

The Chartered Institute of Building (CIOB) represents for the public benefit the most diverse set of professionals in the construction industry.

Our 7 Guiding Principles:

- 1 Creating extraordinary people through professional learning and continuous personal development.
- 2 Promoting the built environment as central to the quality of life for everyone everywhere.
- 3 Achieving a sustainable future, worldwide.
- 4 Advocating exemplary ethical practice and behaviour, integrity and transparency.
- 5 Pursuing excellence in management practice, and technological innovation rooted in evidence based science.
- 6 Being socially responsible and working responsibly.
- 7 Enabling our members to find an emotional resonance with the Institute; their success is our success.

We have over 40,000 members around the world and are considered to be the international voice of the building professional, representing an unequalled body of knowledge concerning the management of the total building process.

Chartered Member status is recognised internationally as the mark of a true, skilled professional in the construction industry and CIOB members have a common commitment to achieving and maintaining the highest possible standards within the built environment.

The Chartered Building Company and Consultancy Schemes (CBCs) are a vital part of the CIOB, providing the Institute's members with a further business perspective.

To find out more about the benefits of either individual CIOB membership or CBC schemes go to our website www.ciob.org.uk or call us on +44 (0)1344 630 700 today.

'Fresh start'

Information and guidance for the Chartered Institute of Building members coping with unemployment or redundancy

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**Published by the Chartered Institute of Building Benevolent Fund Limited
March 2009**

Registered Charity No: 1013292 Registered Company No: 2733932

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Introduction

This publication is intended as an outline guide for CIOB members facing unemployment or redundancy.

This guide offers a brief summary of some key issues that might be relevant to you. Individual circumstances will vary greatly, so Fresh Start can really only be considered as an outline guide to available options.

If you are facing the consequences of redundancy and/or unemployment do seek guidance and advice from either a Citizen's Advice Bureau, other agencies or in circumstances where legal action might be necessary, a Solicitor. In the overwhelming majority of circumstances, good advice can be obtained without any cost. A list of helpful organisations is included at the end of the publication.

'Fresh Start' is principally intended as a guide to coping with the practical consequences of redundancy and job loss in combination with actions that you can take to enhance the impact of your Job Search.

Whilst much can be done through adopting a positive attitude and practical approach to finding alternative employment, in the present downturn, there will very likely be fierce competition for vacancies. Every possible way to maximise your employment potential will be required. Whatever impact you can bring to improve your competitive 'edge' will help in the present climate.

This publication has been revised to take account of the most recent changes legislative changes, including the emerging Homeowner Mortgage Support scheme. Details of useful publications are provided at the end of this guide, together with a list of helpful addresses and web links.

The online version of 'Fresh Start' will be updated regularly and is available to view and/or download at: www.ciob.org.uk/resources/benevolentfund

If you have specific questions or concerns regarding any of the issues raised within this guide please contact:

The Secretary
 The Chartered Institute of Building Benevolent Fund Limited
 'Englemere'
 Kings Ride
 Ascot
 SL5 7TB

Tel: 01344 630780

E-mail: fmacdonald@ciob.org.uk

The CIOB Benevolent Fund

Established in 1992, the CIOB Benevolent Fund provides a service comprising practical advice, information and financial assistance for Institute members and their dependant families world-wide.

The CIOB Benevolent Fund represents a resource made possible by members and for members. Be it addressing consequences of ill-health, redundancy, of financial hardship, the CIOB Benevolent Fund has provided valuable assistance for numerous members and their families over the years.

The Trustees of the Benevolent Fund maintain a careful 'watch' over developments of concern to members, in order that the service offers the kind of support that members need. The Trustees approved direct grant assistance to many hundreds of members and their families facing ill-health, hardship or other crises over the years. Examples of the services offered to members include:

- Regular grant assistance to support members and their families, facing hardship following redundancy
- Continuous advice, support and assistance to members suffering ill-health and disablement
- Providing advice and support to members experiencing debt, unemployment and redundancy
- Supporting and advising members suffering chronic illness or disablement to retain an independent way of life in their own homes
- Working alongside other industry charities in order to provide a shared programme of support for members facing hardship.

The Secretary has visited members in their homes in order to gain greater understanding of circumstances whilst also offering individual support.

Mindful of the increasing pressures within the Industry, the Trustees conduct regular reviews of the service and of the priorities of greatest importance to members, so as to be well placed to respond to the changing economic climate.

The Benevolent Fund provides practical advice and information to Institute members and their dependent families, past and present. Do contact us if we can be of assistance to you at any time.

Redundancy issues

Redundancy amounts to a form of dismissal. This occurs where you are dismissed or your employment position ends because the work you did is no longer needed, for example, if your employer goes or has gone out of business.

You might be made redundant if your employer is moving into a new line of business at which your specific skills are no longer required. Even if there was other work available for you to do in the Company, your original position will still be redundant. The fact that there is no need for the work that you were originally employed to do is what gives rise to your position being redundant, irrespective of whether other work is available. If however, you are made redundant your employer should try to offer you suitable alternative work wherever this is possible.

Redundancy can occur if your employer reorganises the business for example, to make efficiency savings, or for example, to bring in new technology that results in fewer people being needed to do the same amount of work.

You may also be made redundant if a new process or system is introduced which means that your job is no longer needed. If the work you were employed to do is no longer available for you to do, your employer can make you redundant.

Your employer may move their business to another area or perhaps the business has been taken over. Where a business is effectively transferred from one employer to another, redundancy does not automatically occur. A Contract of Employment is maintained and you would expect to retain the same terms and conditions of employment with your new employer. There are however, circumstances in which redundancy could result from the transfer, though it would have to be shown to be due to the type work that you were doing no longer being required. The transfer of a business cannot of itself be the basis for a redundancy. If in doubt seek advice.

Consultation

Your employer should always consult you individually. This will normally involve speaking to you directly about why you have been selected; consider any alternatives to redundancy.

This is an important consideration because where the period of continuous employment has been substantial, greater still is the duty of an employer to consider whether there are other suitable types of work that could be offered to you.

Collective consultation should occur in organizations where 20 or more employees are being considered for redundancy.

Selection

If a method for deciding redundancies has been agreed and set out in your contract of employment, your employer should follow it. Otherwise, there are some common practices that your employer could when selecting employees for redundancy. If for example, your Company is closing down and all employees are made redundant, then consultation is unlikely to be appropriate in the same way.

Consultation should nevertheless occur in relation for example, to the process by which the Statutory Redundancy Fund would provide for redundancy and certain other contractual payments.

An employer could use a 'selection pool' as a means of considering which group or section of a workforce the redundancies will be selected from.

Having identified a selection pool, an employer should apply selection criteria to it in order to narrow down the employees. Your employer should, as far as possible, use objective selection criteria, applied equitably and fairly across the workforce. Selection criteria might typically include: disciplinary records; experience; capability; relevant skills and competences.

Your employer may select for redundancy by asking people to re-apply for their own positions. This is merely another way for an employer to decide who to select for redundancy. If you decide not to apply or are unsuccessful in your application, you continue in your position until or unless your employer makes you redundant.

Your employer cannot (lawfully) select people for redundancy based on the following grounds: Gender; marital status; sexual orientation; race; disability; religion or belief; age; trade union membership; health and safety activities; working pattern (e.g. part-time or fixed-term employees). If your employer does select you for redundancy based on any of the above grounds, then your redundancy becomes 'automatic unfair dismissal'.

An employer can look at all employees' length of service with the company and select those with the shortest service (the most recent to join). This practice can sometimes amount to indirect discrimination on the grounds of age, if it affects one age group more than another, unless your employer can objectively justify it.

Unfair selection

You cannot lawfully be selected for redundancy for personal reasons. Use of any of the following as a basis of a decision to make you redundant, will be automatically unfair:

Reasons concerning maternity leave, birth/pregnancy or any other family leave, paternity leave, parental or dependants leave ; Disability ; following a Transfer of Undertaking (TUPE) and where you are protected by virtue of Transfer of Employment Regulations ; Trade Union Membership ; following your exercising a statutory right (for example, seeking written terms and conditions of employment); any discriminatory reason.

In the event that you believe that you have either been selected unfairly or otherwise have a grievance with the manner of basis of a redundancy, you should consider contact your employer for an explanation in the first instance. If you remain dissatisfied you should seek advice with a view to submitting an application for an Employment Tribunal to have the circumstances considered by an independent panel.

Notice of Redundancy

If your employer has selected you for redundancy you are entitled to receive a Notice period before your employment ends. The statutory redundancy notice periods are as follows:

If you have been continuously employed for between one month and two years: at least one week's notice.

If you have been continuously employed for between two and twelve years: one week's notice for each year. For length of service beyond twelve years, there is no additional entitlement to Notice.

If however, your contract of employment provides more generous redundancy terms, they will be applicable. If your contract of employment provides less generously than the statutory framework (as outlined below), you will be entitled to receive Notice consistent with the above. You cannot be given less Notice than the statutory provisions specify.

Payment in lieu of notice

If you are offered payment in lieu of Notice, then you should expect to receive payment consistent with that which you would have received during the notice period. This should include an equivalent amount of pension contribution or private health insurance, etc.

Entitlement to Redundancy Payments

You will be entitled to receive a redundancy payment if you are an employee who has worked continuously for your employer for not less than two years and you are being made redundant. Redundancy pay is also payable when a fixed-term contract of two years or more expires and is not renewed due to redundancy.

You should not have to claim redundancy payments from an employer, as this payment should be paid to you automatically. If you do not receive redundancy pay when it is due, you should write to your employer, formally requesting payment. In the event that you are refused a redundancy payment where it is due, you could apply to an Employment Tribunal in order to have it direct that a payment is made.

The amount of statutory redundancy pay you get will depend on a number of factors:

- How long you have been continuously employed in your present position
- your age
- your weekly rate of pay.

Subject to an upper limit upon the amount that can be treated as a weeks' pay (£350), entitlement to statutory redundancy pay is calculated as follows:

- ½ of one week's pay for each complete year of employment when you were below the age of 22
- 1 week's pay for each complete year of employment when you were between the age of 22 and 40
- 1½ half week's pay for each complete year of employment when you were above the age of 41.

Continuous employment includes the date up until your Notice period expires. In the event that you have not been given any Notice, then your employment will end on the date on which your notice would have expired had you received it.

You might also qualify for pay in lieu of notice, in addition to your redundancy payment.

The meaning of a week's pay

The weekly pay which is used to work out your redundancy payment is usually your normal weekly gross pay at the time you were made redundant. Gross pay means pay before tax, national insurance and any other legal deductions have been made.

There is a maximum weekly limit which is currently £350. This means that even if you earn more than £350 a week, your redundancy pay will be based on this weekly maximum.

A week's pay will not include overtime pay unless the overtime was regular and was an integral part of your work. If your earnings vary each week, an average of the 12-week period leading up to the redundancy will be applied.

A Redundancy Payment calculator is available via the following link:

<http://www.berr.gov.uk/whatwedo/employment/employment-legislation/employment-guidance/page33157.html>

Payments from the Statutory Redundancy Fund

If your employer is insolvent and an administrator or liquidator has been appointed, you should claim statutory redundancy payments from the National Insurance Fund.

The Statutory Redundancy Fund's Helpline can be contacted on 0845 145 0004. An application form can be downloaded at the following website of the Insolvency Service at: www.insolvency.gov.uk

In the event that your employer has ceased trading but is not insolvent, you should write to your employer claiming your statutory redundancy payment. If your employer fails to make the payment, you can submit a claim to an Employment Tribunal. There is a 6 month time limit following the date on which your employment ends, in which to submit claims.

If an employment tribunal decides that you have the right to statutory redundancy pay but your employer still doesn't pay it, you can make an application to the National Insurance Fund for your redundancy payment.

Further information regarding Redundancy:

http://www.direct.gov.uk/en/Employment/RedundancyAndLeavingYourJob/DG_10029836

http://www.adviceguide.org.uk/index/life/employment/redundancy_an_introduction.htm

http://www.adviceguide.org.uk/index/life/employment/redundancy_an_introduction/your_money_situation_after_redundancy.htm

<http://www.jobcentreplus.gov.uk/ICP/index.html>

The Jobcentre Plus homepage. Information regarding claiming Jobseekers Allowance

<http://www.dwp.gov.uk/eservice/>

<http://www.businesslink.gov.uk/bdotg/action/detail?type=RESOURCES&itemId=1073792402>

<http://www.acas.org.uk/index.aspx?articleid=1611>

Coping with the consequences of unemployment

Introduction

In times of commercial pressure, organisations frequently expect the same volume of work from fewer managers and employees. Some, in the short term, appear to cope with the pressures - even thrive under them. But stress has considerable costs.

For the individual, the effects of stress in terms of effectiveness and the quality of life can be very harmful. Recognising the sources of pressures and developing strategies to prevent them or to cope with them can be beneficial to all aspects of our lives.

Pressures come from many different directions, and affect different people in different ways. The pressures which would cause serious stress in one individual might stimulate optimum achievement in another. Even for the same person, an event occurring at one time when, for example, they are physically unwell or tired would cause more stress than the same event on another occasion. Sometimes we cope, are stimulated and positively thrive. At other times we may suffer, more or less seriously, and show signs of not coping and feel unable to meet either the deadlines or our expectations.

The Sources of Stress

Troubles often start when too many life events occur at once, as these can overtax our adaptive and coping resources. Some of these events such as illness are unpredictable and we have no control over them. Others are brought on by choice, such as taking out a large mortgage or moving house. Recognising the effects that life events have on us is central to our management of stress. We need to ensure that we do not overtax ourselves by creating unnecessary change in potentially turbulent times.

There are many aspects of the working environment that may contribute to stress -

- Overwhelming time pressures and demanding deadlines
- Relationships with others
- Too much work
- Threat of redundancy

As managers we do not manage in isolation. We have the responsibility for organisations, people, budgets, buildings or projects. Additionally work cultures and climates can have a profound effect on us - no-one escapes the threat of the announcement of a major restructuring, closure of a site, relocation, redundancies, a merger or take-over. All these can present threats to our well-being and may result in stress.

Individuals respond to these external pressures, by adapting and adjusting in a variety of ways dependent on their lifestyle. However, other characteristics such as age, gender, health, financial situation and access to support can influence how we respond to change.

Preventing Stress

Recognising the symptoms and identifying the sources of stress are essential in developing the strategies necessary to help ourselves. Help may involve doing one of two things -

- removing or reducing outside pressures, or
- accepting the things that can't be changed.

The strategy may be as simple as accepting our weaknesses and restricting changes. Some very simple rules can create immediate effects -

- pace yourself, complete tasks rather than juggling 'too many balls in the air'

- take a break, don't be afraid to relax for a moment and regain your energy
- withdraw from the source of pressure, take a moment now and then to step back and 'look at yourself' and what you're doing.
- communicate effectively, this can save time and energy
- forget the near misses
- look after your health
- take sensible exercise, it is a great way to relieve tension
- eat a sensibly balanced diet
- get enough sleep, waking refreshed to meet the demands of the day

It is possible to turn stress into a positive force.

Living with Stress

Our lives are a minefield of pressures. These pressures come at us from different directions both at home and work; from others and from ourselves. To live successfully with such pressures, it is essential that we monitor ourselves and become aware of our personal signs.

Through such monitoring we should be able to identify what our 'triggers' are and to manage our stress more effectively. There is a choice - stress doesn't have to run or ruin our lives. These simple steps will help -

- recognise our warning signs
- maintain perspective and balance
- take steps to reduce stress

If we are suffering serious stress, change isn't an optional extra. Our happiness and well-being depend on making changes. When this comes, it will bring with it an easing of pressures, profound changes in personality and mood and an approach to life which benefits us and those with whom we live and work.

People often assume anxiety, depression, and stress, phobias etc. will disappear spontaneously and wait for this to happen. A proportion of individuals do improve over time regardless of medical or psychological interventions. Subjectively however, the single most important factor affecting improvement is *our own motivation to "recover" and willingness to take action to bring this about*. Those determined to rebuild their lives frequently succeed in doing so.

Some people deny emotional distress, shutting off for example from the reality of bereavement. Another response might be to become reclusive or be unable to tolerate staying at home.

How can you help yourself?

- Keep as occupied as you can with things that really interest you.
- Be physical - engage in sport, etc - do anything that stops you brooding.
- Do anything which helps you relax.
- Look after yourself physically.
- Pay attention to your appearance to make yourself feel good
- Treat yourself from time to time
- Try to make your living environment as pleasant and comfortable as possible.
- Ask for help. Others are usually very willing to listen.
- Practice challenging some of your negative ideas - especially about yourself. Are you really a worse person or are you just judging yourself too harshly?

Constructive coping strategies including safe, appropriate expression of feelings, effective communication, relationship skills, assertiveness, increased confidence and self-esteem, can all help dissipate stress.

Time and crisis management can be learned with the benefit of psychological interventions or from the wealth of self-help material available. Each of us is the personal expert with regard to our own needs. The right approach for one may not suit another. For example:

- Develop a problem solving attitude to allow you to dismantle the large problems into manageable smaller ones and then try to resolve them individually by taking practical steps.
- Remaining objective. Developing and maintaining a positive self-image; action-planning for a return to employment.

- Keeping focused: retaining a network of professional contacts: keeping in touch with 'the world of work'. This can form a fundamental element of a concerted effort to return to employment. During the course of our professional lives, we'll have engaged with many fellow professionals. Try to utilize the social and professional 'edge' that might be gained from maintaining communication within such contact 'circles'.

Ultimately, it is for the individual, using whatever steps and resources are available, to make maximum endeavour to gain control over his/her life. A key element of your coping strategy in this context will be to focus upon your route back to employment.

Finding alternative employment

Facing the consequences and challenges of unemployment is a highly individual experience in which there are no accepted norms for securing suitable employment.

In a downturn, vacancies will likely be comparatively scarce and competition for each could be fierce. Identifying ways to positively differentiate yourself and the skills/abilities that you possess, from potential competitors, has never been more important.

The following information and guidance is primarily targeted towards those CIOB members that may not have had cause to consider the employment market for many years, having perhaps been continuously employed for lengthy periods. Accordingly, much emphasis is placed upon the construction of a CV and of the factors inherent in preparing formal applications.

General Advice

You are the only one who can decide what direction you would focus your career. Making the right decisions and managing your own future, don't leave it to chance. It is a good idea to select one or two specific directions and focus on them during your job search. You won't want to make the mistake of falling into a job you won't like or a job that has no potential for advancement. If you don't know what appeals to you, consider some of the suggestions for stimulating ideas, as set out below. Focusing upon past jobs or experiences may help you decide what you want to do (or what you don't want to do).

Looking for a job in an uncertain 'market' can become depressing and frustrating. It is important to have confidence in yourself and to demonstrate this positive attitude in the construction of job applications, CV's, and during interviews.

The process of securing a good job/career is virtually a job in itself. Be prepared to dedicate time, energy, and creativity to your search.

Make a Start

It is not uncommon for people facing the task of finding employment, to believe that they lack sufficient marketable skills or to otherwise be confused and apprehensive about taking the first step. Despite the uncertainty and change that accompanies unemployment, this nevertheless presents an opportunity exists to constructively review where it is that you would wish to direct your future career.

What Do I Want?

There is an enormous amount of information directed toward people making career decisions. It is very important to find out what jobs will be in demand in the future, the amount of education and training required for the job, the working environment, the remuneration, and the actual day to day duties of the job.

Self Appraisal

Self appraisal will help you recognise the skills you have attained throughout your life and the type of work you desire; it is the process of gathering information about yourself. Recognising your goals, abilities, interests, skills, experience and education will help guide you toward a career move that suits you. Satisfaction and success in-post will in large part reflect the degree to which your personal skills and abilities match the requirements of various jobs.

Everyone possesses hundreds of skills, even if all of those skills are not used on a daily basis. Although we rarely think about the abilities we have attained throughout our lives, how we use them, or which ones we enjoy the most, all are important and related to how we plan our careers. Therefore, self-assessment can be a valuable tool whether you re-entering the employment market, seeking a career change, or changing jobs.

Consider describing your skills or the tasks you performed for a job when you are filling out an application or constructing a CV. Check the skills listed below that relate to your past experience:

Management	Communication	Research	Financial
Develop	Influence	Problem definition	Calculate
Plan	Persuade	Clarify	Compute
Organise	Direct	Survey	Plan
Execute	Lead	Interview	Manage
Supervise	Reason	Investigate	Budget
Schedule	Sell	Inspect	Book-keep
Assign	Develop	Gather	Account
Direct	Recruit	Synthesise	Audit
Co-ordinate	Negotiate	Examine	Appraise
Analyse	Create	Diagnose	Research
Prioritise	Arbitrate	Review	Analyse
Delegate	Arrange	Organise	Record
Appoint	Mediate	Evaluate	Allocate
Rationalise	Combine	Critique	Administer
Recommend	Obtain	Collect	Develop
Evaluate	Compile	Interpret	Prepare
Review	Enlist	Decide	Solve
Control	Motivate	Isolate	Produce

Consider how these skills equate to the position/role that you are looking for. Identifying the range of skills/actions that you possess can help towards establishing both the context and application of skills to specific positions.

Exploring the World of Work

Exploring occupations is an important part of career planning. Working through the following questions will give you insight into jobs that you are interested in pursuing:

1. What are the current opportunities for employment in this industry? What is the long-term outlook?
2. What are the occupational requirements?
3. What of the remuneration in relation to the industry and the wider financial outlook?
4. What are the promotional opportunities?
5. What is the relative demand for the skills/experience that I can offer?
6. Will I need to relocate?
7. What type of continuous training/development will the post offer/entail?

The impact of job loss upon self-esteem

Feeling good about yourself, or having positive self-esteem, is one of the most valuable assets you can have.

Having positive feelings towards yourself is easier when things go well. When things take a turn for the worse, you often lose some self-confidence and begin to have self-doubt. Work contributes to your identity, it helps define who you are and helps you feel that you belong, are important in that you have something to contribute.

In many ways, losing a job is like losing a part of yourself. Your lifestyle suddenly changes. Habits and routines that controlled much of your time and that became 'second nature' are no longer there. Contact is lost with former colleagues.

Developing a coping strategy

Although it's sometimes painful, confronting your feelings and looking realistically at your situation are important steps to being able to cope:

- Talk with your family. The feelings you have may be shared by other family members. By talking about your feelings, you can help each other express, vent, and accept these feelings in constructive ways. Together you can provide support and reassurance to one another that can help build more positive self-esteem.
- Talk with others. Don't keep your feelings bottled up inside. Talking to others who have been or who are in similar situations can provide needed support. By discussing your feelings, you'll find you're not alone. In the present economic environment, there will be many in the industry facing similar challenges.
- Consider ways to reduce the emotional tension and stress you're experiencing.
- Take some time for the things you enjoy. Above all else, create for yourself practicable reasons for being active in pursuit of your aspirations, *every day*.
- Evaluate your situation. If future employment prospects appear very limited consider alternative types of work in which your knowledge/training skills can be adapted. Career counsellors can often help you towards identifying prospective career alternatives.

Searching for that Job

You naturally want to limit the period of unemployment, so plan job search related activities around this vision, attribute 30 to 40 hours each week. **Looking for a job is a job.** Positively seek work every day.

Do not start searching for a job without a plan. What do you have to offer? Where are the best places to look?

In addition to the regular, conventional places for finding vacancies, consider using specific recruitment agencies. Construction-oriented agencies can be accessed online. In addition to vacancies advertised on the Internet, you might consider even uploading your CV, in order to be contacted when suitable vacancies are 'matched' with your CV:

<http://www.justconstruction.net/>

<http://www.hays.com/construction>

<http://www.humres.co.uk/>

<http://www.contractjournal.com/jobs/default.aspx>

<http://www.hillmcglynn.com/>

<http://www.constructionjobsearch.co.uk/>

<http://www.building4jobs.com/>

Overseas specific :

<http://www.alanandpartners.com/>

Be Prepared

Employers constantly interview people who apply for positions within organisations about which they have little or no knowledge. Take some time to find out about the organisation; the scale, the products, the corporate strategy and the markets.

Be flexible

Having specialist skills, being prepared to be flexible on salary expectations and a willingness to relocate

Be proactive

Find out as much about obtained from business directories or from the organisation concerned. Employers want motivated people who are interested in the objectives of the organisation and who can identify with the company and products/services. This action both demonstrates initiative and commitment.

Filling Out Applications

It is important to maintain self-confidence and to demonstrate this attitude in job applications, CV's and at interviews. This can be challenging when competition for vacancies is fierce and where responses from potential employers is intermittent.

The process of finding a good job or a career is virtually a job in itself. You need be willing to dedicate time, energy, and creativity to your search. The realisation that you might spend at least eight hours, five days a week for twenty or thirty years doing your job, is justification alone, for committing every possible effort during your job search to ensure that you secure a role that you really want to fulfil.

Using reference sources

The Internet is surely the single greatest source of information for career exploration. Access to technical information hitherto only available via reference libraries etc, are now readily available online. Trade journals and magazines are also good sources of job information. All of these resources are accessible online and may contain valuable information in articles, advertisements, or classified sections that will help you build a network of contacts in your area of interest.

There are many ways you can obtain information about the type of work that you want to pursue. For example, you can read about jobs and industries from the perspective of those who specialise in your field of interest. Many organisations publish literature describing current job openings; some journals publish special issues or directories with names of organisations or contacts and most trade magazines or journals are written by people working in the field; and other articles related to your career choice.

Application Forms

If you really want to reach an interview your application must make an outstanding impression. The way you fill out your application form has a great deal to do with whether you get the interview and ultimately, the position.

Accentuate the positive. Employers often make assumptions about the quality of the work you will do, if appointed, based upon the way you fill out the application. Attitude, stability, and motivation are communicated in the application form. A concise and orderly presentation of your skills is the best way to get an interview.

Emphasise the skills that will interest the particular employer. Gaps in your work history may also pose problems on the application. They may prevent you from getting the interview unless you can present them in a positive light. You can justify not working by showing that you have been involved in some meaningful activity. Periods

spent undergoing training/study for example, should be described in a context of professional and personal growth.

The CV

Writing a resume can be a daunting task as so much can depend upon its structure and content. A CV is the tool you use to sell yourself to the prospective employer. In a sense, it can be considered an advertisement, it is a list of the reasons an employer should hire you. The CV is the key to an interview because it is used to spark the employer's interest. It should be as easy to read and as concise as possible, no greater in length than two pages, yet it should provide a 'snapshot' of you.

The primary function of the CV is to get you to an interview, so it must be tailored to the job you are seeking.

You will use your CV for many purposes during your job search. CV's are commonly mailed/emailed to employers in response to job advertisements. It can be sent along with a covering letter requesting an interview and explaining the reasons you are sending it. Some caution is advisable when sending unsolicited/speculative employment enquiries as you can ultimately lose control over the sphere of circulation, especially so over a period of time. Do be discriminating then with speculative applications.

The key to a forceful presentation of experience is the use of descriptive verbs. Avoid complete sentences starting with the word "I." But rather, use action verbs such as, "managed" or "implemented." These verbs emphasise your accomplishments, not just the duties you performed. List the specific elements in your previous work experience that made you an outstanding employee.

If you have held volunteer, part-time, or unpaid jobs, don't overlook their importance in developing work skills. It's not always necessary to list salaries or even indicate whether a job was volunteer or paid work. It is very important to stress your responsibilities and accomplishments on the work experience section of your CV.

There are absolutes regarding the use of personal information in your CV. This will depend largely on the type of job you are applying for and the type of personal information you have to share. Details regarding membership of associations related to your occupational field, travel experience and language fluency information are usually important. Focus on emphasising information about yourself that will make you appear as the right person for the job and a good employee.

Spelling, grammar, and punctuation should be double checked because your image can be destroyed by a small spelling error.

Producing a CV

Introduction

A CV is a marketing document. In it you are trying to sell the benefits of yourself to a prospective employer. A CV is a succinct advertisement aimed at persuading a prospective employer that you are likely to meet the requirements of the position being advertised and should, therefore, be short-listed for further consideration. It is not the way to a job; it is the key to an interview.

The CV, then, should be a close match between the requirements of the position you are seeking and the skills and attributes you can bring to that position.

It is vital to keep this point in mind when constructing a CV. Imagine yourself as the busy person who is sifting through dozens, perhaps hundreds, of CVs with perhaps half a minute to look at each one. What do you want to see? You'd look for a thoughtfully constructed document. Accentuate those attributes the range of abilities and responsibilities held/recently held. Ultimately, you will want to present everything in a way that makes you the candidate that stands out as worthy of further consideration.

Matching the CV to the Job

To get this match right your CV will need to be adjusted to meet the specific requirements of every position you apply for. Check everything you write to ensure its relevance to the position.

To get the information you need for constructing a matching CV read appointment vacancies carefully to determine exactly what the organisation is looking for. That is what you have to show you possess when you write your CV. The advertisement may invite you to write for further details. Do so! You will get more information about the organisation and about the position you want.

You can search more vigorously into the organisation's track record and policies by reading its advertising material and Annual Report.

Essential Points of Presentation

Remember that with dozens of CVs arriving in response to advertisements it is those that catch the eye that are most likely to be read with interest.

Good quality white paper with wide margins of at least one inch on both left and right sides is recommended. Use justification if you have a suitable machine. Print or type on one face of the paper only. Try to get your CV onto no more than two sheets of A4.

If you cannot get your message across in two sheets you are probably including information irrelevant to the position for which you are applying.

The text should be spaced out logically, with boldening rather than underlining for the headings to preserve a neat appearance. Photocopies are perfectly acceptable, but remove the standard paper from the copier tray and replace it with good quality bond paper. This will cost a little, but the enhanced quality of your CV outweighs the expense.

Constructing the CV

In putting the CV together you are aiming to produce:

- An eye-catching summary of your attributes.
- A list of the positions that you have held, beginning with the most recent.
- Identification of the extent of your responsibilities and special achievements.
- Other helpful information about yourself.

- List major qualifications so as the reader immediately appreciates your educational level.
- A bold and prominent synopsis or your experience in about four lines. This must be written carefully to match the specification of the position for which you are applying. It has taken the reader ten seconds to get this far, and the interest should be caught by this stage. In the reader's mind should be the thought that this candidate has the qualifications and depth of experience to make further consideration worthwhile.
- A synopsis of your career history in broad outline, provided in reverse chronological order.

Questions in the reader's mind are:

What level of management has s/he achieved?

What has s/he done that shows initiative and flair?

Does s/he have commercial instinct?

Does s/he have the background that fits with the image of the job I want done?

You must predict these questions as write your career history to answer them.

- In relation to education and training section list academic qualifications in reverse chronological order. For degrees, provide the name of the University and the class of degree attained. Offer A-level grades where these are optimal; otherwise leave them out. It is useful to give A-level subjects, but not GCSE or O-level subjects individually. List professional qualifications together with the dates obtained and any specialist qualification/s related to the position under consideration.

What is Left Out of the CV

A CV is a means of achieving an interview opportunity, it is not meant to get you the job; you do that by selling yourself at the interview. So do avoid cluttering your CV with information that distracts the reader from the task of mentally matching your CV to the job on offer.

Exclude:

*Addresses and telephone numbers of the organisations you have worked for. Prospective employers will rarely use them, and if they want the information they will ask you.

*A complete catalogue of all your achievements. Concentrate on those that can be seen to be important in relation to the position that you are applying for.

*Salaries earned and salary required. You may cut yourself out of the short-list by earning too low or too high. Furthermore, salary is a bargaining device at interview; do not give it freely.

*Reasons for leaving previous employment. If there is a vital and relevant point to make, put it in a covering letter.

*Listing your A-level grades if they are bad; and listing any subjects you failed. Listing your individual O-levels or GCSE's when you have clearly advanced beyond the stage at which the subjects are relevant.

*Referees. Prospective employers will ask for references if they want them.

Checking the Quality

Check through your CV carefully. For every item you have written ask yourself the questions:

Is it relevant to the position that I want?

Have I set it out in a coherent, interesting and informative way?

Check the layout, spacing, and headings. Does the CV look good at first glance?

You are now ready to produce the final version. Photocopy it onto good quality, A4 size, and white paper. It does not require coloured paper, italic script, or plastic covers. It is, however, a good idea to send it in a (boarded) A4 envelope so as the reader sees it without unsightly creases.

Final Points

These notes give guidelines for producing a CV; they are not absolute rules. Interpret them to suit the circumstances that you face.

Employers may not be greatly interested in the overall worthiness of a potential candidate if they have dozens of CVs to look through, but they may go on impressions. If the person has a stronger employment history than qualifications, then employment might be listed first, to impress the employer with the applicant's strengths. In other cases, except where education is a weak point, qualifications would normally appear on the CV first. On balance, it could be best to put first whichever the employer is more likely to be looking for. The only general rule is that employers expect to see jobs covered from the present or most recent job first, going chronologically backwards.

The CV should to be constructed both to reflect the person's strengths and to fit well with the desired target position.

The following is a 'model' CV, intended merely as contemporary guide to presentation and broad content. Once again, the Internet contains a wealth of opportunities to examine and to generate CV's of infinite variety and breadth. Take every possible opportunity to utilize the Internet in every facet of your search for suitable employment. Given the broad availability of Internet access combined with the ever-increasing user access, it is a positive disadvantage to not have/make use of the Internet in this context.

Michael Smith Bsc MCIOB
1276 Oakdeane Crescent, Newtown, Bucks, AY6 6DE
Telephone 01410 2354657 (Office) 01410 61662 (Home)

PROJECT MANAGER WITH 17 YEARS EXPERIENCE IN THE CONSTRUCTION INDUSTRY,
HAVING A SOUND BACKGROUND OF SENIOR PROJECT MANAGEMENT

Career History

1992 to 1999 **Senior Project Manager** FAWDON
CONSTRUCTION

Control of overall Senior Project Management function in production division
comprising 4 Project Managers and 60 subsidiary staff.

- Project managed £14m business development and introduced new working practices to ensure project completion as planned. Managed budgets and project teams.
- Introduced on-site training initiatives for trainees
- Fulfilled role of intermediary between clients and contractors

1984 to 1992 **Project Manager** SHILFORD
CONSTRUCTION

- Management of medium-scale retail projects, having responsibility for 18 staff and sub-contractors.
- Managed budgets and project team.
- Fulfilled Project Development function
- Responsibility for physical and financial reporting

1981 - 1984 **Site Manager** GREENFIELD
HOLDINGS PLC

etc...

etc...

Education and Training

Bsc. Construction Management (2:1) Lancaster (1979)

A-levels: Physics (A) English (B)

5 O-levels

Member Chartered Institute of Building (1991)

Personal Details

Etc...

Testing

Employers increasingly use psychometric or other similar tests to 'screen' their applicants, so you may face this prospect prior to or at an interview. Most of these tests will require you to answer questions, solve problems, and/or perform tasks within a certain time frame. The four basic categories of tests are: learning, potential, intelligence, and psychological.

Learning or information tests measure how well you remember information, react to various stimuli, etc. Internet research will readily identify the typical framework for such tests.

Potential or aptitude tests show what you can do, not what you have done. These tests are commonly used by large organisations to determine where an applicant would best fit in the company. Aptitude tests may be used in career counselling to find out which types of work you prefer.

IQ Intelligence tests measure how well you remember, communicate, think and act creatively. Intelligence tests are commonplace within managerial or research functions, which require you to think and act innovatively.

Psychological tests are sometimes conducted for sales, executive, or other positions that involve dealing with people. Personality traits, such as the ability to influence people or handle stress are increasingly important functions. A psychological test may also be a part of the interview. "Projective Tests" require you to relate a situation or to focus upon less tangible issues; "What do you value most?"

Letter of application

Ultimately, this is your single best opportunity (prior to interview) to present yourself as the optimum candidate. You can construct this by examining the elements/qualities/skills identified within your CV, enlarging upon them and setting them in the context of the position that you are applying for.

The Interview

This is the culmination of your job search. You will have 20 or 30 minutes to express to the employer precisely why you are the right candidate. First impressions are important (perhaps more important than they should be) because they are usually developed within the first 30 seconds of a meeting. This means that at a job interview you will usually have between 10 and 20 minutes to counteract a negative first impression or reinforce a good first impression.

Whether you like it or not, the employer will judge you based upon the short time spent with you during the interview, and all of the judgements are not necessarily rational and logical. Most managers will decide whether they like you within the first few minutes of an interview. Remember, there will be other applicants who will be interviewed and they may have qualifications similar to yours and you can only then distinguish yourself from them through your actions during the interview.

The interview is the time you have been waiting for because you will have the interviewer's full attention which gives you the opportunity to show that you are the person best qualified for the job. Remember the interviewer will (in most cases) try to make you feel comfortable because it is difficult to make any decisions about whether a person would be a suitable employee if the person is too nervous or intimidated to communicate well.

Interviewers also have fears; for example, they are worried about hiring the "wrong" person for the job. Therefore, many seemingly innocent questions will be asked with these fears in mind. The manager is looking for specific signs from you; he or she wants to know if you have the ability to do the job, if you will do the job, and your ability to get along well with others.

Conduct yourself in a confident and positive manner. Your attitude is going to influence the interviewer's evaluation. Emphasise your strong points and remember the employer is looking for energy and enthusiasm: accentuate the positive.

Interviewers frequently allow a period of silence after a question is answered. This is mainly a stress technique to see if you will change your answer, so relax and wait for the next question. They may also attempt to create tension during the interview to observe how well you manage stressful situations or difficult people.

Finally, at the risk of labouring the point, you should prepare in advance for your interview. If you have completed a self-assessment inventory, half the preparation for the job interview is done. Writing down pertinent information such as educational experience and career goals can help to clarify your thoughts. The list of questions (see below) most frequently asked in a job interview can serve as a guide. Employers may ask about information on your application form or CV, but more importantly, they are interested in learning what is not on the application. Analyse your strengths and weaknesses, background, and personal aspirations and values. In other words, begin to formulate, not only what you would like to do, but also what you feel you are best prepared to do for the organisation.

The Interview Questions

The following questions are examples of general questions that may be asked at a job interview. Every attempt should be made to relate each question to the type of professional you are and what you can offer the organisation.

These questions are listed with suggested answers that can be rephrased in your own words or you can think of your own original answers.

1. **Why should I appoint you?** Perhaps the most common interview question, yet also the most difficult to answer. The best approach is to convey that you believe your background, experience and interest in the position will enable you to conduct the role effectively. It is important to say "I believe" because the truth is, you won't actually know until you do it. An interviewer can argue facts but cannot argue with personal feelings.
2. **What are your weaknesses, and what are your strengths?** Memorise a list of what you do best, e.g. "I work well with other people. List your weaknesses as possible strengths, for example, "One of my weaknesses is that I find it hard to release responsibility, so I often spend time doing the job myself." In effect, your only weakness could be viewed as a strength.
3. **What would you do if...?** Imaginary situations test your knowledge of the role. The quality of the solution is not nearly as important as is the attitude adopted when responding to the questions. Cushion your response with statements like, "One of the options I might consider would be," and then give your answer. Avoid committing yourself to a process of what you would definitely do because if it isn't an option the company would seriously consider, you would have put yourself in a difficult position. The employer mainly wants to find out if you would consider more than one approach and research the problem before proceeding.
4. **Why did you leave your previous position?** Whatever the situation was, your answer must not reflect badly on a former employer. Don't let the interviewer think you are disloyal or hard to get along with. Avoid connotations. The best tactic is to remain calm and positive. Give a reasonable and honest answer, such as, better opportunity, career change, or a desire to specialise, are also positive answers to this question. This is a chance to emphasise your interest and enthusiasm in the job.
5. **Why do you want to work for our company?** Find out as much as possible about the company in advance of the interview. Talk about the company or agency in terms of how you can add to their profits or productivity, contribute to the wider objectives of the organisation.
6. **Tell me something about yourself?** This question is generally followed by a shocked silence as candidates try to find something to talk about. This is the time you should be telling the employer that you are happy to talk about yourself. You can list the reasons you feel that your skills and background are good for the job and the company. You will seldom have a better opportunity than this to sell yourself. Focus on matters that relate to the role/profession. Employers are most interested in skills you have acquired

that relate to the job. If you have specific qualifications for the job, make sure the interviewer knows about them. If you don't have the required skills, mention more general things to show why you should be appointed.

The more interviews you experience, so the better you will become at dealing with them. You may want to spend some time reflecting on the interview after it is over and make a list of things you can do to improve your interviewing skills.

Training issues

Situations of unemployment/redundancy present both potential problems and potential opportunities. The role of Training as a catalyst for change, whether for the purpose of acquiring new skills or invigorating an existing career, should not be underestimated. The framework for continued learning within the industry is extensive.

If redundancy or unemployment forces change, then try to make the most of the available time that may result, to refine existing skills and abilities or perhaps acquire additional ones.

The key starting point in consideration of training in the industry is the Construction Industry Training Board (CITB), who can offer advice and guidance both for individuals and for companies. The CITB can help to identify training needs and provide guidance in matter of career options, training, and qualifications.

The CITB can also help those who are looking forward to gaining new qualifications such as:

Degrees:

General National and Scottish Vocational Qualifications
National and Higher National Diplomas and Certificates
National and Scottish Vocational Qualifications

For those who are aiming to enhance their existing skills/experience:

Building Industry Technical Training Scheme
CIOB's Level 3 Certificate in Site Supervisory Studies
CIOB's Level 4 Certificate/Diploma in Site Management
CITB's Site Management Safety Training Scheme
On-site training and assessment
CIOB's Professional Development Programme
CIOB-CIH Housing Maintenance Qualifications Level 2 Certificate – Level 4 Certificate/Diploma

The CITB may be contacted as follows:

CITB, Bircham Newton, King's Lynn, Norfolk, PE31 6RH. Tel. 01485 577577
www.citb.org.uk

The Chartered Institute of Building is involved in education at all levels of the industry and it is a joint awarding body for Site Supervision and Site Management S/NVQ's, in concert with the Institution of Civil Engineers and BTEC. Such qualifications are open to those having experience in building site management or building site supervision and are aimed at those already working or have lately been working, as project managers within the industry and who are looking to enhance their competence.

The CIOB's partners in Construction Project Management S/NVQ are :

Royal Institute of British Architects
66 Portland Place, London W1B 1AD, UK.
Telephone: 0207 580 5533.
Fax: 0207 255 1541
www.architecture.com

Chartered Institution of Building Services Engineers
222 Balham High Road, Balham, London SW12 9BS
Telephone: 0208 675 5211
Fax No: 0208 675 5449
www.cibse.org

Institution of Structural Engineers
11 Upper Belgrave Street, London SW1X 8BH
Telephone: 0207 235 4535
Fax: 0207 235 4294
www.istructe.org.uk

Institution of Civil Engineers
One Great George Street, Westminster,
London SW1P 3AA
Telephone: 0207 222 7722
Fax: 0207 222 7500
www.ice.org.uk

Royal Institution of Chartered Surveyors
RICS Contact Centre
Surveyor Court
Westwood Way
Coventry CV4 8JE
Telephone 0870 333 1600
Fax 0207 334 3811
www.rics.org.uk

Details of colleges running BTEC, HNC and HND programmes can be found at :
<http://www.edexcel.com/Pages/home.aspx>

If you would like to know whether the course you are considering is recognized by CIOB, please contact :
educationadmin@ciob.org.uk

The Learning Skills Council
<http://www.lsc.gov.uk/aboutus/contactus/>

Additional considerations:

A Career Development Loan (CDL) can help you gain the experience, training and qualifications you need to improve your job skills or even launch a new career. You can use it to finance a variety of courses with a wide range of organisations, so you can choose the course that best suits your needs. You can apply for a CDL if you are employed, self-employed or unemployed.
CDLs are available through an arrangement between the Learning and Skills Council (LSC) and three high street banks.

The key facts about CDLs are:

- you can borrow anything between £300 and £8,000 to help you fund up to two years of learning (or up to three years if the course includes one year of relevant practical work experience)
- You can apply for a CDL with either of the following Banks :
 - Barclays
 - The Co-operative Bank
 - The Royal Bank of Scotland
- LSC pays the interest on your loan while you're learning and for one month after you've training has ended.
- you repay the loan to the bank over an agreed period and at a fixed rate of interest

Only the vocational education or training elements of your planned studies are eligible for CDL support. Some courses include a package of services that a CDL will not cover. For example, jobsearch and marketing activities, or costs associated with starting up a business are not eligible.

The money can be used for course fees, books and living expenses. No repayments are due until your course is completed. Importantly, you pay no interest upon the loan during the period of study.

If you have been out of work for more than three months, your CDL can cover 100% of your course fees. If you wish to apply for 100% course fees you will need to have your application endorsed by your local TEC, CCTE or LEC. You can find the number in the business pages of your local phone book, in Yellow Pages, or by ringing the Career Development Loan information line on freephone 0800 585 505.

It is important to remember that you can't use a CDL to pay for anything that is being funded by another source. For example this means that you are not entitled to a CDL if:

- you will be eligible for a Local Education Authority mandatory grant and/or a student loan, for a course at a publicly funded higher or further education institute;
- or
- you are in receipt of an NHS non-means tested bursary
- or
- if you have a job and your employer will be receiving a grant for your course
- or
- if you have reasonable or adequate access to funds to pay for the course yourself.

In most other cases, however, you can use a CDL to supplement a grant or bursary that does not meet the full cost of your course.

Full details are available here:

http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners/CareerDevelopmentLoans/DG_10033242

Financing Learning

If you are interested in issues surrounding the financing of learning, you may find the following pages of interest:

<http://www.lifelonglearning.co.uk/>

Details of colleges running BTEC, HNC and HND programmes can be found at:

<http://www.edexcel.com/Pages/home.aspx>

Learndirect
PO Box 900, Leicester, LE1 6XR
tel: 0800 101 901
www.learndirect.co.uk

A guide to State Benefits

All State Benefits fall within one or other of 3 three distinct categories:

Income Related
National Insurance Contributory
National Insurance Non-Contributory

The following is intended as an outline guide to the potential range of Benefits for people facing redundancy/unemployment. Full details about Benefits and who can claim should be obtained from Department of Work & Pensions (DWP). www.dwp.gov.uk

Independent, free and reliable advice and information regarding terms and conditions of entitlement to Benefits can be obtained at: www.adviceguide.org.uk

National Insurance Contributory Benefits

Job Seekers Allowance (Contributory)
Employment Support Allowance
Maternity Benefits
Retirement Pension

In order to qualify for one of the above listed, it is necessary to have paid (or been credited with) contributions of:

- a) the right TYPE
- b) the right NUMBER
- c) in the right YEAR/S

In order for example, to qualify for Contributory Job Seekers Allowance in 2009 a person must have paid or have been credited with 52 class 1 National Insurance Contributions during the two previous tax years 2006-7 and 2007-8 (April to April). The 'test' period varies according to the Benefit.

For Job Seekers Allowance, 'credits' of Contributions do not count. In addition to the Contribution conditions, a person claiming a Contributory benefit must also satisfy specific conditions of entitlement relating to each.

In the case of Job Seekers Allowance for example, a person must prove s/he is both available for and actively seeking work. The process by which availability for work is assessed has been dramatically altered over recent years, from one which essentially entailed claimants merely declaring their inactivity/availability, to the proactive and continuing 'test' presently in place.

There is no primary 'means test' applied to these benefits, although people aged 55 or over, receiving JSA and receiving Occupational/Personal pensions of more than a specified weekly sum will have their JSA reduced.

Self-employed people cannot qualify for Contribution based JSA. The reason for this is that the class 2 contributions that they are liable to pay, are the incorrect TYPE and provide for entitlement to Employment Support Allowance, Maternity and Retirement Benefits.

Self employed people who become unemployed should consider claiming income related JSA. (Only class 1 contributions, as paid by employees, can count for contributory JSA).

Job Seekers Allowance is generally only payable for 312 days, after which many would continue to receive means-tested JSA. The central advantage of (contributory) Job Seekers Allowance is that entitlement is not affected by savings or by a partner's income/earnings, whereas entitlement to means-tested JSA is so affected.

When 'signing on' at JobCentre Plus, it is necessary for a person to establish that s/he:

1. is unemployed

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2. is available for work
3. is actively seeking work
4. is capable of work.

The 'test' of availability is far more searching now than has previously been the case and it is possible to fall foul of the rules about being available for work, quite innocently. It is often wise to seek advice in addition to that offered at the JobCentre Plus in advance of completing a form (availability for work questionnaire).

This form makes enquiry of claimants about the nature/pay/location/duration etc., of work that the claimant is seeking. Initially, claimants can be specific about the kind of work that they are prepared to consider. After

Income Related Benefits

* Job Seekers Allowance * Working Families Tax Credit * Housing Benefit * Council Tax Benefit

Job Seekers Allowance

A Benefit available to people having limited capital and income.

Who can claim Jobseeker's Allowance?

You must be capable of work and satisfy all of the following in order to qualify:

- be available for work: Generally speaking you must be willing and able to take up employment of at least 40hrs per week immediately.
- be actively seeking work:
- have a Jobseeking Agreement - you will be asked to sign a Jobseeker's Agreement based on the types of jobs you have agreed to look for. This is called entering into a Jobseeking agreement. On the basis of the agreement and follow up steps you take to find a job, the Employment Service will decide whether you continue to satisfy the conditions of being available for and actively seeking work.
- be below pension age, currently 60 for women and 65 for men.
- be unemployed or working on average for less than 16 hours a week. If you are claiming Income Based Job Seeker's Allowance your spouse or partner if you have one must not be working for more than 24 hours a week.
- for Contributory Job Seeker's Allowance you must have paid sufficient National Insurance Contributions
- for Income Based Job Seeker's Allowance you and your partner must have less than the prevailing level of savings and you and/or your partner's income must be less than the amount of Income Based Job Seeker's Allowance you are entitled to (and be of less than 16 hours duration each week).
- generally, when couples claim Income Based Job Seeker's Allowance both partners' income and savings are considered together.

To claim Jobseeker's Allowance you should contact your local JobCentre Plus.

You will need to complete the Jobseeker's pack which consists of two forms; A Jobseeker's claim form and a form called "Your Job search".

It is important to remember that the information you put in the forms will be used to see if you are making all reasonable efforts to be available for and actively seek work. Do be realistic regarding the type of work that you

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are prepared to consider. You will be required to attend a Jobseeker's interview with an Employment Officer to make your Jobseeker's Agreement. If you do not attend the interview you risk losing benefit. Any limits you place on your availability and ability for work, or your steps to find work should be accepted providing that they are reasonable in light of your circumstances.

To qualify for Jobseeker's Allowance, you will to satisfy certain conditions about looking for work. You will have to actively seek work, be available for work and have a current Jobseeker's Agreement with your local Jobcentre Plus office.

A Jobseeker's Agreement is a document which sets out agreed actions that you will take to find work. You will have to sign on at the Jobcentre Plus office fortnightly at which point checks will be made to establish whether you continue to meet these conditions if you need any extra help to find work.

If you are one of a couple who are resident together both you and your partner usually have to meet the job seeking conditions to get income-based Jobseeker's Allowance (assuming that you do not have a dependent child). This means you will both have to sign on and look for work. If you have a dependant child, only one of you will be required to sign on.

You can claim JSA via telephone in the first instance : 0800 055 6688

During the course of your continuing claim for Jobseeker's Allowance, you may receive advice/suggestions regarding actions that you could take to increase your chances of finding employment. This is important as if you do not take the measures indicated, you may be given a jobseeker's direction. This is a formal instruction to take particular action to support your search for employment. This might typically include attending a specific course or register with a particular recruitment agency. There are sanctions that can be applied if directions are not acted upon.

Claiming additional Benefits

If you are claiming Jobseeker's Allowance, you might qualify for other benefits or assistance with other costs. If you are receiving income-based Jobseeker's Allowance, you will qualify for maximum Housing Benefit (help with rent) and maximum Council Tax Benefit (a subsidy that reduces your Council Tax liability). You would probably also be entitled to other assistance including for example, free prescriptions, free school meals for young children.

Rates at which JSA are payable:

(Contribution based)	April '08 April '09	
Under age 25	£47.95	£50.95
Over age 25	£60.50	£64.30

Income related JSA comprises: Personal Allowances - for meeting day to day expenses, Premiums - to provide for the added costs of families/disablement etc, Housing Costs - to help pay mortgage interest and for interest on essential repairs.

Entitlement is calculated by subtracting existing income from the sum total of Personal Allowances, Premiums and Housing Costs. Most Social Security Benefits are treated as 'income' but the following are ignored; Housing/Council Tax Benefits, Disability Living Allowance, Attendance Allowance.

Support for mortgage interest

If you are claiming Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance and you are a homeowner, your benefit may include additional support for mortgage interest (SMI).

Payments can be made towards a claimant's mortgage interest payments for loans taken out to purchase the property or for specific home improvement loans. No help can be provided towards housing costs such as payments of capital owed on a loan, insurance premiums or mortgage arrears.

From 5 January 2009, a temporary package of measures was introduced to provide extra help to new claimants in light of the economic downturn. (These changes will be reviewed when the housing market recovers).

Rules that apply to new claims from 5 January 2009

For new claims to benefit from 5 January 2009:

- There is a waiting period of 13 weeks before help is provided at 100% of eligible mortgage interest.
- The capital limit up to which mortgage interest can be met is £200,000.
- There is a two year time limit on payment of mortgage interest but only for new Jobseeker's Allowance claims.

The changes will also help those who are already receiving benefit, but who are still in a waiting period (under the old rules) for help with their mortgage interest at 4 January 2009:

- Claimants that have completed 13 weeks or more of their waiting period by 4 January 2009 will be entitled to help with mortgage interest from 5 January.
- Those who have served a period of less than 13 weeks at 4 January will receive help at the point at which they will have served a full 13 weeks.
- Vulnerable claimants who fall into certain specific groups, and for people with mortgages taken out before October 2 1995, receive help at the 50% rate on capital up to £100,000 after waiting 8 weeks, and then they will receive the full rate on capital up to £200,000 after 13 weeks from their date of claim.
- The higher capital limit of £200,000 will apply to these groups as well as the two year time limit for those on Jobseeker's Allowance.

Homeowners Mortgage Support Scheme (HMSS)

Announced on 20 February 2009, the Government indicated that this assistance would be available only to people who satisfied all of the following:

- Those who have been making regular payments in agreement with their lender for at least five months
- They must also be able to afford to continue to pay at least 30% of the interest on their loan each month
- They can only take part in the scheme, which covers mortgages up to £400,000, if all other options have been exhausted, if they are not eligible for Income Support for Mortgage Interest and have less than £16,000 of savings
- Must be owner-occupiers, and not buy-to-let landlords, and people must have bought their home with a mortgage before December 1, 2008
- The Scheme is not available where a property has 'negative equity'

In exchange for lenders agreement to defer a portion of people's interest payments, the Government will guarantee up to 80% of the money owed, which will be added to the homeowner's mortgage.

The Government will set caps on the liabilities it will guarantee for each lender taking part in the scheme, although lenders will be able to access an additional allocation. It will also impose an interest rate cap of 8%, although this will be benchmarked to the base rate, on the interest payments it will guarantee.

The HMSS Scheme is expected to be introduced during May/June 2009.

Working Families Tax Credit & Disabled Person's Tax Credit

Working families' tax credit is a payment for working people who have children and disabled person's tax credit is a payment for working people who are disabled. The payments can help people on a low income, but even people whose income is not particularly low may be able to get some help depending on the size of their family. If in doubt, do apply.

Working families' tax credit and disabled person's tax credit are not connected to tax and they can be paid to someone whether or not s/he is liable for income tax.

They are administered by the Inland Revenue, but people who work for an employer will usually have their tax credits paid by the employer with their wages.

A Capital limit applies. Most forms of income count in full when calculating entitlement, which in turn, is established by reference to a comparison between actual and prescribed income.

Housing Benefit

May be claimed by any person who:

- has capital below specified limits
- is liable to pay rent to a landlord on a commercial basis

Entitlement is calculated by Local Authorities using a formula similar to that applied for Job Seekers Allowance, people having less than a certain level of savings may apply if they are liable to pay rent to a landlord on a commercial basis (close relatives cannot be accepted as such).

If income is equal to or less than the sum of Personal Allowances and Premiums then up to 100% of eligible rent is paid. If income is greater than this sum, the amount of housing benefit 'tapers'. People who receive income related JSA automatically qualify for maximum housing benefit. Eligible rent is defined as gross rent minus any ineligible service charges, e.g. heating, lighting, hot water, etc...

Council Tax Benefit

Local Authorities administer this Benefit applying the same criteria for establishing entitlement. Certain people are exempt from liability; people resident in hospital/residential/nursing care on a long-stay basis/full-time students.

Benefits Checklist

Employed

Working Families Tax Credit
Housing & Council Tax Benefit
Child Benefit/Child Tax Credits

Sick/Disabled

Statutory Sick Pay
Employment Support Allowance
Income Support
Housing & Council Tax Benefits
Disabled Person's Tax Credit
Child Benefit

Unemployed

JSA
Housing & Council Tax Benefit
Income related JSA
Child Benefit

And where applicable, help with costs of Optical treatment, Dental treatment, free Prescriptions, etc...

In each instance it is necessary to establish through enquiry of the DWP, the specific conditions of Benefit entitlement. Contact your local DWP Office.

Alternatively, contact the Benefit Enquiry Line of the Department for Work & Pensions:

Tel: 0800 882200 (8:30am-6:30pm Monday-Friday) (9:00am-1:00pm Saturday)

http://www.direct.gov.uk/en/D11/Directorys/UsefulContactsByCategory/MoneyTaxAndBenefitsContacts/DG_10026920

Self employment - general principles

Why become self-employed?

There are a number of Government incentives for people to become self-employed and it may seem an attractive prospect to a person especially if having recently become unemployed or perhaps this is considered to be the only available option. Whilst one of the main attractions of becoming self-employed is that a person no longer has to work for another, there are however several disadvantages that should be considered:

- There can be no certainty that a business will succeed.
- Many small businesses can run into financial problems quite early on and may leave a small trader in serious debt.
- Although there are a number of organisations offering money to small businesses it can in practice prove very difficult to raise sufficient finance.
- There will be no employment protection.
- One cannot be assured of a regular income.
- Arrangements will have to be made to cover for any periods for sickness and to provide for holidays, occupational pensions etc.
- Entitlements to state benefits can be limited.
- There can be considerable paperwork and book-keeping.
- Such a person has to take full responsibility for the business
- Such business may entail very long and unsocial hours especially while in the setting up phase.

Factors to consider in deciding what type of business

- Is the product or service under consideration already in the area, if so is there still a large demand for it or is the market saturated?
- Conversely if the product or service is not available in the area is there some wider underlying reason for this?
- What gaps exist in the market? A person may endeavour to establish this by virtue of a local survey, talking to neighbours, looking at local papers etc.
- Looking at local papers etc. are there any development plans for the Area? A Local Authority Planning Department can provide detailed information in this regard.
- If an area is going to be redeveloped it may mean the loss or gain of housing or shopping areas.
- How much experience does the person have in the chosen area of business?
- If the business is lacking is training available?
- Alternatively is the business a franchise? If so, consider discussing the business with other franchisees.
- Are there any restrictive covenants associated with a previous employment position/contract that restricts the type of work or access to the market?

One or more of the following can assist a person develop his/her ideas on what type of business to run:

- Banks
- Local Enterprise Agencies (local Enterprise Companies in Scotland).
- Training and Enterprise Councils (TECs)
- Business links
- Rural Development Commission
- The Co-operative Development Agency
- Local Authority economical Development Unit
- Local Organisations or clubs for Small Businesses

(For further information about these organisations and how to approach them please refer to the 'sources of help and advice' list at the end of this chapter).

Trading status

There are essentially three legal forms that a business can adopt, known as the Business Trading Status:

- Sole Trader
- Partnership
- Limited Company

Sole Trader

A Sole Trader is the name afforded a person who runs a business on his/her own. The principle considerations are:

- this is the simplest way of starting up in business.
- there are no legal formalities that must be completed prior to commencing or ceasing trading.
- there is no statutory requirement to have audited accounts although accurate accounts should be kept which reflect the true state of the business. For Inland Revenue purposes, accounts should be kept for the prior 5 years.
- the person can trade under his/her own name or an adopted trade name. If trading under a trade name other than that of the owner, the owner's name and the address of the business must be shown on all business stationery and displayed clearly on the business premises.
- the trader is personally liable for any debts the business incurs, the effect of this is that the trader's own income and assets may have to be used to meet business debts. Should the business fail the trader could be made bankrupt.
- the person will not be able to claim some benefits as he/she will be paying class 2 National Insurance contributions.
- the person can employ other people

Partnerships

These are conducted in a manner similar to that of sole traders excepting that two or more people conduct the business. The main considerations here are:

- legal formalities are not obligatory but in practice it is sensible to draw up a partnership agreement which proves legally binding. This contract determines what will occur should the business fail or in the event that a partner wishes to withdraw and will identify the general responsibilities and rights of each partner.
- partnerships can be costly to establish arising from solicitor's charges in drawing up an agreement. Initial assistance may be available under the auspices of the 'Lawyers for your Business' Scheme. Partners may also wish to consult an Accountant to consider and agree the financial arrangements prior to confirming the final contract. There is no requirement to produce audited accounts although accurate accounts must be obtained and reflect the true state of the business. For Inland Revenue purposes accounts must be retained for the prior 5 years.
- a Partnership may trade under the names of the individuals or alternatively under a trading name. Where a trading name is to be used the partners names and the business address must be clearly shown on all business stationery and displayed on the business premises.
- partners are personally liable for the debts of the business. Each partner is equally responsible for the debts of the business. Should one partner fail to pay his/her share of the debts the other partner will be liable to do so.
- should one partner wish to leave or dissolve the partnership this must be conducted in accord with the terms of the partnership agreement and a solicitor should be consulted.
- if a partner dies the partnership may have to be dissolved and/or the estate may be liable for any business debts.
- the person will be unable to claim some Social Security benefits because he/she will be paying Class 2 contributions.
- the partnership can employ other people.

Limited Company

This is a legal form of business which exists entirely independently of the people involved. The company having its own accounts can own things itself, meet its own debts and be sued in its own name. Principal considerations here are as follows:

- it may prove a long and expensive procedure to establish a Limited Company and the services of a solicitor or accountant will be required in order to swear a statutory form of operation.
- the person can either agree the company name and the address of the registered office or alternatively by an 'off the shelf' company. In either circumstance details of the company and the directors must be registered with the company's registration office prior to commencement of trading. Once trading, the details of the company, the directors and a copy of the audited accounts must be despatched to Companies House annually. The company's accounts must be audited annually where turnover exceeds specified levels or an accountant will be necessary. For Income Tax purposes the accounts must be retained for the prior 5 years.
- There must be at least 2 people involved in a Limited Company and each buy shares and are known as share holders. The cost of shares may be nominal and a solicitor may advise on how much the shares should be.

- responsibilities such as Director or Company Secretary may be taken by the share holders who in turn could be the person starting the business his/her spouse and/or a friend or an accountant.
- an ordinary share holder not involved in running the company will only be liable to pay for his/her shares and not company debts, therefore a shareholder involved in the running of the company will be liable for company debts if she/he gives a personal guarantee.
- a Director will also be liable for company debts if she/he carried on trading in knowledge of the fact that the company was insolvent.
- the Company's trading name must usually include '*Limited*', the registered name of the company, place of registration and registration number must be included on all business stationery along with the business address. If this shows the name of the Directors it must show them all. Such details must also be displayed on the business premises, should one of the Directors leave or die it can carry on as normal.
- Directors and employees are taxed under PAYE and pay Class 1 contributions. They will therefore be entitled to the complete range of Social Security benefits and will retain the employment rights of employees.

Deciding whether to run a business as a co-operative franchise or buying an existing business

Beyond the choice of Sole Trader, Partnership or Limited Company a person can choose to use one of the following trading practices:

- Co-operative
- Franchise
- Buying an existing business

Co-operatives

This is a business which is collectively owned and controlled by those people who work in it. Each member of a co-operative shares responsibility for running the business. The main considerations of which are:

- this can be started with two or more people
- it can be a partnership or a limited company
- additionally the co-operative can be registered to establish the co-op as a separate legal entity.
- the co-operative will need a set of rules should it decide to register, details of which can be supplied by the Industrial Common Ownership Movement (ICOM) or a local Co-operative Development Agency (CDA).

The Co-operative can either register at Companies House if established as a limited company or alternatively it may register with the Registrar of a Friendly Society under the framework of the Industrial and Provident Societies Act. If registered with the latter, the person will have to satisfy the Registrar that it is indeed a true Co-operative, that there are at least 7 members of the Co-operative and that the proposed name of the Co-operative is acceptable. ICOM and CDA can give further advice and information on the various legal forms that a co-operative can take.

Franchise

This constitutes a renewable agreement which allows a person buying a franchise the right to run a branch of a business that somebody else has established.

A person buying the right to trade is called a Franchisee and that person granting the right is called the Franchisor or Franchising Company. The main considerations here are:

- a Franchisee is the owner of an individual branch and is not an employee of the Franchisor.
- Franchise agreements usually include a right to use the Franchisor's name, patented processes, specified formulae, services provided by the Franchisor including for example, training, locating suitable premises, launching the business and advertising and publicity expertise.
- Legal advice is essential in examining the terms of the agreement.
- Franchises can be expensive to buy, in addition the Franchisee will be required to pay some of the costs involved in establishing the business for example, premises, equipment, solicitors and accountants fees in addition to stock.
- Once established the Franchisee will have to pay a regular sum to the Franchisor, this may be a fixed fee or a percentage of the taking or profit.
- a Franchisor is not liable for any debts and the Franchisee is therefore liable for the debts of his or her own branch of the business.
- if a Franchisor goes out of business the Franchisee will probably lose the supply of goods or services provided in addition to the right to use the name.
- a Franchisee may sell a business as a going concern if the Franchisor approves of the buyer, alternatively at the end of an agreement the Franchisee may be able to renew the agreement, if not, or if she or he decide not to renew the Franchise, it reverts to the Franchisor.

Further details about establishing a Franchise may be obtained from organisations listed in the appendix.

Buying an Existing Business

It is possible to buy an existing business but prospective buyers should consult a solicitor and have the accounts examined by an accountant. When buying an existing business one should be aware that this may entail taking on responsibility for existing members of staff.

Use of trade names

If considering use of a trade name one should seriously consider consulting a solicitor, the reason for this being that certain names are regulated by Acts of Parliament for example, names which mention 'Royal' and also because names already in use or which may be very similar to names already in use, are protected. A person may discover whether a limited company in England or Wales is already using the name she or he is considering by contacting the Cardiff Companies Registration Office. This organisation can conduct a free computer check, usually conducted while she or he is on the telephone. An information fact sheet entitled 'Notes for Guidance on Business Names and Business Ownership' is also available from any Companies Registration Office. The contact number is as follows:

Companies House National Enquiry Office: 0303 1234 500
enquiries@companies-house.gov.uk

Will you need a licence?

For some businesses a licence or some formal type of registration will be required. Further details may be obtained from an organisation that supports small firms or alternatively from the Local Authority Licensing Department or Environmental Health Department.

Registration of information held on a computer

If in establishing a business a person will be holding personal information on a computer part of his/her business database it may be necessary to register under the Data protection Act 1984. Information regarding the circumstances in which registration is appropriate may be obtained from:

The Office of the Data Protection Registrar,
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
Tel: 01625 545745

Sources of finance

The degree to which this is required will directly reflect on:

- how much money is required to live on whilst the business is being set up.
- what 'start up' costs there will be for the business (initial capital outlay).
- how much it will cost to cover the cash flow of the business, in effect the time difference between paying suppliers and being paid by customers.

Initial Capital Outlay

- This will be required to meet some or all of the following:
- legal costs and accountants fees.
- installation costs e.g. in having a telephone installed.
- furniture, fixtures, fittings, alterations and decorations.
- tools and associated equipment including vehicles
- stock to enable business trading.
- advertising and publicity including stationery printing.
- further miscellaneous needs including cleaning materials, maintenance equipment etc.
- deposits for fuel and/or telephone supplies.
- outlay in rent payments
- insurance and licences.

Cash Flow

This is especially important as the time lapse between paying suppliers and receiving payment from customers can make it difficult to cover day to day costs. Most of the below listed are fixed costs and will require to be paid irrespective of how well a business is running:

- rent, business rates & water charges
- lighting, heating and any further service charges
- telephone and postage
- bank charges
- loan repayments
- insurance premiums
- office stationery
- travelling expenses
- income and corporation taxes
- VAT
- national insurance contributions
- advertising and publicity
- materials renewal
- stock and equipment
- employees' wages, national insurance contributions etc.
- solicitors and accountants fees

Raising the finance required to start a business

In considering how much money to put into a business one might be contemplating using savings, redundancy pay, realising assets or re-mortgaging his/her home. Given the present financial outlook, serious caution is advised. Some of the sources of financial and wider support for small businesses have either collapsed or been withdrawn. The information below provides a cross-section of the range of potential sources of help and advice.

Small Firms Loan Guarantee Scheme

The Small Firms Loan Guarantee Scheme is suspended. The type of lending previously provided under SFLG - to businesses that lack collateral and/or track record - will still be available under the new scheme. Government will be bringing forward proposals for a scheme (post March 2010) later in 2009.

Enterprise Investment Scheme

The Enterprise Investment Scheme ("EIS") is a government scheme that provides a range of tax reliefs for investors who subscribe for qualifying shares in qualifying companies.

For further details: <http://www.eisa.org.uk/render.aspx?siteID=1&navIDs=21,97>

Business Link

Business Link offers a free business advice and support service. The service is available online and through a network of local advisors.

Business Link can offer help and advice with :

- Managing finances
- Employing people
- Marketing
- Compliance with statutory provisions
- Help with local support

Business Link advice and enquiries Tel: 0845-600-9006
<http://www.businesslink.gov.uk/bdotg/action/home?domain=www.businesslink.gov.uk&target=http://www.businesslink.gov.uk/>

Career Development loans

Available via the Employment Department in conjunction with specified banks these loans are designed to assist individuals including business owners to pay for vocational training courses. Interest on the loan is paid by the government for the duration of the course and for up to 3 months thereafter upon which the borrower then repays the loan and any further interest over a period agreed with the bank. Details are available from the following:

<http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners/CareerDevelopmentLoans/index.htm>

Further practical considerations and avoiding financial difficulties

It is wise to try and limit personal liability for debts and if a lender or supplier requests personal guarantee the applicant should ensure that there is a cash limit set upon this as to the extent of liability and that the terms and conditions in the event of being unable to repay the loan are fully understood. It is wise always to open a separate bank account for sole use of the business being especially important in avoiding serious business debts impacting upon an individual's personal account. This also means that for tax purposes release on business expenses are more readily accountable and thus more easily claimed, careful consideration should be afforded in any decision in which a person's own home is to be used as security for it. Where this does occur however, individuals should ensure that once the loan is repaid such security is cancelled for if this is not done the lender could keep a person's home as security for further loans without further agreement being required. Do check also on the legal trading status which could affect personal liability for business debts.

Book-keeping

It is essential that a person maintains accurate and detailed records of the business. If a limited company the accounts must be audited annually by a chartered or certified accountant and a copy sent to Companies House. Records should also be retained for the Inland Revenue, Customs and Excise Contributions Agency together with Banks and other lenders. All paperwork relating to the business including receipts, invoices, bank statements, petty cash books and cheque stubs should be retained. Such accounts should be prepared regularly and include details of all money spent and received. In practice bookkeeping may be conducted by the person setting up in business or alternatively by employing a bookkeeper or an accountant on an occasional basis. When self employed it will be necessary to pay income tax on his/her earnings, pay income tax on business profits or corporation tax if the business is a limited company, deduct income tax from the earnings of any employees and forward this to the Inland Revenue. Detailed and accurate records of what he/she spends and receives will be necessary.

Value Added Tax

This is a tax levied on goods and services payable generally quarterly to Customs and Excise, who can advise about schemes which have been designed to assist certain trades to pay VAT and how best to maintain appropriate records. Registration for VAT purposes will be required within 30 days if at the end of any month the value taxable turnover (not profit) over the prior twelve months exceeds the limits set for the particular year. A person's taxable turnover covers all the standard rated and zero rated goods and services that are sold or supplied to customers. If any goods and services which are sold or supplied are exempt from VAT they should be excluded when estimating taxable turnover. Where the VAT registration limit is exceeded a person need not register if he/she can satisfy Customs and Excise that turnover in subsequent months will not exceed the annual limit. Registration for VAT should take place within 30 days, if at the end of any month the value of annual taxable turnover during the prior 12 months exceeds the prevailing limit. Where taxable turnover is below the limit specified above it is not necessary to register for VAT. It may still however be to a person's financial advantage to register. This may prove the case if either:

- taxable turnover is expected to increase to the registration level in which registration from the outset may assist customers to acclimatise to prices or
- where a refund of VAT may be applicable if registered.

This can occur where VAT has been paid on supplies purchased for the establishment of the business but where not much VAT on sales has been collected, owing to these being either zero rated or exempt goods and services. It is most important to obtain clear guidance and information from local VAT offices. If registered for VAT a person must pay his/her VAT on time as there are strict penalties for late payment. Keep a record of all goods and services bought and sold and a regular summary of VAT, obtain a VAT registration number which should be shown on all documents, complete VAT returns and send money owing every quarter.

Business premises

Running a business from home has the advantage of low costs and means that a person need not spend time, effort and money organising premises. In these circumstances an individual considering starting a business from home (if this is rented) should check the tenancy agreement and/or obtain consent from a landlord to use the dwelling for business purposes. This is important as there can often be clauses in tenancy agreement which forbid business use. Breaches of such contracts can lead to eviction, some caution is advisable even where there is no specific provision in a tenancy agreement about running a business from home. Should the primary purpose of the agreement fundamentally change from that of residential accommodation to business accommodation a breach could still occur. If an owner/occupier consider any restrictions that may be included in the title deeds or mortgage agreement can be used for business purposes where a person wants to use his/her home for manufacturing goods or providing services or repairs or alternatively if customers call at the house, it may be necessary to apply for planning permission to change the use of the premises. Much will depend upon the nature and extent of the business. Information and guidance should be sought from the planning department of the relevant local authority. Where a home is used for business purposes there may prove liability for business rates on the property instead of Council Tax. Using your home for business purposes may invalidate buildings and home contents insurance policies therefore it is important to advise insurance companies which may either permit a change in the policy and/or increase the premiums payable. This could also mean that a person becomes liable to pay Capital Gains Tax when the home is sold. CGT would only be payable when part of the home is used exclusively for business purposes and is not payable if the same rooms are used for living accommodation and business use. VAT at the prevailing rate is levied on gas and electricity supplied for non-domestic use where:

- more than a specified proportion of the bill relates to business use, and
- monthly consumption for the whole property exceeds 150 therms for gas and 1,000 units for electricity.

Finding Alternative Premises

Local Authority and Government help may be available for particular areas offering reduced business rates, tax concessions and development grounds. Such schemes are varied and may be subject to frequent change. Information about premises in particular localities is available from:

- Local Authorities who may retain lists of available premises or have premises available for specified rent free periods or at reduced rent or rates.
- Rural Development Commission
- Training and Enterprise Councils/Local Enterprise Companies
- Enterprise Agencies

- Department of Environment for details of enterprise zones where premises may be available for a 'no rates' period. Contact address:

Room P2/110
2 Marsham Street
London
SW1P 4DR
Tel: 0207-9443000

- English Estates, funded by the Department of Trade and Industry who provide industrial commercial premises throughout England. Such premises are often available for rent free or reduced rent periods.
- local Estate Agents
- Newspapers

Buying or renting premises

There are a number of considerations to be made when buying or renting premises for business purposes. Some calculation should be made as to how much floor space is needed and whether heating, lighting and ventilation and security are necessary. Checks should also be made to establish whether there are any legal requirements which must be satisfied e.g. fire precautions. If employing staff there will be Health and Safety considerations. Further information about legal requirements is available from the local Health and Safety Executive in the Environmental Health Department. Establish that the property has been approved for the type of use to which it is to be put and that all necessary planning permission is in order. It is usually advisable to begin by renting as opposed to buying premises until the business is established. If a decision is taken to rent premises ensure that the lease can be sold or transferred to another person if necessary before the lease runs out. This could avoid a commitment to continuing liability to pay rent for premises until the end of the lease even where a business fails. Checks should also be made to ensure that any terms in a lease provide for rent reviews and that service charges are fair, repairing obligations are clear and that there will not be restrictions upon carrying our certain types of business. A solicitor can advise on whether the terms of the lease are fair. Assistance here may be available via the 'Lawyers for your business' scheme.

Health and safety

There will be a general duty to ensure that:

-business premises and working environments comply with Health and Safety requirements and that any work undertaken does not put at risk somebody else's health and safety. This is applicable irrespective of whether the work is done on the business premises and will include for example work done in a customer's home. If work is carried out for someone else via for example sub-contracting, the person employing the worker must make sure that the working conditions are safe. Should this general rule be broken a Health and Safety Inspector may require that an activity be stopped and/or a situation remedied.

Insurance

Subject to the type of business and the manner in which trading occurs, it will almost certainly be a legal requirement that some insurances are put in place. On the other hand some types of insurance are not compulsory but may be appropriate and should be considered. Insurance Brokers can advise about their most appropriate policies the following lists some of those types of insurance that should be considered:

Employer's Liability Insurance

If employing other people there must be Employer's Liability Insurance failure to so provide is a criminal offence. The sole exception to the above applies where employees comprise solely of sub-contractors,

specified close relatives or persons who do not usually live in Great Britain and are working here for less than 14 consecutive days. Employer's Liability Insurance provides a contingency against claims that an employee might bring following an injury or illness arising from his/her employment. An employer must be insured for at least 2 million pounds. It is a duty also to display a current certificate of insurance issued by the relevant company. If an employee is injured at work whilst using a vehicle provided by an employer, any insurance claim should be met by the company which has insured the vehicle and not by the insurers of the employer's liability.

Vehicles insurance

Provision should be made here for use of any vehicles in connection with the business even if already insured for private use.

Public Liability Insurance

Whilst not compulsory it is strongly recommended that Public Liability Insurance is instated to guard against claims from members of the public who have been injured or who have had their property damaged as a result of a person or his/her employees' negligence at work. Failure so to do could cause personal liability for any personal injury compensation claim, which could be very substantial.

Product Liability Insurance

This insurance provides for claims arising from faults in relation to something that either the person and/or his employees have manufactured or serviced.

Premises Insurance

This will be required for the business use of the premises he/she is working in even if this entails working from home and already having a 'private use' policy on that property. This is because the private use insurance will usually only cover residential use of the property. Thus a new policy or some change to the existing cover may be required.

Contents, Stock and Material Insurance

This is essential to cover the replacement stock, materials and other contents even if working from home and already having a home contents insurance policy. Such a policy should cover:

- contents of the business premises including fixtures, fittings, tools and other equipment
- stock including raw materials
- goods allocated to customers whether or not they have been paid for
- goods in transit
- goods owned by a customer, being on premises for service or repair
- goods on a sub-contractors premises

Consequential loss insurance

This provides for continuing overhead costs should the business come to a stand still following for example a fire which destroys premises. This should cover all overhead costs for a limited period which is usually at least one year.

Health and Accident Insurance

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Fresh Start

Permanent health insurance covers a person if unable to work owing to accident or ill health and provides a long term income. An advantage here is that once a policy has been effected it cannot be cancelled by the insurance company if the person insured develops a health problem. Sickness and accident insurance are often combined in the same policy and provide short term income (for a maximum 2 year period). If a person running a small business is unable to work owing to sickness or accident, lump sum payments may be available from accident and insurance policies. Noteworthy however is the fact that sickness and accident insurance can be refused by an insurance provider if it is of the view that a person's material circumstances present an unacceptable risk.

Professional Indemnity Insurance

This provides cover for people who give professional advice such as accountants, architects, computer consultants etc. and covers the liability arising from wrongful advice and/or negligence.

Pensions

In addition to the State Retirement Pension payable upon reaching pensionable age, a private Personal Pension would serve to provide an additional regular income. Tax relief may be available on such premiums. There are a great many personal pension plans details of which may be obtained from banks, accountants, insurance brokers, companies and building societies. Bear in mind however that all these sources of advice may have a financial interest in placing business in a particular direction. It is important therefore to identify an independent financial adviser from which to obtain informed and balanced advice.

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Fresh Start

Self employment - sources of help

Solicitors

It is most important to find a Solicitor who is experienced in dealing with small businesses. A good reference source of identifying a Solicitor having the appropriate experience in practice is the Law Society's online directory. You may wish to contact the Law Society via one of the following:

The Law Society's Hall
113 Chancery Lane
London
WC2A 1PL
Tel: 0870-6062500
www.lawsociety.org.uk

Chambers of Commerce

These are local organisations which give information, advice and training to businesses in their town or locale. Local Business Directories / Town Hall will provide contact details.

Training and Enterprise Councils

These are companies limited by guarantee, some of which have charitable status and contacts with the Department of Employment to supply Enterprise Training advice, information and counselling locally. Each TEC sets its own particular rates and may/may not charge for start up advice. TECs can provide information and advice in all matters outlined elsewhere in this section. For further information contact The Department of Employment Office which lists contact addresses of all TECs.
Tel: 0114 2594776.

The Local Authority Economic Development Unit or Small Business Section

For further information contact your Local Authority.

Business in the Community

This is a membership organisation that seeks to support and mobilise business:

Business in the Community
137 Shepherdess Walk
London N1 7RQ
tel: 0207-566-8650
<http://www.bitc.org.uk/>

English Partnerships

This is a government agency which can advise regarding business land and premises, often in partnership with private, public and voluntary sectors. English Partnerships have a network of regional offices. For further details contact:

English Partnerships,
110 Buckingham Palace Road
London
SW1W 9SA
Phone: 0207 881 1600
Fax: 0207 730 9162
<http://www.englishpartnerships.co.uk/about.htm>

National Federation of Small Businesses

This is a Pressure Group which promotes the interests of all self employed people. There is a subscription fee and the Federation provides a free magazine and runs a Legal Fees and Advisory Scheme providing 24 hour legal advisory scheme providing legal advice and varied insurance schemes.

In England and Wales contact:

National Federation of Small Businesses
Sir Frank Whittle Way, Blackpool Business Park, Blackpool FY4 2FE
tel: 01253 336000
www.fsb.org.uk

The British Franchise Association

A trade association for franchising companies established to promote franchising and to establish standards. In order to join, franchising companies must demonstrate that their franchise is effective and all those joining must agree a code of ethics. The British Franchise Association publishes an information pack (telephone for latest prices) for prospective franchisees including useful check lists.

British Franchise Association
A2 Danebrook Court
Oxford Office Village
Langford Lane
Oxford
OX5 1LQ

tel: 01865-379892
<http://www.thebfa.org/>

The Prince's Youth Business Trust

The Trust helps young unemployed people aged 18-30 to establish their own businesses. The Trust has discretion to offer grants and loans, ongoing business advice and help with marketing.

The Prince's Youth Business Trust
18 Park Square East
London NW1 4LH

Tel: 0207 543 1234
http://www.princes-trust.org.uk/need_help/business_start-up.aspx

LiveWIRE

Shell LiveWIRE is a premier source of free information and advice for young people starting a business in the UK.

Shell LiveWIRE UK
Design Works
William Street
Felling
Gateshead
NE10 0JP
tel: 0191 423-6229
<http://www.shell-livewire.org/>

Co-operative & Community Finance

Co-operative & Community Finance has been providing loan finance for co-operatives, employee owned businesses and social enterprises for many years.

Brunswick Court
Brunswick Square
Bristol
BS2 8PE
tel: 01179 166750
<http://www.icof.co.uk/>

Small Business Advisory Service

Small Business Advisory Service Ltd provides business advice and guidance through all stages of business development.

35 Chequers Court
Salisbury
Wiltshire
SP1 2AS
tel: 01722-568003
<http://www.sbas.org.uk>

Dealing with debt

There can be many and varied reasons that give rise to debt:

- unemployment/redundancy
- general difficulty in balancing commitments
- interest rate increases
- illness/disablement
- separation
- bereavement

In many cases, the reasons for debt may be beyond a person's immediate control. Understandably, many people will put off making contact with a creditor regarding the potential to reduce regular payments until/unless their financial situation reaches a critical phase. The sooner action to alert creditors to difficulties in making regular payments is taken, the better.

Given the present, difficult financial pressures encountered across many industries, there will be many people who simply cannot balance their finances to meet all their current commitments.

There are expert advice services available, for example:

- Money Advice Centres
- Citizen's Advice Bureaux's
- National Debt Line

Some of the above agencies may either produce a self-help pack or provide practical help in dealing with debts. It is worthwhile considering seeking advice in dealing with creditors; they can check your strategy and advise on your rights. Above all, having the moral and practical support of an expert organisation 'on your side' can make a very real difference to the overall impact of your effort to address a debt problem and of the chances that your action will be successful.

In the sphere of debt management, there are numerous organisations that will offer their services, though often at a price. There is no need whatever to pay for the right advice and support in managing a debt problem. The best advice and support is available freely from any of the agencies listed above.

Basic action plan for dealing with a debt problem

Step 1: list all debts in priority order

List creditor's addresses, account numbers and sums outstanding on accounts. Check who actually owes the money.

It is important to identify the type of debt since this will affect the way in which it is dealt with. This may include:

- secured loans such as mortgages
- hire purchase or conditional sale agreements
- guaranteed loans
- rent
- water rates/council tax/fuel/vat/court fines/ unsecured loans etc.

In deciding what count as priority debts, consider:

- the potential recovery action open to creditors
- whether there is risk of loss/disconnection
- any emergency action imminent (Court Bailiff)

The relative urgency will dictate actions.

Step 2: establish all sources of income and identify all outgoings

- list all existing income and outgoings.
- consider seeking advice as to maximising income; potential additional benefit
- entitlements/income tax allowances.
- draw up a monthly budget statement in which all existing incomings/outgoings are itemised. This may prove useful in identifying elements within a budget where economies might be possible. - maximise household income and minimise undue expenditure

Step 3: decide upon a strategy to deal with creditors

- distinguish priority from non-priority debts and work out whether, and at what level repayments are feasible

Priority debts are those where failure to make repayments at an agreed rate may result in immediate enforcement action/loss. Priority debts should be considered above others when apportioning any income remaining after allowing for out-goings.

One aspect which often causes difficulty is where a person owes a debt to a family member and considers this to be a priority. Creditors generally do not recognise these as bona-fide debts (unless money was borrowed in order to pay priority debts).

Other debts such as 'catalogue' debts can prove to be a source of embarrassment where door collectors may be near neighbours. A strategy must embrace all debts, where each is considered in terms of its relative priority and scale. This means that after priority debts have been considered, there may be little or no available money with which to pay other creditors.

Step 4: negotiate with creditors

Devise a financial statement and contact creditors. If the Court, solicitors or a collection agency is involved send them copies of the financial statement. Citizen's Advice Bureau's may help. The National Debt Line can provide you with a pack of information containing all the necessary information, together with standard letter and financial planning templates.

Provided that the construction of a financial statement (itemising all sources of income, expenditure and all debts owing) is accurate, in most situations, there will be a route satisfactory to all parties by which a person can maintain control of his/her financial situation whilst repaying creditors at a manageable rate.

In arriving at this conclusion it is often necessary to request that creditors suspend interest that may accrue on the accounts. It is here, to a greater extent than in any other manner, where a third party (debt adviser/CAB etc.) can prove very useful. Correspondence can prove time consuming and protracted, yet is the essential element in managing a debt problem. Keep copies of letters you write and make sure that your creditor's agreements of acceptance are put in writing.

Provided that creditors can be satisfied that the information is correct, that the repayment proposals are both equitable and realistic, many will, subject to periodic review, accept reduced/suspended repayment arrangements. Where Court orders are in place, the terms may be varied upon application. The CAB can help.

The accepted manner of making repayments to creditors is by 'equitable distribution'; repayment in direct proportion to the sum owing to each creditor.

Step 5: monitor progress

- ensure that finances continue to balance and make adjustments as appropriate.

Whilst the above is a sound basis for action, it should be stressed that every instance will differ. This is where the value of careful budgeting is evident. When drawing up a financial statement it should be remembered that proposed budget/repayment plans may endure for several years. It is therefore, most important to be sure that expenditure (allowing for inflation) can be sustained and that levels of repayment offered are truly realistic. If circumstances change however, then so must repayment proposals.

General principles

- most problems can be resolved; timely action can prevent further costs.
- advice agencies can provide valuable help and ongoing support. Do seek their advice and help.
- creditors generally accept revised repayment proposals.
- creditors do list 'bad debts' with credit reference agencies. This may result in credit being refused in subsequent years.

Above all else, do take action if worried about managing financially. There are always steps that can be taken, with support and guidance, to make a difficult situation manageable. Contact an advice agency for support and assistance.

All the best known and readily available sources of established advice and assistance with debt management are FREE:

National Debt Line

The helpline that provides free confidential and independent advice on how to deal with debt problems. National Debt Line offers debt advice for people living in different parts of the country, as the law concerning debt varies according to your place of residence in the UK.

National Debt Line:
0808-808 4000
<http://www.nationaldebtline.co.uk/>

Consumer Credit Counselling Service (CCCS)

The Consumer Credit Counselling Service is a registered charity whose purpose is to assist people who are in financial difficulty by providing free, independent, impartial and realistic advice.

Consumer Credit Counselling Service
Wade House
Merrion Centre
Leeds LS2 8NG
Tel: 0800 138 1111
<http://www.cccs.co.uk>

Further information & contact points

Useful (Internet website) addresses:

<http://www.unbiased.co.uk/>

A helpful starting point when seeking independent financial/mortgage/legal advice

<http://www.dwp.gov.uk/eservice/>

The online portal for starting Benefit claims

<http://www.jobcentreplus.gov.uk/JCP/index.html>

The JobCentre Plus homepage. The starting point for making an application for JobSeekers allowance and/or getting help finding work.

www.adviceguide.org.uk

The Internet service of the Citizen's Advice Bureau. This service offers a comprehensive online advice guide for tackling most day to day problems.

Notes: