

# Law for Life

Your update on the things that matter most



## Don't throw away the chance to save your family £130,000

The Government is introducing an extra Inheritance Tax allowance applicable to a person's residence that will be phased in from April 2017 to April 2020.

The new allowance has the potential to extend the Inheritance Tax allowance (known as the Nil Rate Band) from £325,000 to £500,000 for an individual, and from £650,000 to £1m for a married couple and those in a civil partnership. You can only be sure that this relief will apply if you have an appropriately drawn Will in light of the new legislation.

The rules are particularly complicated and there are some very strange anomalies. The extra allowance, known as the **Residence Nil Rate Band (RNRB)**, will only be available where a residence is inherited by a "lineal" descendant. A lineal descendant is amongst others, a child, step child, adopted child or foster child of the deceased person and their own lineal descendants.

Importantly, where a parent leaves to a child who doesn't inherit until after the age of 25, or where a grandparent leaves to a grandchild who doesn't inherit until after the age of 18, then the RNRB is likely not to apply.

Another point to note in the new legislation is that the RNRB will be reduced if the total estate is in excess of £2m. You could avoid this reduction through careful planning.

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There will be more developments in this legislation in due course. For example, we know that the Government will be introducing 'downsizing' provisions. The intention is to prevent loss of the RNRB where someone sells their house or downsizes before their death.

This is obviously a complex area, and it's a common perception that the Inheritance Tax allowance is automatically increased for everyone – this is NOT the

case and it can easily be lost without careful planning.

It is important, therefore, to take professional advice on both the structure of your Will and your assets in light of the new law, to ensure that this relief is protected.

There are ways to avoid these problems, but we would strongly recommend any individual who has assets of more than £325,000, or any couple who have assets of more than £650,000, to review their Wills as soon as possible.

Our Inheritance Tax specialists would be very happy to discuss matters with you.

**Jerome Dodge**  
Principal - Wills and Estate Planning  
**01258 483616**

**Merlin Lewis**  
Principal - Wills and Estate Planning  
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## National recognition for Blanchards Bailey

Starting the New Year in high spirits, Dorset's leading firm of solicitors has achieved national recognition after being ranked in three areas of the prestigious publication The Legal 500.

The Legal 500 is an annually published guide that assists people and businesses in locating quality legal services. It highlights practice area teams that are providing the most cutting edge and innovative advice. The rankings are based on client references and interviews with the firms. Every firm ranked and every individual mentioned in The Legal 500 is recommended.

Sarah Heath, principal at Blanchards Bailey in Blandford, said: *"Entering into The Legal 500 was an ambitious, but achievable aim for the company. It's fantastic to reinforce our clients' confidence in us with this accolade and to know that we're at the absolute top of our game and among the best 500 firms in the country. Blanchards Bailey is a quality regional provider that is able to take on big, commercial clients in different disciplines."*

Blanchards Bailey was ranked among the UK's top law firms for agriculture, commercial litigation and personal tax, trusts and probate, with positive comments made about members of the team. The rankings identified Jerome Dodge and Merlin Lewis, both principals, as having 'the ability to convey complex matters in simple terms.'

Jerome said: *"We feel very proud of the team and it's wonderful to have that independent recognition of the hard work we put in for our clients. We held a celebration at our offices to thank everyone for contributing and to applaud their achievements."*

# Who do you want to make decisions on your behalf?



A lot of our clients have Financial Lasting Powers of Attorney, or their predecessor, Enduring Powers of Attorney.

These documents enable you to appoint others to manage your financial affairs in the event of a future loss of capacity. They remain vitally important and if you are of retirement age or own a business and do not have an up to date financial power of attorney, we would advise you to contact us as soon as possible.

Fewer people have a Health and Welfare Lasting Power of Attorney ("Healthcare LPA") but they are becoming increasingly important documents. We now frequently see central bodies such as hospitals and social services asking about their existence. Unfortunately, health and social care decisions seem to be increasingly resource driven and the absence of a Healthcare LPA means that your family do not have the final say if you lack the capacity to make a medical or social care decision. Where a Healthcare LPA doesn't exist, we often hear stories of family members being told, "we have listened to your views but it's not your decision."

A suitable Healthcare LPA allows those you choose to represent your wishes and, often in consultation with your GP, to make swift decisions and normally without the need for a round table meeting with a variety of professionals. Importantly, it prevents the views of those you have chosen being over-ridden. With the combination of a growing elderly population and ever stretched health and social care sector, we see these problems increasing and would recommend you plan ahead.

Please contact our Private Client Team if you would like to arrange a meeting to make a Power of Attorney or discuss matters with us.

**Jerome Dodge**  
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# Can I leave my estate to whoever I like?

Yes, but the beneficiaries might not receive the gift(s) as set out in your Will.

The Inheritance (Provision for Family and Dependents) Act 1975 enables certain individuals, such as a spouse, a cohabitee, a child or someone who has been maintained by you to make a claim against the estate for reasonable financial provision.

Previously, if you didn't want to leave part of your estate to a particular individual, it was good practice to stipulate the reason for excluding them from the Will, as this reduced the chance of a successful claim being brought against your estate. However, this practice was reviewed in 2015 in the highly litigious and highly publicised case of *Ilott v Mitson*.

Mrs Ilott made a successful claim against her late mother's estate, despite being excluded from her Will for being absent from her mother's life for 26 years prior to her death. The Court found that whilst the deceased had clearly set out why Mrs Ilott had been excluded from benefiting from her estate, she had failed to stipulate why her estate should go to the charities named in the Will. The Court found that Mrs Ilott was financially dependent and awarded her about £150,000. On 2 March 2016 the Supreme Court granted the charities permission to appeal the Court of Appeal's decision. The level of testamentary freedom is continually changing.

If you are concerned about someone making a claim on your estate, or if you believe that you have been unfairly

excluded from an estate then we can help.

**Please contact our Litigation team if you need assistance.**

Our Private Client team is highly experienced in drafting Wills to minimise the possibility of a claim being brought.

**Please contact our Private Client team if you would like to review your Will and accompanying documentation in light of the above.**

**Paul Dunlop**  
Principal - Head of Litigation and Disputes  
**01258 483607**



Not many company directors would relish a drive from Twickenham to Blandford for a meeting with their solicitor.

But for Neil Aldred of CMS Developments Limited, the journey to Dorset is well worth the effort.

Sarah Heath, principal and head of Blanchards Bailey's commercial services, handles Neil's account and always delivers great results.

"Sarah is reliable, quick-witted and straight to the point," Neil said. "I always know

## On the right road to a great business relationship

*where I stand, whether the news is good or bad.*

*We like to manage our professional fees and Sarah regularly works to an agreed fixed fee for a transaction.*

*I enjoy working with Blanchards Bailey; it is not intimidating like some other legal firms I've visited in the past. The Blandford office has a friendly, relaxed manner but its services are as effective as any London practice and its rates are considerably more palatable."*

Neil, who runs a property investment and development company, was recommended to Blanchards Bailey in the early 1990s after some bad experiences with less capable legal firms.

*"One London practice we used agreed a fixed fee but then invoiced almost double the price, saying it was because they had needed to do more work. Of course things can go wrong and take longer than expected, but with Blanchards Bailey if there is the need to vary a fee they discuss*

*it with me first. That way I always know where I stand."*

Neil added: "For CMS Developments, Blanchards Bailey is a one stop shop. While Sarah manages the majority of our work, when other legal services are required, she involves the appropriate skills as needed. These include topics such as company law, debt recovery, litigation, Wills, Inheritance Tax planning, residential transactions and more.

*We rely on Blanchards Bailey to look after both our business and personal activities."*

Neil values Blanchards Bailey for its dependability and excellent value for money.

*"It is a competent legal firm with a highly professional team of solicitors," he said.*

*"Blanchards Bailey gives an exceptional account service and can offer the complete package. I would recommend it - and often do."*

# Blanchards Bailey invests in its staff for future excellence

Blanchards Bailey believes in putting not only clients' interests at the forefront of its business, but those of its employees too. Which is why it invests in training for a number of junior staff.

Currently six members of staff are receiving both internal support and external training in order to provide a top quality service for clients.



Meet the team of the future, from left to right: Stacy Savage, Amy Mowlem, Emma Taylor, Carla Phillips, Fiona Ball and Joshua Cronin

Sarah Heath, principal in charge of training at Blanchards Bailey, said the firm is committed to providing excellent quality training for employees.

She said: "By supporting our junior legal staff, they gain a better understanding of a wide range of issues and how to handle them. This gives our clients a more comprehensive and professional service

and fits in with our values of delivering excellence, dedicated teamwork and putting people first."

Sarah concluded: "Blanchards Bailey has invested a significant amount in the future of our staff and this has paid off in producing a workforce with a reputation for excellence."



## Raising a glass of festive cheer

Blanchards Bailey is full of good cheer all year round, but especially at Christmas.

The team welcomed clients and friends from across Dorset to a festive celebration with drinks, canapés and a raffle, featuring prizes donated by some of the county's well-loved companies.

The party was held at the firm's office in Queen Mother Square, Poundbury, and was attended by more than 70 people who enjoyed the chance to chat over cocktails.

Guests dug deep in their pockets and sales from the raffle tickets raised over £250 for Blandford Opportunity Group, Blanchards Bailey's charity of the year.

Merlin Lewis, principal and head of Blanchards Bailey's Dorchester office, said: "We greatly enjoyed being able to invite our guests along for a special Christmas celebration. It was fantastic to celebrate the end of another successful year with people alongside whom we work".

## Four gems of Employment law advice...

Edward O'Brien, Blanchards Bailey solicitor, outlines below some key points that have come about since recent changes affecting employment law and HR.

### Travelling to work 'is work'

The European Court of Justice ruled that employees who don't work in a fixed location and who are paid at an hourly rate should be paid when travelling between their home and the first and last jobs of the day. If, as an employer you fail to do this, you could face an unlawful deduction of wages claim of up to two years.

### Calculation of holiday pay

A recent Northern Ireland Court of Appeal ruling means employers are now advised to include overtime in holiday pay calculations under the Working Time Directive. As an employer, this decision means you must now consider how often you rely on 'voluntary' overtime in the running of your business.

### Managing disciplinaries

If you need to take disciplinary action against an employee, it's important to adhere to the protocol in your own policy or, if no policy is in place, the Acas guidance. The investigating officers must take impartial roles in the process to ensure decisions taken cannot be deemed to be unfair or a breach of contract.

### Social media

The use of social media in the work place is increasing, which means it's important for business owners to promote and control their reputations. As an employer, we advise you develop a policy setting out exactly what is and is not acceptable behaviour in social media.

Employment law is constantly evolving and our expert solicitors can provide you with up to date advice tailored to suit your business.

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