

Getting it right to grow the spirit of enterprise

October 2017

Enthusiasm for small enterprise is seeing increasing numbers trying to make it as entrepreneurs and inventors, whether alongside the day job, bringing up children, or even school work.

Recently that's included a five-year-old girl who was selling cups of homemade lemonade to passers-by heading to a festival, who was stopped by enforcement officers who hit her with a fine for running an unlicensed stall. The fine was later dropped after attracting negative media coverage, but the incident highlights one of the ways that lack of knowledge is affecting would-be entrepreneurs.

Trading on the street requires a licence, granted usually by a [local authority or the Metropolitan Police](#) in Greater London, and the application must specify the proposed days and time of trading and the location. Trading areas are often restricted and there's no guarantee of getting exactly what you've asked for; for example, the number of days may be restricted.

Operating without a street trading licence, or outside the conditions of a licence, can attract fines of up to £1,000

Another way for a small business to trade without the commitment of permanent premises is by using pop-up premises to trial their new idea. This can be an ideal way to get a quick and immediate customer response, but both temporary tenant and landlord need to make sure the terms are properly stated, to avoid later difficulties which could include planning permissions, safety requirements or insurance.

Head of commercial property, John Gillette, explains:

"In the first flush of enthusiasm in today's gig economy, many people don't realise they need to get to grips with many of the things that bigger business has to take on. With pop-ups, even when it's a temporary agreement, it creates an interest in property and so you should take advice and make sure it's documented with a licence or short-term lease.

Telling [HMRC](#) that you're self-employed and then declaring any self-employed income each year is another important step in going into business. But for smaller traders there is now a tax-free allowance that came in from April 2017 which means there is no need to declare or pay tax on the first £1,000 earned each year, with another £1,000 allowance for any property-related income. If your income is more than £1,000 before deducting expenses, you must declare it, but can still take advantage of the allowance. However, the allowance for property-related income cannot be claimed in addition to the £7,500 a year tax-free income allowance for landlords who rent out a spare room in their house."

Head of company commercial, Veronica Hartley, added:

"There are some great ways to earn extra income these days, whether it's letting out your drive for parking, trading on eBay or coming up with the apps of the future. Going into business has become much less daunting, but getting advice before you start may help avoid difficulties later.

Parents need to be aware too. With a smartphone in one hand and schoolbook in the other, increasing numbers of teens are looking to get a foothold in business before leaving school, but there are rules and restrictions on the hours that can be worked by those under 16, whether in or out of term time. They may seem irrelevant when a teenager has a micro-business that is wholly online and...

operated from their bedroom, but one important aspect of the rules is to protect performance at school, so parents need to be sure time spent is not excessive and undermining classroom ability.”

Note: This is not legal advice; it is intended to provide information of general interest about current legal issues.



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