



Business Regulation Made Simple

The purpose of this pack is to provide essential information on the regulatory areas that apply to all businesses at launch: fair trading, fire safety, health and safety, tax and waste. It also covers food safety and licensing, as these are relevant to many new businesses.

The pack focuses on practical steps to take, highlighting links to existing business-friendly resources rather than repeating advice or otherwise reinventing the wheel. It is basically intended for individuals who have had a good money-making idea, and are planning to start trading from their own home or a small rented room or space. It may be of use to larger businesses, but is not really geared to their needs, particularly in the manufacturing sector.

The pack presupposes that the reader has already decided whether to be self-employed, work in a partnership, or operate via a limited company, which will have key bearing on tax matters. If not, read the Government guide below now.

[Choose a Legal Structure for a New Business](#)

Gov.uk





Fair Trading



Summary

Fair trading is mainly regulated by your local authority (at county rather than district level in two tier areas). The rules governing the sale of goods and services cover areas as diverse as advertising, contracts between the buyer and seller, intellectual property, the protection of customer data, and weights and measures.

In essence, the minimum requirement is for your goods or services to be as described and to meet any relevant standards regarding their quality or their sale. However, the specific rules that your business will need to follow depend very much on what you plan to sell to whom and how: for example, whether you intend to provide goods or services, target consumers or other businesses, and operate face-to-face or via the internet or telephone.

In the simplest scenario – selling non-financial services (such as management consultancy) to other businesses – background knowledge may be a sufficient basis for you to commence operations. In most other cases, you are recommended to seek specialist advice from your local trading standards service. This is essential if you are planning to sell food of any description, or to launch a new consumer item, and should be done at an early stage: the law concerning food standards and product safety is particularly important.

What do I do?

- ❖ Read the Government guide to sales contracts (resource A).
- ❖ Read the Government guide to fair trading (resource B).
- ❖ Read the Government guide to marketing and advertising (resource C).
- ❖ Decide whether you are content to start trading on the basis of what you have learnt.
- ❖ If not, contact your local trading standards service for advice (resource D).

Top ten tips

1. Special rules cover contracts with consumers.
2. Special rules cover the return of goods by consumers.
3. Special rules cover sales to consumers in their homes or workplaces.
4. Special rules cover sales to consumers that are not made face-to-face.
5. Special rules cover the sale of age-restricted products and services to young people, including alcohol, fireworks, knives, lottery tickets, tattoos, tobacco and video games.
6. Special rules cover trading in specific goods and services, including alcohol, food, holidays, property and tobacco.
7. Special rules cover the description of goods and services in many sectors, including food and drink, hotel accommodation, precious metals and shoes.
8. Consumers need to be given enough information about goods and services for them to make an informed choice.
9. Consumers may not be provided with credit (within the statutory definition of credit) without a license from the Office of Fair Trading.
10. Any weighing and measuring equipment used in trading must be approved and tested to confirm its accuracy.

Going forward

Fair trading should not be viewed as daunting. If you treat your customers well – which makes good commercial sense anyway – you will be operating in line with much legislation. Six fair trading principles your business could adopt at the outset are suggested below:

- ❖ Make full contact details for your business readily available.
- ❖ Ensure goods are fit for purpose and of satisfactory quality.
- ❖ Price goods clearly and describe them truthfully.
- ❖ Provide services that are reasonable, in terms of cost, care, skill and time.
- ❖ Treat customers equally, irrespective of sex, race, religion, disability or any other grounds.
- ❖ Respect the rights of consumers in relation to contracts, the return of goods, and responding to complaints.

Resources

A) [Avoid Unfair Terms in Sales Contracts](#)

B) [Invoicing and Taking Payment from Customers: The Law](#)

C) [Marketing and Advertising: The Law](#)

All Gov.uk

D) [Business Advice](#)

Trading Standards Institute

Includes advice and a search facility to find your local trading standards service.



Fire Safety



Summary

Fire safety is regulated by your fire and rescue authority. If you are planning to operate from any premises other than your own home, or from virtually any structure or even an open space, you will need to carry out a fire-risk assessment.

What do I do?

- ❖ Read the short Government guide to fire safety (resource A).
- ❖ Follow the advice to produce a fire-risk assessment for your business.
- ❖ Implement its findings.

Top ten tips

1. Consider reading one of the more detailed Government guides to fire safety for specific business sectors (resource B), particularly if you are planning to operate from large or complex premises.
2. Your structural fire precautions should be acceptable as long as your premises meet modern building regulations.
3. Consider consulting your insurers at the outset (who may require enhanced fire safety provision depending on the nature of your business).
4. Focus on achieving a reasonable level of fire safety, rather than aiming for a 'gold standard' level of compliance.
5. Cover potential as well as existing fire hazards, for example accumulated waste.
6. Make sure that actions taken due to a fire-risk assessment are properly recorded.
7. Make sure that any employees understand your emergency plan.
8. Make sure that any escape routes are kept accessible and clear. (A key should not be required to open a fire exit door.)
9. Make sure that any fire safety equipment is maintained to keep it operational. (This could be as simple a matter as regularly testing a fire alarm.)
10. Consider business continuity when completing your fire-risk assessment. The majority of businesses suffering a fire unfortunately never fully recover.

Going forward

Once your business is up and running, you may receive a fire safety inspection, which will normally be arranged in advance. You will also need to ensure that your fire-risk assessment remains up to date, reviewing it if there are significant changes to your operations, or in response to an incident.

Resources

A) [A Short Guide to Making Your Premises Safe from Fire](#)

Communities and Local Government / Chief Fire Officers' Association, 2006

B) [Fire Safety Law and Guidance Documents for Business](#)

Gov.uk



Health and Safety



Summary

Health and safety is regulated by your local authority or the Health and Safety Executive (HSE), depending on the main activity of your business. The former generally oversees shops, offices and distribution and leisure facilities, the latter factories, construction, agriculture and educational and medical establishments. In either case, the basic health and safety obligations on your business are the same.

In essence, common sense is the right approach to health and safety. Slips and trips typically cause workplace injuries, rather than freak accidents, so gear your thinking accordingly. Is the floor clean and dry? Is footwear suitable? Are walkways clear? Are mats secured? Are steps or slopes well-lit and equipped with a firm handrail? Focus on the basic considerations. Major causes of occupational injuries and ill health to bear in mind include stress, vehicle impacts, asbestos, and bone or muscle problems from manual handling and frequent, repetitive movements.

You must consider whether you are taking enough steps to prevent people from being harmed: known as a risk assessment. In addition, you will need to give any employees clear instructions, sufficient information and adequate training on relevant health and safety issues.

Some hazardous activities, such as working at height, or with chemicals, machinery, gas, electricity or asbestos, require specific control measures, and in some cases the HSE must be told or even issue a licence before they can begin. These are beyond the scope of this pack.

What do I do?

- ❖ Read the short HSE guide to health and safety (resource A).
- ❖ Follow its advice, implementing any necessary measures.
- ❖ If you are intending to employ people or are doing so already, read the short HSE guide to workplace health, safety and welfare (resource B).
- ❖ Follow its advice, implementing any necessary measures.
- ❖ Decide whether you are content to start trading on the basis of what you have learnt and done.
- ❖ If not, contact your local authority in the first instance.

Top ten tips

1. It will not be possible to remove all risks in your workplace, but those that cannot be removed need to be controlled.
2. A written health and safety policy should extend to the implementation, monitoring and review of appropriate measures (resource C).
3. Don't overlook members of the public if they could be injured by your activities, nor contractors or the self-employed if they are working on your behalf.
4. The five essential welfare facilities are toilets, hand basins, drinking water, an area for rest and eating, and storage for clothes.
5. Healthy work environments are clean, light, airy, warm and spacious.
6. Consulting employees on health and safety should be a two-way process, allowing them to raise concerns and influence decisions.
7. New recruits need basic induction training at the outset to ensure they can work safely.

8. To reduce the risk of lifting or carrying heavy loads, first consider whether there are any practical ways to reduce their size or weight (resource D).
9. Don't forget employers' liability insurance.
10. The HSE toolkit provides further advice on general and specific topics (resource E).

Going forward

If your business consists of you alone, and does not undertake a hazardous activity, then **at minimum** you must adopt a common sense approach to making your workplace safe and keep an adequate first aid kit. If you employ someone else, then **at minimum** you will **also** need to provide appropriate health and safety information and training, make the five essential welfare facilities available, take out employers' liability insurance, and display the health and safety poster (resource F). If you employ five or more people then **at minimum** you will **also** need a written health and safety policy.

Once your business is up and running, you should be prepared for health and safety inspections from your local authority or the HSE, usually unannounced.

If you get new workplace equipment for your business or change its operating procedures, remember to review your risk assessment and update it if necessary.

It is good practice to record any accidents or incidents that occur in your business, to see if there is any pattern. Deaths or major injuries **must** be reported immediately to the HSE, while any injuries resulting in an employee being unable to perform his or her normal work for more than seven days must also be reported within 10 working days.

Resources

A) [Health and Safety Made Simple: The Basics for Your Business](#)

HSE, 2011

B) [Workplace Health, Safety and Welfare: A Short Guide for Managers](#)

HSE, 2007

C) [Plan, Do, Check, Act: An Introduction to Managing for Health and Safety](#)

HSE, 2013

Worth reading if you need a written health and safety policy

D) [Manual Handling at Work: A Brief Guide](#)

HSE, 2012

E) [The Health and Safety Toolbox: How to Control Risks at Work](#)

HSE, 2012

F) [Health and Safety Law Poster](#)

HSE



Tax



Summary

Tax is largely regulated by HM Revenue and Customs (HMRC) apart from business rates, which are calculated and collected by your local authority.

Tax can be a complex area and cannot be tackled in depth in this pack.

Your obligations will depend on whether you are self-employed, working in a partnership, or operating via a limited company. Income tax and national insurance contributions will feature in all cases, while corporation tax is relevant to the last. However, common threads include a registration process, the completion of tax returns, the retention of financial records, and the payment of taxes as they fall due.

If you are planning to operate your business from a building other than your own home, you may also need to pay business rates. These will be assessed in accordance with the rateable value of the property concerned, and in the light of your eligibility for any local rate relief schemes.

What do I do?

- ❖ Read the Government guide to starting a business (resource A).
- ❖ Register your new business with HMRC if appropriate (resource B).
- ❖ Read the Government guide to business rates if relevant (resource C).

Top ten tips

1. If you are actively marketing your business or have a customer for your goods or services you are considered to have started self-employment.
2. It is sensible to organise your financial records in line with the tax year, which ends on 5 April.
3. The deadlines for providing self-assessment tax returns to HMRC on paper and online are 31 October and 31 January respectively, and the latter route is recommended as calculations are then done for you automatically.
4. If you are self-employed and your earnings are below a certain threshold you can apply for an exemption to national insurance contributions.
5. If you are self-employed you will need to operate PAYE on the earnings of any employees.
6. Limited companies must be registered with Companies House, and once you start business activity, you must tell HMRC within three months.
7. If you have created a limited company you will need to operate PAYE on the earnings of any employees, including your own as a director.
8. The deadline for paying corporation tax online is nine months after the end of your annual accounting period.
9. The deadline for filing company tax returns online is 12 months after the end of your annual accounting period.
10. The rateable values of properties for business rates are set by the Valuation Office Agency.

Going forward

You will need a system for making or retaining financial records from the outset, as necessary. If you are self-employed, then **at minimum** you must keep invoices for sales and purchases, receipts for business expenses, and bank records (resource D).

If the turnover of your business exceeds the VAT threshold you will normally need to register for VAT payments.

Resources

A) [Starting a Business](#)

Gov.uk

B) [Register Your New Business with HMRC](#)

HMRC

C) [Business Rates](#)

Gov.uk

D) [Tax Help Factsheets: Keeping Records for Business](#)

HMRC



Waste



Summary

Commercial or industrial waste is regulated by your local authority and the Environment Agency. The bottom line is that you must produce and store any waste your business creates without harming the environment, ensure it is collected by an authorised carrier such as your local authority, and complete the appropriate paperwork when this happens, in the form of a waste transfer note.

As an alternative to collection, you can take your own waste to a licensed waste treatment or disposal facility that is allowed to receive it. (This will be under the terms of an environmental permit or a registered exemption from environmental permitting). In this case you will probably need to register as an authorised carrier (resource A).

General consideration should be given to the waste management hierarchy: prevention, re-use, recycling, energy recovery or similar options, and finally landfill. Reducing the amount of waste your business generates will result in financial savings, while the segregation of materials such as metals, plastics and paper can give them value as scrap.

Hazardous waste – including asbestos, batteries, chemicals, fluorescent tubes, oils and solvents – is subject to stricter controls, while some types of waste – for example animal by-products, construction, electronic equipment, liquids and packaging over certain thresholds – are subject to specific requirements. Both these areas are beyond the scope of this pack.

What do I do?

- ❖ Read the first four parts of the Government guide on waste (resource B).
- ❖ Check that any storage facilities for your waste are fit for purpose.
- ❖ Look at the website of your local authority to see whether it provides a commercial waste collection service.
- ❖ Decide whether you are content to start trading on the basis of what you have learnt.
- ❖ If not, contact your local authority in the first instance.

Top ten tips

1. Waste from home-based businesses is still commercial waste, and must be kept separately from household waste.
2. Waste from any work carried out in private houses is still commercial waste.
3. Scrap collected for recycling is still commercial waste, even if the service is free.
4. If you are intending to use contractors, make sure your contract with them specifies who is responsible for any waste they generate.
5. All waste should be stored securely, with the possibility of bad weather and vandalism taken into account, and for not more than 12 months (as this then usually requires an environmental permit).
6. You need to confirm that anyone collecting your waste is authorised. Ask to see the certificate of registration, or check the master list of registered waste carriers on the website of the Environment Agency (resource C). However, you can assume your local authority is authorised.

7. There is no standard waste transfer note, but you need to confirm that each one includes the names, signatures and addresses of both parties; the place, time and date; and an adequate description of your waste, covering how it is packaged or contained and giving the right European Waste Catalogue (EWC) Code (resource D).
8. A single waste transfer note can cover multiple collections over a 12 month period.
9. Waste transfer notes must be retained for at least two years.
10. You need to confirm that any waste treatment or disposal facility accepting your own waste is authorised. Make a copy of its environmental permit or exemption.

Going forward

Make sure that any employees and contractors understand how to handle and dispose of each type of waste you produce. There are associated health and safety implications here that may need to be considered.

Resources

A1) [Register as a Waste Carrier, Broker or Dealer \(England\)](#)

Environment Agency

A2) [Register as a Waste Carrier, Broker or Dealer \(Wales\)](#)

Natural Resources Wales

B) [Business and Commercial Waste](#)

Gov.uk

C) [Access the Public Register for Environmental Information](#)

Environment Agency

D) [Classify Different Types of Waste](#)

Gov.uk



Food Safety



Summary

Food safety is normally regulated by your local authority.

If you are planning to produce, store or sell food and drink, in virtually all cases you will need to register your business with your local authority in advance, and have written food safety management procedures.

Anyone handling food must also have appropriate training in food hygiene.

Premises where food of animal origin is processed for sale to businesses rather than consumers normally need to be approved by a local authority or the Food Standards Agency. This is beyond the scope of this pack.

What do I do?

- ❖ Read the Food Standards Agency guide to starting a catering business (resource A).
- ❖ Read the relevant Food Standards Agency food safety management pack (resource B). This gives essential advice and will help you assess whether you or your employees require food hygiene training.
- ❖ Follow the advice to write food safety management procedures. These must relate to the specific circumstances of your business.
- ❖ Complete the registration form, available via the website of your local authority.
- ❖ Submit the registration form to your local authority at least 28 days before your business starts trading. Registration is free and cannot be refused.
- ❖ Consider whether food hygiene training is required by you or your employees.

Top ten tips

1. Make sure your food preparation space is large enough to be cleaned effectively.
2. Make sure your work surfaces are smooth, non-porous and hard wearing.
3. Make sure any containers used to transport food can be cleaned properly.
4. Know the difference between detergents, disinfectants and sanitisers, and when to use them.
5. Use separate sinks for hand washing and food preparation.
6. Ensure food handlers remove jewellery and tie back long hair.
7. Protect any cuts to the skin with brightly coloured plasters that can be clearly seen if they go astray.
8. Pay attention to temperature control. High risk foods such as cooked meat, cheese and dairy products should be kept below 8°C in refrigerators and below -18°C in freezers.
9. Remember that food hygiene training can be obtained through supervision, self study or prior experience, as well as formal training courses.
10. Bear in mind that you will need a licence or other authorisation such as a Temporary Event Notice if you are intending to sell alcohol, food from a stall or van, or hot food between 11pm and 5 am, although there are certain exemptions to the requirements of an authorisation.

Going forward

Ask your local authority about the Food Hygiene Ratings Scheme once your business is up and running. You should also be prepared for food safety inspections, both announced and unannounced, but if you are following your food safety management procedures these should not be a concern.

Resources

A) [Starting Up: Your First Steps to Running a Catering Business](#)

Food Standards Agency, 2013

B) [Safer Food, Better Business for Caterers](#) – Food safety management procedures

Food Standards Agency

C) [Food Hygiene Training Videos](#)

Food Standards Agency



Licensing



Summary

Licensing is regulated by licensing authorities, including your local authority, your fire and rescue authority, and a range of national organisations. Licensing varies from simple registration processes to the issue of permits with detailed conditions. Consequently, the procedures for obtaining a licence differ considerably depending on requirements. The normal starting point is to complete the appropriate application form and to send it to the relevant licensing authority. The payment of a fee is also often required. (The word 'licence' may often be referred to as a permit or consent or registration or authorisation.)

In relation to local authorities:

- ❖ You will need a **premises** licence for your venue if you are intending to supply alcohol, late night refreshment or public entertainment (at, for example, a cinema or theatre), or provide gambling facilities. A **personal** licence for a designated supervisor is **also** required to sell alcohol under a premises licence.
- ❖ Other business activities requiring a licence include taxi driving, private hire vehicle driving, scrap metal dealing, market trading, street trading and skin treatments such as massage, piercings and tattoos.
- ❖ Businesses involving animals are also highly likely to require a licence, for example pet shops, zoos, boarding or breeding facilities, and horse riding establishments.
- ❖ Occasional licensable activities may be covered by a Temporary Event Notice (TEN) instead of a licence. The number of TENs issued is limited to 50 per calendar year for individuals who have a personal licence and five for those who do not.
- ❖ If your business will be carrying out an activity with the potential to cause pollution, you may need an environmental permit from your local authority or the Environment Agency. This is beyond the scope of this pack.

This list is not comprehensive: other activities are also licensed by local authorities.

What do I do?

- ❖ If you know you need a licence issued by a local authority, read any relevant guidance on its website.
- ❖ If you are unclear whether you need a licence, contact your local authority for advice.
- ❖ Complete and send any relevant application forms with any payments required.

Top ten tips

1. It is advisable to apply for a licence well in advance. The procedure may take time to complete, and in some cases a minimum notice period is required.
2. Most but not all applications for licences are accepted online.
3. The fee for a premises licence for the supply of alcohol is based on the non-domestic rateable value of the premises.
4. To supply alcohol at an event lasting no more than 168 hours (for example a wedding) a TEN must in most cases be provided to your local authority at least 10 working days in advance.
5. Before you can apply for a premises licence for a venue providing gambling facilities, you must have an operator's licence from the Gambling Commission.

6. Clubs are treated separately from other alcohol-licensed premises in relation to the issue of permits for gambling activities or machines, and can have higher stakes and prizes.
7. Alcohol-licensed premises are automatically allowed two low stakes gambling machines and can apply for a permit for more.
8. Some local authorities require the hairdressers and barbers in their areas to be registered.
9. Some fairly common licences are not issued by local authorities. Driving instructors are licensed by the Driving Standards Agency. MOT testing requires authorisation from the Vehicle and Operator Services Agency. Door supervisors at licensed premises are licensed by the Security Industry Authority.
10. A licence finder for businesses is available on the Gov.uk website (resource A).

Going forward

Your local authority will process your application. At minimum, this will entail confirmation that you are a suitable person to hold the licence requested. It may involve an interview or test, liaison with third parties such as the police, and even public consultation. This will always be necessary in relation to applications for premises licences, in relation to which potential safety issues and public nuisance problems will also be considered.

If an application for a licence is refused, you may have a right to appeal, depending on the legislation concerned.

Where a premises licence is granted, your venue may be inspected to ensure its terms are being met.

Resources

A) [Licence Finder](#)

Gov.uk

© Crown Copyright 2015

