

newsletter

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by Jon Croxford - [managing partner](#)

This newsletter marks a milestone for the firm as founding partner, Drummond Kerr, retires on the 1st September.

Meridian was established 18 years ago. The intention was to establish a specialist private client legal practice incorporating a high level of tax expertise which could compete with the largest national and international law firms.

From small but ambitious beginnings, the firm today numbers over 40 lawyers, tax specialists and support staff and is one of the largest and most experienced private client teams in the Midlands.

The firm features in the Legal 500, the Times Best Law Firms and has been a finalist in the prestigious Tolleys Taxation Awards. I know that Drummond feels proud about the development of the practice and the team he leaves which is well set to continue with the same vision.

I joined the practice nine years ago and I am sure that I can speak for everyone at Meridian when I say that I will miss Drummond's knowledge, experience, positive outlook and (even) his sense of humour! For those who know Drummond well, it is of course no surprise that the date of his retirement immediately precedes the 2023 Rugby World Cup.



On that note, all of us at Meridian wish Drummond a very happy retirement!

In other team news, we welcome and congratulate newest partner to the firm, Lisa Whitehouse. Lisa, who has been shortlisted as Trusted Advisor of the Year in the 2023 STEP Private Client Awards, has authored an article for this Summer newsletter which considers validating Wills and Lasting Powers Of Attorney (LPA) in an increasingly digital age.

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Validating documents in a digital age

by Lisa Whitehouse - partner



For a Will to be valid it needs to be made in writing and signed by the person making it, or by another person at their direction.

It must be signed in the presence of two adult independent witnesses who must also sign the paperwork whilst in the presence of the person making the Will. This requirement is defined in the Wills Act 1837 (Section 9), legislation which has been in place for 186 years. But now technology has advanced, is this requirement still fit for purpose?

Case for change

When the COVID-19 pandemic made this approach difficult, temporary legislation was introduced allowing Wills to be signed and witnessed by way of video conferencing through a 'virtual presence'. This applied to Wills made after 31st January 2020 and up to, and including, 31st January 2024. Whilst this is progress, it is only temporary. In addition, the requirements are cumbersome with "wet" signatures still a necessity. There is also a risk of the Will being lost in the post, or not being signed by all parties in a timely manner, slowing the process where an urgent Will is required.

An online procedure for Lasting Powers of Attorney (LPA) is now in place, but this still requires the printing of documents and signatures made in the presence of a witness, with documents posted to the Office of the Public Guardian for scanning and processing. Interestingly, it's reported that the current delay in processing LPAs is, in part, a result of the volumes of paperwork associated with applications.

A fully online application process might help alleviate this. Commercial transactions, for example, now use electronic signatures for speed, efficiency, and security. Should signing Wills and Lasting Powers of Attorney also follow this trend? Are electronic Wills more likely to be kept up to date than a hard-copy Will stored with a solicitor or at home? And in today's digital age, is a "wet" signature the best way to validly execute a Will or an LPA? Arguably a signature is easy to forge and if elderly witnesses are used, it would be difficult to prove whether the testator signed or not if the witnesses are no longer alive at the time the Will is used. Witnesses can also often be difficult to track down.

Regulatory step-change

With technology providers now able to offer a range of secure storage and document management systems there is greater scope for this approach in private client practice. Indeed, in July 2017 the Law Commission undertook a consultation of the law surrounding Wills. Paused in 2019, it has since been restarted and a supplementary consultation paper will be published in September 2023.

The Commission was looking at why people do not make a Will, with the complexities associated with them said to be part of the problem. As a result, and in a move "to better reflect the modern world", they did recognise a need to introduce electronic Wills.

A step-change which is long overdue given changes in technology since the Wills Act was first introduced 186 years ago.

The “why” of taxation

by Jon Croxford - managing partner

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After a decade and more of relative stability, the UK economy is currently under stress from various factors, some international in nature (e.g. the war in Ukraine) and others more home grown (e.g. Brexit).

Against that background, the government in power needs to balance its books but it will also seek to use taxes as a way to influence and steer the behaviour of individuals and businesses through tax policy changes. Given that there is currently little room for manoeuvre when it comes to balancing the books, the focus is therefore increasingly on tax policy, with difficult questions such as who should pay more tax and who should pay less.

But what are the key driving motivators behind policy changes; the ‘why’ of taxation?

Taxing decisions

In recent years, examples of big tax policy decisions have included lowering the rate of corporation tax to 19%, partly to encourage inward investment to the UK. We have also seen significant tax breaks introduced for electric cars to reflect the wider green agenda.

The current economic woes have already driven some tax policy change, but we will undoubtedly see more, and possibly a lot more if we have a change of government in 2024.

Since the political chaos of last Autumn, with Liz Truss in her brief tenure as Prime Minister pursuing an aggressive tax cutting agenda, we have seen something of a reversal with Rishi Sunak’s government effectively increasing taxes. Of those measures, it is worth highlighting the very recent increase in corporation tax from 19% to 25% and the freezing of personal tax allowances and – in some cases – a reduction of these, for example, the capital gains tax annual exemption has been more than halved.

The freeze of allowances is a form of “stealth taxation” in that, due to the effect of inflation, the tax burden inevitably increases, without any increase in the headline rate of tax.

The idea being that these increases either go unnoticed or are less keenly felt.

The Government has looked to ameliorate the impact of the increased rate of corporation tax by more focused reliefs and allowances but, in recent months, there appears to have been a drift of big businesses away from the UK. That is probably for a variety of reasons but, at a time when the UK needs to compete internationally, particularly post Brexit, increasing the headline rate of corporation tax seems to carry some risk.



Policy changes

Another area of significant tax policy change includes increases to the taxation of property. This ranges from:

- ◆ An increase in the top rate of capital gains tax on residential property to 28%, as compared to 20% on most other assets,
- ◆ The effective top rate of stamp duty land tax rising to an eye watering 17%,
- ◆ Restricting the tax deductibility of interest on loans taken out to acquire properties to the basic rate of tax,
- ◆ The introduction of the Annual Tax on Enveloped Dwellings (ATED) which essentially imposes a tiered tax charge on residential properties held in companies,
- ◆ The imposition of capital gains for non-residents on the disposal of UK situated residential and commercial property,
- ◆ And the new on-line tax return and collection regime within 60 days of the disposal of property.

These changes reflect a desire to discourage second property ownership and adjustments to the taxation of overseas investors. They have had an impact on the property market but the recent increase in interest rates has had a much more dramatic effect and may have taken us to the brink of a significant readjustment in property prices.

Forward planning

Looking ahead, significant policy decisions on the horizon include the Labour party's aim of removing charitable status for private schools. Whilst the tax impact of this is broad, the key focus has been on the imposition of VAT on private school fees.

Putting to one side the question of whether private schools are a good or bad thing, this Labour policy has highlighted the question of whether a change to the tax rules to prompt behavioural change will in fact work.

Will it produce a level playing field by getting more pupils back into State schools, reducing the numbers of fee paying students going to top universities in percentage terms, or will it simply raise more tax?

One view is that most families with children in private schools are likely to soak up a 20% increase in fees and little will change without more pressure being placed on top universities to reduce the percentage intake of privately educated students.

That ignores the obvious question as to how State schools would cope with a sudden influx of previously privately educated students.

The reality is that policy driven tax changes are, on their own, rarely enough to significantly change public behaviour. There often needs to be a greater impetus or real desire for change in the wider public.

Policy is something that those working on the front line in tax advice and compliance often have little time to think about, busy working in the present and with what we have in front of us.

But the 'why' is a continually evolving and interesting question and, whilst complex and challenging, it is important for us to keep it front-of-mind when planning, ready to respond to potential change on the horizon.



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Fundraising for local children's hospice

When he's not busy handling contentious matters and when he can, Meridian's Mark Abrol likes to join golfers from his Any Excuse for Golf Society (AEFGS) in 18 holes of competitive golf.

Mark founded the AEFGS in 2000. The group's passion for the sport has resulted in two very successful charity golf days where funds were raised for Acorns Children's

Hospice. Acorns is a charity based in the West Midlands which provides specialist palliative care for life limited and life threatened children and support to their families.



The Society has raised over £37,000 for the charity in the past two years with funds coming from the generous donations of the 22 teams and other sponsors, proceeds from auctions and the sale of home-baked goods and refreshments from a team of volunteers, including Meridian staff, on the green. As chairman of the AEFGS, Mark has been delighted with the results of the fundraising events.

Images

1. Preparing to tee off for Acorns.
2. 22 teams traditionally take to the greens of Olton Golf Course for the golf day.
3. Carl Csukas, partner, representing Team Meridian.
4. Mark Abrol, partner, Meridian and chairman of the AEFGS.
5. Anita Paul, paralegal and Thomas Norris, solicitor, both Meridian.
6. Technical challenges from golf pro, Ady Wheatcroft.
7. Meridian's Emma Louise Green, senior associate solicitor, with Chris Jones from Select Business Finance.
8. Team Meridian's Mark Terrar, partner, contemplates a bid during the 2023 auction.
9. Mark Hopton, Chairman of Trustees, Acorns Children's Hospice, thanking golfers at the start of the auction.



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Every penny we raise hopefully makes a positive impact on the work of the hospices in Selly Oak, Walsall and Worcester. Our society membership is longstanding and loyal and it's because of the generosity of these members, coupled with sponsorship and donations from local businesses, that we have been able to pull these events together.

There's fantastic camaraderie on the course, the odd pit stop for a pint of local ale and the opportunity to acquire new technical skills and learn new tricks courtesy of golfing professional, Ady Wheatcroft.

— Mark Abrol



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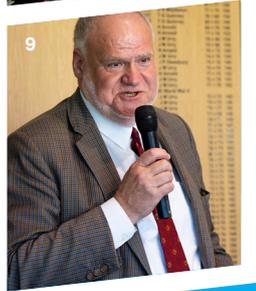
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Mark is repeating the event on 24 May 2024 and is pleased to confirm that it is already a sell-out. However, he is always looking for generous local sponsors!

The journey of a paralegal

by Ed Bull - paralegal



The life of a paralegal can be interesting, exciting and demanding. We asked Ed Bull from our contentious team to share some of the highlights of his paralegal journey, providing a frame of reference for those considering a career in law.

My journey to becoming a paralegal began at secondary school when I discovered that law was available as a GCSE option, sparking my interest in the profession. My studies continued at the University of Sheffield with an undergraduate degree, followed by a Masters in Law and then later the Legal Practice Course where one of my elective modules was Private Client Law, an area I was drawn to due to the significant positive impact it can have on an individual's life.

In December 2018, I met the team at Meridian to essentially pick their brains and obtain a few tips on how to pursue a career in Private Client Law. Coincidentally, Meridian had just founded its Contentious Trust and Probate team and was looking to hire a paralegal. The opportunity to gain experience in general private client practice with the added dimension of contentious probate was appealing and I applied for a role. Following two interviews, I was offered a position in February 2019 and have not looked back. The area of contentious trusts and probate is varied, and, like all areas of dispute resolution, no two days are the same. My role is wide-ranging, and I have been fortunate to work on several complex and high-profile matters under the supervision of senior partners gaining valuable, 'on the ground', experience.

My own caseload brings with it its own complexities. Memorable matters include a time sensitive high value Variation of Trust, a full trial in respect of a removal of executor case involving a multi-million pound estate and obtaining two worldwide freezing order injunctions with just two days' notice. I have also had first-hand experience of several mediations, one of which lasted over 15 hours with a finish time of 1:00am.

It is these types of situations that make my work so interesting. I firmly believe that these challenging experiences will stand me in good stead upon qualification and the training route I have followed has allowed me to fully immerse myself in the area.

I am currently an Advanced Graduate member of the Chartered Institute of Legal Executives (CILEX), which has allowed me to gain over four years' experience of contentious probate matters (as opposed to the possible six-month seat in a training contract). I am due to qualify via CILEX as a Chartered Legal Executive in Autumn 2023 and, having previously completed the Legal Practice Course, I shall then cross-qualify as a solicitor.

My paralegal journey continues to be highly rewarding. It keeps me on my toes and offers new challenges daily. Whilst the route I have chosen is often overlooked in favour of more traditional training contracts, I have seen real value in practical work experience for knowledge building and would strongly recommend it to others exploring a career in law.

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