone younger than 39 will have to wait for future announcements to learn what their precise pension age will be.

NO EXCEPTIONAL CHANGES TO THE DATA

John Cridland also said that the State Pension age should not increase more than one year in any ten-year period, assuming that there are no exceptional changes to the data used. This would give those generations affected by changes adequate time to save and plan.

PROTECTED FOR FUTURE GENERATIONS

'As life expectancy continues to rise and the number of people in receipt of State Pension increases, we need to ensure that we have a fair and sustainable system that is reflective of modern life and protected for future generations,' Mr Gauke told MPs.

SAVING HARDER FOR OUR OWN RETIREMENT

The Government has also committed to regular reviews of the State Pension age in the years ahead, which inevitably raises the prospect of further rises. It seems evident that the Government is taking a gradually declining role in supporting retirement income. A combination of increases in life expectancy, and the growing number of retirees relative to the working age population, means that individuals will now have to save harder for their own retirement. ■

WHERE WILL YOUR RETIREMENT TAKE YOU?

To find out more about the different pensions and savings options you could utilise, or to discuss your requirements, please contact us.

STATE PENSION AGE UNDER THE LATEST PLANS (JULY 2017)

Your date of birth	State Pension age
After 6 April 1978	68
6 April 1970 to 5 April 1978	67 years 1 month to 68 years*
6 April 1960 to 5 April 1970	66 years 1 month to 67 years*
6 December 1953 to 5 April 1960	65 years 3 months to 66 years*

**Depends on exact date of birth*

PLANNING FOR YOUR RETIREMENT

Getting ready to slow things down

ONE OF THE CRITICAL ASPECTS OF RETIREMENT PLANNING IS HOW YOU STRUCTURE YOUR FINANCIAL AFFAIRS TO MAKE SURE YOU HAVE SUFFICIENT MONEY IF AND WHEN YOU STOP WORKING. MAKING SURE YOU HAVE ENOUGH MONEY IN RETIREMENT TO ENABLE YOU TO SPEND YOUR TIME THE WAY YOU WANT TO, DOING THOSE THINGS YOU ALWAYS INTENDED TO DO, IS LIKELY TO BE AT THE HEART OF PLANNING FOR YOUR RETIREMENT.

TOO COMPLICATED TO THINK ABOUT

People surveyed for BlackRock's Investor Pulse survey stated that their biggest financial priority was 'funding a comfortable retirement'. Yet many people spend more time planning their holiday than their own retirement – perhaps because planning for retirement seems too complicated to think about?

DON'T KNOW WHERE TO START

We are all living longer, the State Pension Age is increasing and pensions legislation is ever-changing. Understandably, we want an active, comfortable retirement but often don't know where to start the savings process. If confusion and a lack of understanding around your retirement needs have led you to put off planning and saving anything, you're not alone. In fact, over half of people in the UK are in the same position.

You can start now though. Planning will help you think about the changes you could make and enable you to take steps towards securing a better future.

STEP 1 – TARGET

KNOW WHAT YOU NEED – SET YOURSELF A TARGET

The closer you are to retirement, the more likely you are to know how much income you will need to cover your outgoings. If you have longer to go until retirement, it is still good to have an idea of what you are aiming for – and you can review this each year as you get closer.

STEP 2 – PLAN

KNOW WHAT YOU ALREADY HAVE

The second step is simple – understanding what you have already saved. Knowing what you already have will help you to understand how far you are towards your retirement target. If you have a lot of different pensions, it may be worth considering bringing those all together into one account if appropriate.

STEP 3 – ACTION

WHAT YOU NEED TO THINK ABOUT

- Are you contributing the right amount?
- Are you invested in the right kind of fund?
- When can you realistically retire?

Don't put off planning for retirement. By following these simple steps and reviewing your retirement plan at least once a year, you are planning for a better future. ■

HOW CLOSE ARE YOU TO ACHIEVING YOUR RETIREMENT GOALS?

We will help you understand your own situation using our expertise, because only then can you start to talk about what you want and need in order to form your retirement goals. When we know these, we can identify how close or not you are to achieving those goals based on your current planning. Don't leave it to chance – contact us to discuss your requirements.

A PENSION IS A LONG-TERM INVESTMENT. THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

PENSIONS ARE NOT NORMALLY ACCESSIBLE UNTIL AGE 55. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

AVERAGE AGE OF DIVORCE AT AN ALL-TIME-HIGH

Forecasting the long-term effects of the settlement

THE FINANCIAL RAMIFICATIONS OF A DIVORCE CAN BE DEVASTATING. THE AVERAGE AGE OF DIVORCE HAS REACHED AN ALL-TIME HIGH AT 45 YEARS AND 11 MONTHS FOR MEN AND 43 YEARS AND SIX MONTHS FOR WOMEN, ACCORDING TO DATA RELEASED FROM ONS[1].

Obtaining professional financial advice is essential during a divorce, as it will set you on the right path towards a more secure future. This process is likely to be a reality check whereby you have to translate your various life choices into real numbers and consider how much money it is going to take to achieve your future plans.

LIFE-CHANGING EVENT

This could involve selling your home and starting a new life or taking some of the equity out of the home, starting a pension, ensuring that you are covered by insurance, paying university fees, or changing your career path. We all have dreams, but sometimes it takes a life-changing event such as divorce for us to seriously consider them.

Private pension wealth is the biggest component of household wealth in the UK[2], and agreeing a fair separation of this pension wealth at a time of divorce will be important to the future financial well-being for both parties.

THE RISING AGE OF DIVORCE

In good news, the overall number of divorces is down to 101,000 – a number not seen since the early 1970s.

The average age of divorce, however, is rising to over 45 and 43 for men and women respectively. For both sexes, the average age of divorce has been rising by about three months every year over the past decade – it has risen by about ten years since records began in 1950.

PENSIONS – OUR BIGGEST ASSET AT A TIME OF DIVORCE

The UK holds a massive £11.1 trillion pounds in household wealth[3]. Private pensions represent the biggest single component of this wealth – at about 40% of the £11.1 trillion total.

Agreeing a fair separation of pension wealth at a time of divorce is therefore important for both parties. It is estimated that a typical couple could have about £120,000 in combined private pension assets if they were to divorce in their 50s, assuming they married when aged 30[4].

LARGER POOL OF WEALTH

It is typical for our wealth to grow as we age. A rising average age of divorce will therefore typically bring with it a larger pool of wealth to separate. With the average age of divorce at an all-time high, it is fair to assume levels of wealth at a time of divorce may also be at an all-time high.

Those in their 50s today will typically have married in the late 1990s, when aged about 30. Sadly, about one in three of those marriages have since ended in divorce. Many in their fifties may have combined private pension assets worth more than £120,000. Agreeing a fair separation of this pension wealth will be a key step in finalising a divorce, and will be critical to the future financial well-being of both parties. ■

> IT IS TYPICAL FOR OUR WEALTH TO GROW AS WE AGE. A RISING AVERAGE AGE OF DIVORCE WILL THEREFORE TYPICALLY BRING WITH IT A LARGER POOL OF WEALTH TO SEPARATE. WITH THE AVERAGE AGE OF DIVORCE AT AN ALL-TIME HIGH, IT IS FAIR TO ASSUME LEVELS OF WEALTH AT A TIME OF DIVORCE MAY ALSO BE AT AN ALL-TIME HIGH.

AGREEING A FAIR SEPARATION OF PENSION ASSETS IS MORE IMPORTANT THAN EVER

With the average age of divorce higher than ever, agreeing a fair separation of pension assets is more important than ever. For in-depth information on all key issues related to later-life divorce, please contact us for an assessment of your situation.

Source data:

[1]www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/divorce/bulletins/divorcesinenglandandwales/2015

[2]www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014

[3]webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776_428683.pdf

[4] Aviva – £120,000 calculation: for someone aged 50 today (i.e. born in 1967), their average age of marriage was about 30. This suggests that, if divorcing at age 50, they may have been married for about twenty years. Average contribution rates to a defined contribution workplace pension are assumed to be 4% from the employee and 4% from the employer. For a basic rate taxpayer on an average salary of £28,000 who contributes the aforementioned averages, they could expect to amass about £60,000 in their pension pot after twenty years. (Source of average age of marriage –www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/marriagecohabitationandcivilpartnerships/datasets/marriagesinenglandandwales2013 Source of average private pension contribution rates –www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/pensionssavingsandinvestments/datasets/occupationalpensionschemessurvey

FINANCIAL PROTECTION

Are you prepared if life throws something unexpected your way?

A CRITICAL ILLNESS COULD HAPPEN TO ANY ONE OF US. IF IT DOES HAPPEN, HAVING THE RIGHT COVER COULD HELP TO MINIMISE THE FINANCIAL IMPACT ON YOU AND YOUR LOVED ONES. HOWEVER, ACCORDING TO RESEARCH FROM LEADING LIFE INSURANCE PROVIDER LIFESEARCH, MORE THAN TWO THIRDS OF THE UK ADULT POPULATION EITHER HAVE NOT PURCHASED ANY LIFE INSURANCE (57%) OR ARE UNAWARE WHETHER THEY HAVE OR NOT (11%).

According to the firm's Health, Wealth & Happiness Report 2017[1], just over a quarter (27%) of over-55s had life insurance and were the most under-insured out of all of the age groups surveyed.

Just 2% of over-55s said they had cover arranged via their employer. The over-55s were also insured for the lowest amount across the three age brackets included in the research, at £72,690 on average.

In contrast, nearly a third (31%) of 18–34 year olds said they had life insurance (5% of those via their employer) and were insured for the most out of all the age groups, at an average £148,396.

DIAGNOSED WITH THE CONDITION

Meanwhile, more than a third of people (36%) believe they would get no kind of support from their employer if they were diagnosed with cancer, according to new research from Canada Life[2]. Shockingly, this figure rises to 45% of employees who have cancer, or have suffered from cancer in the past. The research reveals a harsh reality that employers are not doing enough to provide help for staff who develop a serious, long-term illness.

Cancer now affects one in two people during their lifetime, and incidence rates among those aged 25–49 have risen by 20% in the past 20 years. Despite the growing occurrence of cancer among working age people, a fifth of respondents have no idea if their employer would offer any support if they were diagnosed with the condition.

Less than a third of respondents think they would be granted flexible working and time off when needed if they had cancer, falling to just over a quarter of those who have experienced cancer before. People with cancer do not feel they can fit their work around the need for treatment, recuperation or even just bad days. Just 25% think they would be given return-to-work support on recovery, and only around one in six anticipate access to occupational health services or adjusted workloads and performance targets. Only one in ten think their employer provides financial benefits such as critical illness cover.

UK EMPLOYEES WOULD BE UNCOMFORTABLE APPROACHING THEIR BOSS OR COLLEAGUES ABOUT CANCER

Two in five respondents would be uncomfortable talking to their employer and/or colleagues about a cancer diagnosis. Why do so many still see a cancer diagnosis as taboo, or worry about how the conversation could go? Cancer is common – 85% of our respondents had some experience of cancer in their life – yet when it comes to the world of work, respondents feel empathy and flexibility seem to be sorely lacking.

Over one in ten say they would be scared to tell their employer about a diagnosis in case it appeared they were no longer up to the job, while almost a fifth would feel uncomfortable asking for time off.

OPEN AND HONEST DIALOGUE

A sizeable minority of respondents would not be willing to tell their colleagues about a diagnosis, with 15% saying they would prefer to keep it to themselves. Slightly more would feel awkward discussing cancer with their employer. This is unfortunate, if understandable, because help and care begins with open and honest dialogue.

The fact that more than a third of people think they would get absolutely no support from their employer if diagnosed with cancer is extremely worrying. Hundreds of thousands of people are diagnosed with cancer each year in the UK, and it is becoming more common among those of working age. The likelihood of having cancer increases with age – and with an ageing workforce, this is a problem that is going to get much worse.

GETTING BETTER AS THE MAIN PRIORITY

Cancer treatment can cause many to have to work reduced hours or stop working altogether. Sufferers should be able to make getting better their main priority without worrying about job security and financial stability.

People who have personally experienced cancer are more sceptical about the support of their employer, which is particularly

damning. While many employers might feel they are understanding and accommodating when it comes to cancer, it is clear that more needs to be done in terms of support. ■

PROTECTING YOU AND YOUR FAMILY FROM THE FINANCIAL FALLOUT

The good news is that many critical illnesses that used to be fatal are now survivable. However, it makes sense to protect you and your family from the financial fallout, as you'll need time out to recover – and that can have a big impact on you and your family. To find out more, please contact us.

Source data:
[1] LifeSearch – Health, Wealth & Happiness Report 2017
[2] Canada Life Group Insurance 11 July 2017

LIMITED EXPECTATIONS OF EMPLOYERS' SUPPORT FOLLOWING A CANCER DIAGNOSIS

Which of the following forms of support do you think your workplace would provide if you were diagnosed with cancer?	People who believe employer offers it
Flexible working and time off when needed	31%
Return-to-work support on recovery	25%
Access to occupational health services	16%
Adjusted workloads/appraisals/performance targets	16%
Counselling and emotional support through the workplace	13%
Financial benefits, e.g. critical illness cover	10%
Second medical opinion services	6%
Assistance in the purchasing of private healthcare	4%
A Personal Nurse Service for practical and emotional support	4%
None of the above	36%
Don't know	21%

CASH MANAGEMENT

A simple, effective approach for cash holdings

DAVID SQUIRE, FINANCIAL PLANNING DIRECTOR AND THE REST OF THE TEAM AT ARMSTRONG WATSON WORK WITH A WIDE RANGE OF CLIENTS WHICH INCLUDES FAMILY BUSINESSES, CHARITIES, TRUSTS, PRIVATE CLIENTS, PENSION FUNDS AND ACADEMIES. WHILST THEIR FINANCIAL NEEDS ARE INCREDIBLY VARIED, THERE IS ONE THING THAT THEY ALL HAVE IN COMMON: AT SOME POINT, THEY WILL HAVE CASH HOLDINGS WHICH NEED TO BE HELD IN A SECURE ENVIRONMENT FOR THE SHORT OR MEDIUM TERM.

The current Bank of England Base Rate is 0.25%, but interest rates have been low for many years – and anyone searching out Cash ISA rates, for example, will have struggled to find many offering over 1%. Against this backdrop, it's extremely difficult to achieve any sort of meaningful return on cash savings. There are many legitimate reasons why it makes sense to retain funds in cash, but with inflation running at over 2.5%, this means that funds left on deposit will suffer a decrease in their buying power each year they remain in this environment. Given the gap between the rate of inflation and the best savings account rates available, it's important to squeeze every last penny of interest from cash holdings, whether the cash sits within a pension fund, personal savings accounts or trusts.

We offer a bespoke Cash Management Service for clients and believe that there are three key benefits to our clients.

Firstly, what I term 'optimisation'. Over 125 banking institutions are monitored on a daily basis to ensure that the very best rates available are identified, and that the desired level of accessibility is achieved: high, medium, low or bespoke. Generally speaking, the lower the accessibility, the higher the rate available. Where full Financial Services Compensation Scheme protection is required, the service will ensure that a maximum of £85,000 is invested within each banking licence (for example, Birmingham Midshires & Halifax operate under the same banking licence).

The second key benefit is the ease of set up, as all application forms are pre-completed to ensure minimal customer time is required to set up accounts. All accounts are in customers' own names, so no cash is held by Armstrong Watson or Cascade (the arranger) at any time.

Thirdly, rates are monitored daily, so when better rates are identified on funds approaching maturity or on instant access monies, these are communicated to customers, and transfer documentation is pre-completed and posted out. This means that the individual apathy that can set in when cash deposits mature or when rates are bettered does not mean customers languish in uncompetitive accounts.

We have found that this service has worked very well and allowed our clients to achieve materially better returns on their cash deposits than they were previously able to access. An online portal, where all holdings can be viewed, together with the easy administration have offered a compelling alternative to the DIY approach for funds of over £250,000.

So, a simple, effective approach for cash holdings wherever the cash sits and whatever the timeframe. ■

To discuss optimising your cash deposits to achieve a better return, please contact our Financial Planning Consultants.

A CARE COST TIME BOMB?

Funding care in later life isn't always easy or straightforward

CARE IN OUR LATER YEARS IS AN EMOTIVE SUBJECT, AND THERE IS WIDESPREAD ACKNOWLEDGEMENT THAT AS THE AVERAGE PERSON IS LIVING LONGER, IT'S INCREASINGLY LIKELY THAT CARE WILL BE NEEDED FOR MORE PEOPLE. DEMAND FOR CARE IS FAR OUTSTRIPPING SUPPLY, BUT HOW WILL THIS BE PAID FOR? AND IMPORTANTLY, WHO WILL PAY FOR IT?

Theresa May attempted to bring up the subject in the 2017 Tory election manifesto, but as things have turned out this may have been poorly timed.

The funding of care costs were the subject of the Dilnot Commission on Funding of Care and Support 2011. One of the key recommendations was that a person's contribution towards care costs should be capped at £35,000, which was considered to be fair and appropriate – and once the cap was reached, care would be funded by the state.

Next to follow was The Care Act 2014, which introduced changes effective from April 2015, but some additional changes were pushed back until April 2020, one of which is a proposal to cap costs at £72,000 for those aged over 65 and younger adults with disabilities. In the election campaign, Theresa May indicated that the figure could increase to £100,000, but nothing has been decided as yet, and the proposed care cap costs appear to have been abandoned.

CURRENT LEGISLATION

A care assessment is carried out by a care specialist on behalf of the NHS or local authority to determine the type of care that is required, and any individual with assets valued at more than £23,250 and requiring care will be expected to fund this themselves. Those with capital between £14,250 and £23,250 will be expected to make a contribution towards the cost of the care being provided.

WHAT ASSETS ARE INCLUDED?

The local authority takes into account the following:

1. Savings and investments
2. The value of property
3. Income of the person requiring care

The value of the family home is disregarded for the first 12 weeks following admission into a care home, and it is further disregarded if a spouse, partner, civil partner or qualifying relative lives there permanently.

Funding care in later life isn't always easy or straightforward, but it's important to assess needs or preferences early on so a strategy can be adopted.

As there are virtually no pre-funded, insurance-related long-term care arrangements currently available, seeking advice from a suitably qualified financial adviser is important too. Please also be aware that not all financial advisers are authorised to advise in this area, as specific qualifications are required. Armstrong Watson Financial Planning has a number of experienced, qualified advisers who are able to provide later life planning and professional help to ensure that loved ones can be financially secure at what can be an emotionally difficult time. ■

IT ALL COMES BACK TO FAMILY BUSINESS, FOOD ENTREPRENEURS, SPACE AND A GEOGRAPHICAL EDGE!

An evolving fluid journey of change

THOMAS JARDINE & CO SPECIALISE IN FAMILY OPERATED BUSINESS AND FOOD ENTREPRENEURS. WE ARE FOURTH GENERATION, WITH A FIFTH IN COFFEE ROASTING. WE ARE NOT ABOUT BUSINESS SIZE, BUT WE TRULY UNDERSTAND THE ROLE FAMILY PLAYS IN THE SUCCESS OR OTHERWISE OF ANY BUSINESS. WE ALSO KNOW THE DILEMMAS OF RAPID GROWTH, STAGNATION, PROCASTINATION AND CONFIDENCE.

There is no escaping we have been a Family in Business for at least 120 years. We, Thomas Jardine & Co have evolved from farmers, to grocers, to convenience store retailers to specialists in Family Business and Food and Drink Producers – 4th generation with a 5th in Coffee Roasting.

We have always been geographically on the edge, based on the border where England meets Scotland we have traded for generations in this place but that doesn't mean we have stayed rooted to one market. This is an evolving fluid journey of change, adaption and creativity where the 'actors' remain in one family influenced by the past but absolutely looking to the future.

In a previous life Jacqui with her husband Keith has not only owned and operated her 4th generation family business, but has been: Retail Vice Chair of the £3.2bn SPAR (UK) Guild, representing family businesses of all sizes from small convenience stores through to multibillion pound generational wholesalers; UK Head of a Global Family Business research project at Lancaster University; Head of Family Business Engagement and Director of SME Programmes, developing both Leadership and Non-Exec skills at Lancaster University.

Keith, as a researcher with the Centre for Regional Economic Development has completed a range of business research projects for Government Departments and local authorities alike.

Now working with Carlisle Food Partnership and as an advisor to the Revive and Thrive Board, he continues to promote the impact of food sectors both regionally and nationally.

We see family business as a brilliant means of gathering learning, a giant 'holdall' if you will, a collection of key business, family and life skills from the previous and current generations – you have to remember leaders create other leaders across generations – or they should! Our contribution has been about listening, adapting and doing. By being 'the family business' and researching Family Business, Supply Chain, Place and Leadership, we have realised that 'space' is the key!

Family business is about finding space, space to operate the business; space for family members to work together; space for family to come together; space to do; space to enable the next generation to evolve and lead AND probably most importantly of all, space to think!

Just like many family firms ours has had its ebbs and flows in the need to find that elusive space. The business was founded in 1895 and evolved from a farm to a traditional grocer to a convenience store operator. At the turn of the century we sold the retail outlets and became property owners. With that came the plan to follow an academic career and spend some time deep diving into the complexities of Family Business, Food Producers and the supply chain. The results were eye opening as we hadn't really appreciated the true value and importance of the sector we had been part of – the impact on place and community;

the contribution to economy; the leadership skills required to both 'let go' and 'Lead' and the enormous contribution, the brilliant, yet hidden, family business networks in the food and drink supply chain have on the UK economy.

So it is time once again to 'put some skin in the game', stop talking and start doing with the overarching aim 'to put our family businesses and regional food heritage on the map'. So we have bought a building which will create space for the Centre for Family and Food Businesses, an awesome food and drink producer, Bruce and Luke's Ltd and co-working space for the brilliant desk based professionals who can add so much value to our regional food and drink producers.

The Guild in Carlisle is born, a physical space that will offer co-working space to the awesome desk professionals – from designers to communication experts – and have space for food and drink businesses to launch new products or meet to discuss current opportunities.

Then there's the 'headspace' helping family business owners and food entrepreneurs find head space to think and do. As part of this, we, along with the Family Business Network will bring our talent in running peer groups to our region's family businesses and entrepreneurs. Peer groups allow business to stop looking to outside 'experts' for the answers and find them within with the help of their peers! We are also looking forward to working with Armstrong Watson on their Family Business Conversation series.

All in all, it's about family, entrepreneurs, geography, place, a very large 'holdall' AND of course space to think and do. ■

Come and find your space with us:
e: Jacqui@thomasjardineandco.co.uk
c: 07801 743798
w: thomasjardineandco.co.uk

THE GOLDEN BUDGET

Where can we see the Chancellor making some changes?

THIS YEAR WILL SEE TWO BUDGETS: THE FIRST WAS IN MARCH AND PASSED WITHOUT MUCH FANFARE, AS THE CHANCELLOR WAS IN A DIFFICULT POSITION GIVEN THE IMMINENT BREXIT TALKS. SO HAS THE POSITION BECOME ANY CLEARER FOR HIM? WELL IT CERTAINLY APPEARS THAT HE'LL STILL NEED TO EXERCISE GREAT CARE WITH HIS SPENDING AND TAXATION PLANS TO SUPPORT THE ECONOMY WHILST THE NEGOTIATIONS MOVE FORWARD, ALTHOUGH THE 'DIVORCE' BILL IS STILL TO BE SETTLED BEFORE THE EU IS PREPARED TO DISCUSS TRADE DEALS. ONE POINT THAT MAY MAKE HIS POSITION SLIGHTLY EASIER IS THAT A TRANSITION PERIOD IS NOW GENERALLY AGREED, BUT THE LENGTH OF ANY TRANSITION STILL NEEDS TO BE AGREED. **GRAHAM POLES, TAX PARTNER** ASKS: WHERE CAN WE SEE THE CHANCELLOR MAKING SOME CHANGES?

Recently, the housing market has stalled at the top end, as Stamp Duty Land Tax (SDLT) changes introduced recently begin to dampen down demand. The effect is mainly being felt in the South East of England, but the Chancellor may look at this as an opportunity to reform the tax again. There appears to be some logic in this approach, as the Bank of England has signalled recently that an increase in interest rates is expected to control other areas of the economy, so I'd expect there to be some changes to SDLT. Some quarters are suggesting he'll go as far as changing this to one paid by the seller to reduce the impact, but I doubt it.

Another area of concern for the Chancellor is tax relief on pensions, particularly the rate available to higher rate taxpayers. Whilst the amount which can be put into pensions is restricted to the annual allowance of £40,000 (assuming you have sufficient earnings and to obtain tax relief at your highest rate), those with higher earnings have been caught with the introduction of the tapered annual allowance, which reduces the annual allowance by £1 for every £2 of adjusted income over £150,000. This means those with earnings of £210,000 and above have an annual allowance of just £10,000. The Government still spends billions of pounds on tax relief, so I wouldn't be surprised if the starting point of £150,000 for the tapered allowance was reduced to £100,000, putting it in line with the point at which the personal allowances taper down.

I'm not expecting any radical changes to the personal allowances as they remain on track for the £12,500 personal allowance and £50,000 limits before higher rate taxes of 40% start (expected by 2020). The dividend tax-free allowance has already been tightened in the Budget in March – reducing it from £5,000 a year to £2,000 – so I'd expect this to remain the same alongside the tax-free savings band of £5,000.

He may look at the Lifetime ISA (LISA) recently introduced for those aged between 18 and 40 with a view to raising the current limit of £4,000 and increasing the government bonus. This could be used as a method of encouraging more people to use the LISA as a savings vehicle for their first property purchase, as the Help to Buy: ISA will disappear in 2019.

For companies, I expect he'll wish to encourage more entrepreneurs, which he could do by advancing the reduction of the Corporation Tax Rate. This was due to fall to 17% in April 2020, so he could bring this forward to begin in April 2018.

Major tax change announcements in the Budget are behind us I believe, especially as we withdraw from Europe. The current Chancellor is cautious and will want to ensure our country can survive the headwinds predicted. ■

Time to bring your tax affairs, financial planning and wealth management together?

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