

BUSINESS STEP BY STEP GUIDE



TABLE OF CONTENTS

Introduction

- 01** Start up registration and procedure
- 02** Becoming an employer
- 03** Taxation
- 04** Health and safety
- 05** Intellectual Property Rights
- 06** GDPR
- 07** Creative and Cultural Companies benchmarked at national level
- 08** Conclusion

INTRODUCTION



This “step by step guide for cultural business life cycle” is the last output from the iCREATE project, supporting entrepreneurs in the Cultural Heritage sector. Its primary objective is to provide creative people that would like to set up their own business with a guide that will help them to start up and operate their business in the cultural sector, with a focus on cultural heritage.

The step by step guide aims to offer support for a crucial part of business development: the process and legal requirements for setting up and developing a business. It is vital for a young entrepreneur to understand the context and laws that apply to their business. There are many areas of running a business that you can manage yourself, without needing to pay for specialist advice. This guidance will help empower you with information you need to run your business effectively.

The guide gives step-by-step advice for professions / businesses in the creative sector on the following subjects:

1. How to register a company. The necessary documents, how much it costs, which are the services that someone may refer to, etc.
2. How to employ people in a company, different types of contracts, how to pay taxes, and social insurances.
3. Tax, tax administration, etc.
4. Health and safety requirements and permits
5. Intellectual Property Rights
6. GDPR
7. Creative and Cultural Companies Benchmarked at national level

Each section addresses specificities about the creative and cultural sector that will be relevant to aspiring entrepreneurs.

The guide has been written from the perspective of trading within the European Union. However, because the business law and environment differ significantly in different EU countries, separate guides have been produced for each country focusing on national legislation. Although the UK is no longer a member of the European Union, the UK guide nonetheless includes relevant information about the context in EU countries, as these will continue to be significant trading partners for UK start-ups, and access to this information is now less easy to access in the UK.

The guidance part and checklist give the user the freedom to decide which parts are applicable to their countries context in order to increase transferability.

In the guide, you will find several links to further advice from official sources such as the UK Government. Make sure you are always looking at current advice. It is often stated when information was last updated.



When you are looking for advice, you do need a one stop solution such as this guide

SECTION 1

START UP REGISTRATION AND PROCEDURE





What type of business should you set up? Would you work as a Sole Trader or set up a Company?

1.1. European reference information

Since the UK left the European Union, the UK no longer participates in the EU networks supporting business start-up. If you are an EU citizen living in the UK and/or trading with EU countries will be an important part of your business, then one option you may consider is setting up a business within an EU country. UK businesses not trading with EU countries should skip this section and go to Section 1.2.

The procedure of opening a business is different in EU Member Countries, but it may have common key factors, such as minimum requirements, necessary documents, etc.

The requirements vary depending on the country. However, the EU encourages all countries to meet certain targets for helping to set up new companies, including:

- completing all procedures through a single administrative body;
- completing all registration formalities online;
- registering a company in your EU country online or through national contact points.

At EU level you can access important support for new entrepreneurs through the agency called [Points of Single Contact](#). Points of Single Contact (PSCs) are e-government portals that allow future entrepreneurs and start-ups to get the information they need for starting and registering a business. They are managed by local networks of national coordinators.

They can support potential business owners with the following issues:

- explore business opportunities or expand services to the EU country
- set up and register a new business
- find out about the relevant rules and formalities
- complete the administrative procedures online/offline

1.2. Necessary documentation



I work with independent dance artists and this guide will be great for those interested and wanting to know more about how to register and start their own dance company

Creative Trainer in London

In the UK the simplest way to register as a business is as a **Sole Trader**. To do this, you have to register for self-assessment as a taxpayer with HMRC and submit your accounts each year. As a Sole Trader you're personally responsible for your business's debts. You need to keep records of your accounts and retain them for at least 5 years. If you are moving to the UK, you will also need to apply for a National Insurance number.

A **Partnership** is the simplest way for two or more people to run a business together. You share responsibility for your business's debts. You also have accounting responsibilities.

By forming a **Limited Company**, your business finances and liabilities are separate from your personal finances, but there are more reporting and management responsibilities. There are two types of Limited Company:

- Limited by shares companies are usually businesses that make a profit. This means the company: is legally separate from the people who run it; has separate finances from your personal ones; has shares and shareholders; can keep any profits it makes after paying tax.
- Limited by guarantee companies are usually 'not for profit'. Instead of shares and shareholders, they have guarantors and a 'guaranteed amount', and any profits are invested back into the company.

For **Social Enterprises** with social, charity or community-based objectives, there are several options: you can set up as a Co-operative, a Charitable Incorporated Organisation or Community Interest Company. Alternatively, you can operate as a non-profit-making group of individuals in an "unincorporated association". You don't need to register an unincorporated association, and it doesn't cost anything to set one up.

As their businesses grow, Sole Traders may consider changing their legal form to a Limited Company. This would allow them to employ staff, for instance. As explained above, it also protects themselves from liabilities.



1.3. Costs linked to setting up a business

It can be surprisingly inexpensive to start up a business in the UK. In fact, you can earn up to £1,000 in a year from self-employment without registering as a business at all. To register with HMRC as a sole trader has no costs attached (but you will have to pay tax on your profits). It is important to register for VAT as soon as your turnover reaches the threshold and be aware that you will then have to start paying VAT on sales. There are fees for setting up the various forms of company structures. If your business is based in a building, then you will be liable to pay business rates.

The main costs you are likely to incur in setting up a business will be directly related to the type of business and the level of investment needed. Business start-up costs may include Research & Development, capital and equipment, marketing and promotion, costs of production, distribution and the cost of creating your products or delivering your services.

You may need to pay for legal and professional services and advice, licences, insurance, market testing, protecting your intellectual property and labour costs. Financial planning should separate fixed costs that stay the same over a period, such as rent, lease, internet, loan repayments – from variable costs which change over a period and are directly associated with the business activity. These may include costs of materials, labour, transport and promotion.

And don't forget to factor in the cost of your time. Digital businesses may appear to by-pass many of these costs, but the process of bringing a digital product to market can be a very long drawn-out process. In the new virtual economy concepts such as Agile Methodologies and Rapid Prototyping emphasise the importance of speed and flexibility.

1.4. Support services while registering a business

There are many internet resources offering support for business start-up. A good starting point is the [government advice for business and self-employed](#), which includes sections on [Setting up](#); Business Tax; Running a Limited Company; Business premises and Business Rates; Business Finance and Support; Licences and Licence Applications; Sale of goods and Services and Data Protection; Patents, Trademarks, Copyright and Design; and much more.

In the Crafts and Heritage Sector, the [Crafts Council](#) offers extensive resources supporting business skills, including a library of practical resources, one-to-one advice, masterclasses and business development workshops. There are also a range of [Government Support schemes](#) for businesses including advice on accessing finance and grants.

1.5. Any further advice linked to registering a business

Registering a business in the UK is quite straightforward to do. However, 20% of start-ups fail in their first year and around 60% go bust within 3 years. So the process of researching and planning your business and ensuring that you have thought it through, tested your business idea, done your market research, made a sound financial plan and created the right legal structure are all essential to ensure that you continue to grow and succeed. The [Creative Project Canvas](#) is a tool specifically designed to help with the process of planning a creative business or project.

1.6. Any good practices at local level that can be extrapolated to other European countries?

The UK government provides an extensive range of accessible and easy to follow online advice and guidance which covers all aspects of registering and setting up a business, with links to agencies and further support. This support for enterprise at government level is part of a wider ecology of start-up and business growth hubs, which means that there are a lot of resources that help make it easy to start up a business in the UK.



1.7. References

1. [EU Points of Single Contact](#)
2. [Sole Trader](#): Government advice on setting up as a Sole Trader.
3. [Partnerships](#): Government advice on registering as a Partnership.
4. [Limited Companies](#): Detailed step by step advice on starting a Company in the UK.
5. [Social Enterprise](#): Government guidance on setting up different types of social enterprise.
6. [Business and self employed](#): Index to browse government advice on setting up and running a business.
7. [Set up a business](#): Government advice pages on setting up a business.
8. [Crafts Council](#): The Crafts Council is the national charity for Craft. Their mission is to inspire making, empower learning and nurture craft businesses. The website provides a range of business support guidance specifically for crafts businesses.
9. [Business Support](#): Government links to sources of advice and financial support for businesses in the UK.
10. [Creative Project Canvas](#): A business planning tool adapted from the [Business Model Canvas](#) to help with the generation and planning of a creative business or project.

SECTION 2

BECOMING AN EMPLOYER





How do you employ people in your company? What are the different types of contracts? What about social insurance?

2.1. European reference information

Since Brexit, UK employment law is able to diverge from European Union Employment policy. Therefore, for a UK business, the following information is only relevant if you are employing staff within an EU country. For employing staff in the UK, skip to Section 2.2.

Once the first start up registrations and procedures are completed, those should be followed by considering the different requirements that come with becoming an employer.

In the European Union, some answers for the questions above can be found in the [European Employment Strategy](#) (EES) produced in 1997. This is a strategy that the EU Member States undertook to establish a set of common objectives and targets for employment policy. It is now reflected in the [European Semester](#). A key output produced within this framework is the [Employment Guidelines](#) which target four key domains:

1. Boosting demand for labour, and in particular guidance on job creation, labour taxation and wage-setting.
2. Enhanced labour and skills supply, by addressing structural weaknesses in education and training systems, and by tackling youth and long-term unemployment.
3. Better functioning of the labour markets, with a specific focus on reducing labour market segmentation and improving active labour market measures and labour market mobility.
4. Fairness, combating poverty and promoting equal opportunities for all.

Those are the basic labour principles that are then implemented by all EU Member States in their national employment laws. [The European Labour Authority](#) (ELA) is the body ensuring that those principles are respected.

Other useful platforms that aspiring entrepreneurs should take into consideration are the Erasmus for [Young Entrepreneurs](#) (EYE) programme and [EURES](#).

- EYE is an exchange programme which gives new or aspiring entrepreneurs the opportunity to learn from experienced entrepreneurs running businesses in other European countries. New Entrepreneurs are supported through a grant from the European Union for a one to six months stay aboard. This experience helps them acquire the skills needed to run a small firm.
- EURES is a European cooperation network of employment services, designed to facilitate the free movement of workers.

Indeed, free movement of workers is a fundamental principle of the EU. It definitely enlarges the scope of a company to know that any EU citizen could be potentially hired. However, there are specific matters to take into account, such as those related to Employment Taxes and Social Security. To clarify Employment duties, employers should consider aspects such as workers' place of residence and work, whether they are cross borders workers or they are posted to a different country, for instance. In relation to Employment Taxes, workers will always be subject to the tax rules of their country of residence. They may also have to pay taxes in the other country, unless there is a [Double Tax Agreement](#) in place between the two countries which will spare them to pay taxes twice. Those types of agreements are common within EU Member States and with many other countries. Social security is also connected to the country of residence as well as the amount of time spent in the different countries of work and residence. Useful information can be found on the [EU Employment, Social Affairs & Inclusion](#) website. There are also EU networks that support the intra-EU mobility and Social Security Coordination, such as [MoveS](#). This network is funded by the European Commission and covers the 27 EU countries, as well as Iceland, Liechtenstein, Norway and Switzerland.

In addition to that, non-EU nationals may have the right to work in an EU country or to be treated equally with EU nationals as regards conditions of work. This depends on different factors such as applying for a Visa permit and joining a family member for instance, or it may be related to specific cooperation agreements. This is the case of the UK and the [EU-UK Trade and Cooperation Agreement](#) which is ensuring continued cooperation in areas of mutual interest between the European Union and the United Kingdom.

2.2. How to employ people in a business?

Now that you have some knowledge of how to deal with employment duties in an international context, you can start answering those crucial questions mentioned at the beginning of this chapter. The immediate first step will be understanding how to employ your staff. In the UK, the Government website provides some [guidance for first time employers](#).

You will need to decide how much you are going to pay your staff, taking into account the [National Minimum Wage](#). You will also have to make sure your staff have the [legal right to work in the UK](#) and whether you have to undertake a criminal record check, which is required in certain types of work. This can be done through the [Disclosure and Barring Service](#) (DBS). Another important point to take into account is the [employers' liability insurance](#) and the [employer registration to HMRC](#) (Her Majesty Revenue and Customs). Finally, you will also have to consider how to provide [written statements of employment to your staff](#) (i.e. employment contracts) and whether you need to enrol them into a [workplace pension scheme](#).

There are two other useful resources in the Government website to support employers and remind them of all the relevant duties and responsibilities:

1. [Get your business ready to employ staff](#)
2. [Employ someone](#)

Check those guides to get a comprehensive overview of the pathway for entrepreneurs to start building their teams.



2.3. Different types of contracts

An **employment contract** regulates the relationship between employers and employees by setting out the terms of contract which include:

- employment conditions;
- rights;
- responsibilities;
- duties.

Something interesting to note is that a contract does not have to be written down in the UK.

The legal part of a contract is included in its **contract terms** that can be part of a written document or verbally agreed. Those can also be drawn from **collective agreements** or may be implied terms.

In any case, an employer must give all employees a written statement explaining the main conditions of their employment, known as 'written statement of employment particulars'. This includes the main document 'principal statement' that must be issued by the 1st day of employment and a 'wider written statement' that must be issued within 2 months of the start of the employment. These statements must include specific information listed on the Government website, [here](#).

In the Creative and Cultural Industries, employers often consider other types of contracts. Touring artists or technicians may be hired under a freelance contract, for instance. If you hire a freelancer, employment conditions would be different. Freelancers would look after their own tax and national insurance, but you would still be responsible for their health and safety. See here for some further guidance on **contract types and employer responsibilities**.

2.4. Taxes linked to becoming an employer

As an employer, you will have to pay your employees through a payroll system and make [Pay As You Earn \(PAYE\)](#) deductions from their salaries. Check this useful guidance on [how to run payroll](#) on the UK government website. The PAYE system allows employers to deduct tax and National Insurance (NI) so that it can be reported and paid to HMRC, usually every month. Employers will also have to calculate their contribution to employees' NI. All payments must be recorded in a [payslip](#) issued to each employee. These can include a number of other benefits and expenses, as described in this UK Gov webpage [here](#), including the [Statutory Sick Pay](#).

2.5. Social insurance

As described above, one of the deduction from employees' salaries is the [National Insurance](#). Employers will calculate the amount each employee must pay and add their own NI contribution as well. These amounts are calculated based on [different classes and rates](#). Employees have their own [National Insurance Number \(NIN\)](#) to make sure their NI contributions and taxes are recorded against their name only. This is shown on their payslips, personal tax accounts and other official documents. Their NIN and NI contribution are also linked to the Statutory Sick Pay mentioned above, as well as other benefits.

2.6. Any further advice linked to becoming an employer

Further advice for employers can be found on the official UK government website. As described in the links above, the website provides several step by step guidance for employers that can be accessed by selecting a relevant topic in the [provided list](#).

2.7. Any good practices at local level that can be extrapolated to other European countries?

An interesting business model that has been developing in the UK is [employee ownership](#). This structure gives employees a financial stake in the business and the employment engagement is valued by constituting an employees' council or including employee directors in the board, for instance.

Another UK good practice was the furlough system, which supported businesses to avoid laying off their staff during the Covid pandemic. Employees took a mandatory temporary leave of absence, from which they are expected to return to work or to be restored from a reduced work. During the first years of the Covid-19 pandemic, this system has been implemented through the [Coronavirus Job Retention Scheme](#). The scheme ran between March 2020 and September 2021 and supported UK businesses to keep 11.7 million employees in their jobs, covering up to 80% of their wages.

2.8. References

1. [European Employment Strategy](#): set of common objectives and targets for employment policy. Its main aim is the creation of more and better jobs throughout the EU.
2. [European Semester](#): framework for integrated surveillance and coordination of economic and employment policies across the European Union. Forum for discussing EU countries' fiscal, economic and employment policy challenges under a common annual timeline.
3. [Employment Guidelines](#): guidelines proposed by the Commission and approved by the Council, presenting common priorities and targets for the national employment policies.
4. [European Labour Authority](#): body ensuring that EU rules on labour mobility and social security coordination are enforced in a fair and effective way and makes it easier for citizens and businesses to reap the benefits of the internal market.
5. [Erasmus for Young Entrepreneurs](#): exchange programme which gives new or aspiring entrepreneurs the opportunity to learn from experienced entrepreneurs running businesses in other European countries.
6. [EURES](#): European cooperation network of employment services, designed to facilitate the free movement of workers.
7. [EU Employment, Social Affairs & Inclusion](#): Directorate-General for Employment, social affairs and inclusion of the European Union
8. [Double Tax Agreements](#): treaties for the avoidance of double taxation.
9. [MoveS](#): network of independent experts in the field of intra-EU mobility.
10. [EU-UK Trade and Cooperation Agreement](#): the EU-UK Trade and Cooperation Agreement concluded between the EU and the UK setting out preferential arrangements in several trade and cooperation areas.
11. [Guidance for first time employers](#): 7 things you need to do when employing staff for the first time.
12. [National Minimum Wage](#): the National Minimum Wage is the minimum pay per hour almost all workers are entitled to.
13. [Legal right to work in the UK](#): online tool to check whether a specific document a document allows someone to work in the UK.
14. [Disclosure and Barring Service \(DBS\)](#): official checks of someone's criminal record as an employer.
15. [Employers' liability insurance](#): mandatory insurance for any employer which must cover you for at least £5 million and come from an authorised insurer.

16. [Employer registration to HMRC](#): official registration for employers to start employing staff.
17. [Employment contracts](#): official guidelines for employment contracts and conditions of employment.
18. [Workplace pension scheme](#): mandatory schemes for eligible staff which employers have to start as soon as their first member of staff starts working for them.
19. [Get your business ready to employ staff](#): step by step guidance available on the UK Government website.
20. [Employ someone](#): step by step guidance available on the UK Government website.
21. [Employment contracts](#): UK Government guidance on contracts of employment.
22. [Contract terms](#): legal part of a contract.
23. [Collective agreements](#): agreement that employers may have with employees' representatives (from trade unions or staff associations).
24. [Written statement of employment particulars](#): document stating the main conditions of employment, including the principal statement and the wider written statement.
25. [Contract types and employer responsibilities](#): UK Government guidance on different types of contract and related responsibilities.
26. [Pay As You Earn](#): system that allows employers to deduct employees' taxes from their salaries.
27. [How to run payroll](#): UK Government guidance on running a payroll.
28. [Payslip](#): document issued to an employee detailing the amount of pay given, taxes, insurance deducted or other benefit and expenses.
29. [Payroll benefits and expenses](#): list of additional items to be recorded in a payslip.
30. [Statutory Sick Pay](#): minimum weekly pay for employees during a period of sickness.
31. [National Insurance](#): tax on earnings paid into a fund from which some state benefits are paid.
32. [National Insurance classes](#): classes depending on employment status and determining how NI contribution is paid.
33. [National Insurance Number](#): citizens' personal numbers against which all their contribution and social benefits are registered.
34. [Tools and guidance for businesses](#): UK Government resources to support businesses.
35. [Employee ownership](#): business structure requiring an higher employee engagement.
36. [Coronavirus Job Retention Scheme](#): UK furlough scheme to support businesses during the Covid-19 pandemic.

SECTION 3

TAXATION





What are the different types of tax for businesses? What about VAT?

3.1. European reference information

The EU does not have a coordination role in collecting taxes or setting tax rates. The sum each citizen and/or enterprise pays is set by national governments, together with how the collected taxes are spent. However, the EU does oversee national tax rules in some areas, particularly in relation to EU business and consumer policies, to ensure:

- the free flow of goods, services and capital around the EU (in the single market)
- businesses in one country don't have an unfair advantage over competitors in another
- taxes don't discriminate against consumers, workers or enterprises from other EU countries

The single market allows goods and services to be traded freely across borders within the EU. To make this easier for businesses – and avoid competitive distortions between them – EU countries have agreed to align their rules for taxing goods and services. Certain areas benefit from specific agreements, such as value added tax (VAT) or taxes on energy products and electricity, tobacco and alcohol.

Company tax – also referred to as corporation tax – should be paid by various types of companies, clubs, co-operatives and unincorporated associations on profits from doing business. The rules are set by national authorities and can be different for each member state.

When setting up a business it is important that the business is registered for taxation in their national taxation agency. There are no taxes liable when you start the business. Once your business starts trading, you may be liable for the following taxes:

- Main taxes on revenue such as corporate income taxes, value added taxes (VAT), EU harmonised excise duties;
- Social security contributions;
- City taxes;
- Other important taxes yielding at least 0.1% of GDP;
- Customs duties and tariffs.

The EU has set up the databases:

- **Taxes in Europe:** that contain the main taxes in force in the EU Member States
- **TARIC:** here you may find all information about Customs duties and tariffs in the EU.

The most important taxes you need to keep in mind in running a business, as well as an individual, are income taxes and value added taxes (VAT). These exist in every country in Europe and apply to freelancing activities as well.

Valued Added Tax (VAT)

The EU's average standard VAT rate is 21 percent, six percentage-points higher than the minimum standard VAT rate required by EU regulation.

VAT is:

- a general tax that applies, in principle, to all commercial activities involving the production and distribution of goods and the provision of services. However, if the annual turnover of this person is less than a certain limit (the threshold), which differs according to the Member State, the person does not have to charge VAT on their sales.
- a consumption tax because it is borne ultimately by the final consumer. It is not a charge on businesses.
- charged as a percentage of price, which means that the actual tax burden is visible at each stage in the production and distribution chain.
- collected fractionally, via a system of partial payments whereby taxable persons (i.e., VAT-registered businesses) deduct from the VAT they have collected the amount of tax they have paid to other taxable persons on purchases for their business activities. This mechanism ensures that the tax is neutral regardless of how many transactions are involved.
- paid to the revenue authorities by the seller of the goods, who is the "taxable person", but it is actually paid by the buyer to the seller as part of the price. It is thus an indirect tax.

For more information and examples on VAT you may visit:
https://ec.europa.eu/taxation_customs/what-vat_en

The most relevant European agencies are:

- EU Customs - You may find more information on EU customs here:
https://european-union.europa.eu/priorities-and-actions/actions-topic/customs_en
- EU national tax Offices - All the webpages of the taxation offices based in EU are here: https://ec.europa.eu/taxation_customs/national-tax-websites_en

3.2. Taxes linked to setting up a business in the UK

If you work for yourself in the UK, you are classed as a sole trader, and you are required to submit an annual [self-assessment tax return](#) to the Inland Revenue. As a Company or Unincorporated Association, you must register for [Corporation Tax](#). As a business, you are liable for tax on your profits not on your income.

You can be both employed and self-employed at the same time, for example if you work for an employer during the day and run your own business in the evenings. It can be unclear whether the work you do is on a self-employed basis or as an employee. You're probably self-employed if you:

- run your business for yourself and take responsibility for its success or failure
- have several customers at the same time
- can decide how, where and when you do your work
- can hire other people at your own expense to help you or to do the work for you
- provide the main items of equipment to do your work
- are responsible for finishing any unsatisfactory work in your own time
- charge an agreed fixed price for your work
- sell goods or services to make a profit

The UK government provides a [Check Employment Status for Tax \(CEST\)](#) tool to find out if you, or a worker on a specific engagement, should be classed as employed or self-employed for tax purposes.

If you sell goods or services, you may be liable for tax as a self-employed trader. You're likely to be classed as a trader if you:

- sell regularly to make a profit
- make items to sell for profit
- sell items on a regular basis, eg: online, at car boot sales, at auction or through classified adverts
- earn commission from selling goods for other people
- are paid for a service you provide
- do casual jobs
- charge other people for using your equipment or tools
- rent out property or part of your home, including for holidays (for example, through an agency or online)

If you sell property, shares or other assets for a profit you may have to pay [Capital Gains Tax](#).

Check [here](#) if any additional income you receive is liable for tax.



3.3. Periodical taxes



*Good to have this clarity on tax and VAT.
Once it's spelled out it's not so frightening*
Creative Entrepreneur in London

In the UK, if your turnover is over £85,000, you must register for VAT. You can register voluntarily if it suits your business, for example if you sell to other VAT-registered businesses and want to reclaim the VAT. VAT is usually paid quarterly.

As a VAT-registered business you must:

- include VAT in the price of all goods and services at the correct rate
- keep records of how much VAT you pay for things you buy for your business
- account for VAT on any goods you import into the UK
- report the amount of VAT you charged your customers and the amount of VAT you paid to other businesses by sending a VAT return to HM Revenue and Customs (HMRC) - usually every 3 months
- pay any VAT you owe to HMRC

The VAT you pay is usually the difference between any VAT you've paid to other businesses, and the VAT you've charged your customers.

If you operate your business from a non-domestic property, then you will be liable to pay **business rates**. Business Rates are based upon the Rateable Value of the property determined by the Valuations Office Agency (VOA) and are payable annually to your local council. There are certain **exemptions**, including for small businesses and charities

3.4. Tax administration

As stated above, as a business, you are taxed on your profits not on your income. This means that you will need to set up a system to **keep a record of your business income and expenditure** in order to calculate your profit, and understand what expenses can be claimed as taxable business expenditure. There are also a range of bookkeeping and accounting software packages available. The more transactions your business has, the more likely you will need to invest in systems to manage your financial and tax liabilities.

If you are liable for VAT, you will certainly need support and advice and a robust accounting system. VAT is liable to be paid quarterly, and there are penalties if you miss a payment. VAT is complex to manage and there are **VAT schemes** to help you calculate and account for VAT to HMRC. If you employ staff (see Section 2 above), you will also have tax administration responsibilities.



3.5. Any further advice linked to taxes and tax administration

For a small-scale sole trader, it is possible to manage tax administration yourself. It is strongly recommended that you keep yourself informed of your tax liabilities, seek professional advice where necessary and get training in basic financial management. If you decide to engage an accountant or an agent to look after your tax affairs, you can [authorise them to deal with HMRC](#) on your behalf. For more complex tax issues, you may decide to consult with a tax adviser. You may also choose to employ somebody to administer or manage elements of your financial operations. But as the business owner, it is your responsibility to ensure that the financial information you supply to HMRC is correct and that you meet your legal and tax obligations. For that reason, even if you delegate financial operations and tax administration, it is important that you have a fully informed overview and understanding of your business finances, and of your tax liabilities and responsibilities.

The UK Government provides a [Self-Assessment Ready Reckoner](#) online tool to support Sole Trader budgeting their self-assessment bill. You can also find regular updates on the UK Government guidance on [Rates and allowances for Corporation Tax](#).

3.6. Any good practices at local level that can be extrapolated to other European countries?

The self-assessment system in the UK makes it very simple from a tax administration point of view to start trading. There are also a lot of situations where it is possible to work on a self-employed basis on specific contracts, which creates a flexible labour market in which it is easy to combine part-time or temporary employed work with freelance or business activity. However, the independence that working for yourself offers has to be balanced against the loss of security, rights and benefits that come with being employed. See here for some guidance on the pros and cons of [self-employment vs. employment](#).



3.7 References

1. [Taxes in Europe](#)
2. [TARIC](#)
3. [EU advice on VAT](#)
4. [EU Customs](#)
5. [EU National Tax Offices](#)
6. [Register for self-assessment](#): Government guidance on registering for tax self-assessment with the Inland Revenue (HMRC).
7. [Corporation Tax](#): Government guidance on registering for and paying Corporation Tax.
8. [Check Employment Status for Tax \(CEST\)](#): A tool to help check whether you should pay tax as employed or self-employed.
9. [Capital Gains Tax](#): Government guidance on capital gains tax on selling property, shares or assets.
10. [Tax on additional income](#): Government advice on whether additional income you receive may be liable for tax.
11. [VAT](#): Government advice on registering for and paying VAT.
12. [VAT schemes](#): Help with calculating and accounting for VAT.
13. [Business rates](#): Government introduction to Business Rates.
14. [Business Rate exemptions](#): Advice on exemptions for business rates, including for small businesses and charities.
15. [Business records for the self-employed](#): Government advice on record keeping for tax if you are self-employed and link to advice for companies.
16. [Appointing a tax agent](#): Government advice on appointing an agent to deal with your tax return.
17. [Self-Assessment Ready Reckoner](#): online tool to support Sole Trader budgeting their self-assessment bill.
18. [Rates and allowances for Corporation Tax](#): Government guidance on Corporation Tax rates.
19. [Self employment](#): The Prince's Trust offers support for 18-30 year olds to set up in business. This includes guidance on the benefits of [self employment](#) vs. [employment](#).

SECTION 4

HEALTH AND SAFETY





How do you deal with health and safety in your workplace?

4.1. European reference information

Since Brexit, the UK is now able to diverge from EU policies and procedures on Health and Safety. In most cases, in practice, there has not so far been significant change. However, in the future, this may change. If you intend to sell your products or services within the EU, you still need to understand the Health and Safety regulations that apply, and whether these are now different from the UK.

A major part of Europe's effort from its inception has been ensuring that workers' health and safety is protected. [The European Union's OSH Framework Directive \(89/391/EEC\)](#) was a big step forward for the field in 1989. For the first time, risk assessment was placed at the heart of occupational safety and health regulation. More than 4 million industrial accidents occurred in Europe each year in the early 1990s; 8,000 of them were fatal. The European Commission named 1992 the European Year of Safety and Health at Work in reaction to these alarming statistics and 2 years later in 1994 the [European Union information agency for occupational safety and health \(EU-OSHA\)](#) was created. Currently, the online platform may be accessed in any of the EU's official languages. In the last two decades, progress has been achieved, such as a 70% drop between 1994 and 2018 in EU fatal workplace accidents, but more has to be done. There were more than 3,300 fatal accidents and 3.1 million non-fatal incidents in 2018 in the EU-27, despite this improvement. Every year, more than 200,000 people die from work-related ailments.

Article 153 of the Treaty on the Functioning of the European Union has been used to approve a broad range of EU measures related to workplace health and safety. Directives issued by the European Union set out minimum standards and essential concepts, such as the principle of prevention and risk management, as well as the duties of employers and workers. To assist the application of European directives and European standards approved by European standardization organizations, several European recommendations have been developed.

For strengthening employees' health and safety, the [European Pillar of Social Rights Action Plan](#) includes the **EU Strategic Framework on Health and Safety at Work 2021-2027**. [EU Commission Work Program 2021](#) includes an update to the EU strategic framework on health and safety at work in light of the COVID-19 pandemic. Employees have a fundamental right to health and safety protection at work, as stated in principle 10 of the [European Social Pillars](#). Preventing occupational illnesses, adapting to demographic shifts, and enforcing existing regulations were among the primary objectives of the previous EU Strategic Framework for Health and Safety at Work (2014-2020).

The European Agency for Safety and Health at Work (EU-OSHA) standards and online tools for businesses, like COVID-19, are among the most notable successes. From a wide spectrum of stakeholders, the new framework is based. Additionally, the European Commission, the European Parliament, the Council of Europe, the Council of Europe's social partners and independent experts met and exchanged ideas with EU-OSHA, as well as the Senior Labour Inspectors Committee (SLIC) and Advisory Committee on Safety and Health at Work (ACSH) provided input (SLIC).

Prevention measures, readiness, and change management are all addressed in a three-pronged way in the framework of [The European Commission, DG Employment and Social Affairs](#), which provides more information on workplace safety and health. The purpose of [Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work](#) is to promote and enhance the health and safety of workers, by adopting numerous initiatives. There are requirements for both companies and workers to minimize workplace accidents and illnesses and each governmental and private sector action is covered by the directive (industrial, agricultural, commercial, administrative, service, educational, cultural, leisure and others). To accomplish this, it provides general principles for the prevention of occupational hazards, the protection of workers' health and safety, the elimination of risk and accident factors and the informing, consultation, and balanced participation by national laws or practices, and training of workers and their representatives.

Employers must do constantly the following to ensure the health and safety of their employees:

- evaluate and prevent hazards,
- formulate an overall safety strategy and
- provide proper training to their employees;
- designate someone to be in charge of preventing workplace hazards;
- ensure that the essential safety measures are in place to safeguard employees from any dangers;
- ensure first aid, fire-fighting, and evacuation preventive steps plan

As part of this process, the company must identify and avoid risks, develop a comprehensive safety policy, and provide appropriate training for employees. This includes appointing a person to be in charge of preventing risks at work; taking the necessary measures to provide first aid, fight fires, and evacuate workers; and ensuring that the necessary protective measures are in place.

Many of the following are also important:

each employee must do his or her best to ensure the safety of their co-workers;

special protection must be provided for employees who are particularly sensitive to possible risks or hazards in the workplace;

some public services, such as the police, armed forces or civil protection elements are exempt from this regulation.

Employers should be consulted and/or represented in workplace health and safety discussions, and also, according to the law, employers have a duty to protect the health and safety of their employees.





4.2. Health and safety permits

In the UK, government issued permits are not a common means by which the government ensures businesses are compliant with health and safety regulations.

Generally, permits for health and safety are used in the context of 'permit to work systems', which are internal company systems and procedures for authorising hazardous work to be done at specific times by specific employees, that must account for the requirements that are prescribed by specific laws pertaining to the type of hazard or industry. An example of when this is required is when the [Control of Substances Hazardous to Health \(COSHH\)](#) law applies to the work which you do.

In order to be compliant with health and safety laws, permit to work systems should be used in conjunction with a risk assessments to ensure hazards are being accounted for, risk is kept to a minimal level and that the process follows guidelines set out by the [Health and Safety Executive \(HSE\)](#) – the government body tasked with ensuring workplace health and safety.

4.3. Health and safety requirements

Implementation of the [ISO 45001 Health and safety management standard](#), is not required in the UK, although can be considered as an option for use as a framework for health and safety risk management.

The [HSE advises](#) that in a lot of cases the ISO 45001 isn't worth implementing, and goes beyond what the law actually requires and you will need to acquire a formal certification. The same applies for other formal management systems such as [HSG 65](#).

If your business is small or low risk, the HSE advises that a formal management system may not be necessary to demonstrate effective risk management, and may in fact actually be inappropriate. Instead, it is advised by the HSE that businesses in this category follow much simpler and less bureaucratic health and safety guidelines, such as those outlined in the [guide on their website](#).

Some of the key points from this guide are:

- You should [appoint a competent person](#) to oversee health and safety for your business. This person should have the skills, knowledge and experience to be able to effectively identify and assess risks and hazards, as well as develop plans and policies to minimise and mitigate them. This can be you, one of your employees or (if nobody at the company has the competence to fill this role) an external consultant.
- You should prepare a comprehensive Health and Safety policy that is available to your employees and covers all the necessary areas (as listed in the [guidance on the HSE's website](#) – which also includes [an example and template](#)). This policy should be split into **3 parts**:
 - Statement of intent
 - Responsibilities for health and safety
 - Arrangements for health and safety
- You must have [appropriate facilities available](#) to your employees at your workplace, which include:
 - A healthy environment
 - Welfare facilities (bathrooms, drinking water, etc.)
 - A safe workplace
- You will most likely need [employers' liability insurance](#) if you have employees.

4.4. Any good practices at local level that can be extrapolated to other European countries?

The UK has an excellent, longstanding track record in terms of health and safety in workplaces, going back well over a century. The [European Agency for Safety and Health at work highlights](#) that one reason it has one of the “best combined health and safety records in the world” is due to one of its core principles: “those who create risks are best placed to control them.”, which is well reflected in, for example, the permit to work systems detailed in the earlier section of this guide, which delegate significant amounts of responsibility in terms of decision-making and situational analysis directly on employers.

Another example of a good practice is the way in which the HSE provides guidance to employers. It is very clear from the way in which the guidance on their website is presented that ensuring the that it is understandable and accessible to employers who may not be particularly well versed in health and safety legislation and terminology, such as those who are new to running a business or run very small businesses. There is a clear effort to lay out simple, but effective guidelines which even the smallest businesses are able to understand and implement, with a deliberate focus on avoiding unnecessary bureaucracy that would be detrimental to the overall effectiveness of the guidance.

[A report published by the UK government](#) comparing the UK’s workplace health and safety statistics to those of other European countries confirms that the UK is well above average in its practice.

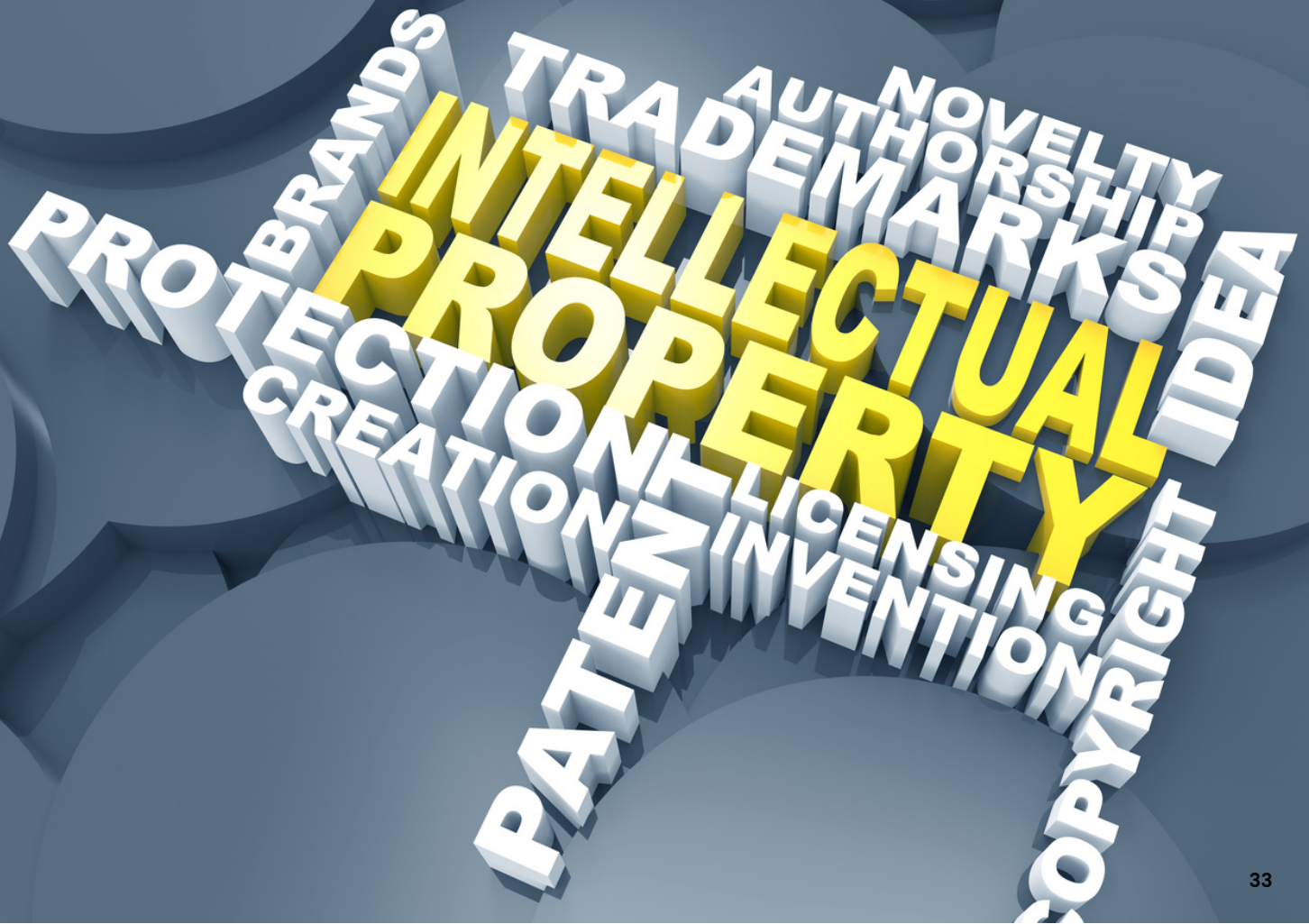


4.5. References

1. [The European Union's OSH Framework Directive](#) (89/391/EEC)
2. [European Union information agency for occupational safety and health](#) (EU-OSHA)
3. [Article 153 of the Treaty on the Functioning of the European Union](#)
4. [European Pillar of Social Rights Action Plan](#)
5. [EU Commission Work Program 2021](#)
6. [European Social Pillars](#)
7. [The European Commission, DG Employment and Social Affairs](#)
8. [Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work](#)
9. [Permit to Work Systems](#): Government information on when permit to work systems are required and how they should function.
10. [COSHH Permits to Work](#): Government information about Control of Substances Hazardous to Health (COSHH) in relation to Permit to Work systems
11. [ISO 45001](#): Information on the ISO 45001 Health and Safety Management Standard on ISO's website.
12. [HSE Information on ISO 45001](#): UK Government information about the ISO 45001 Health and Safety Management standard
13. [Health and Safety Made Simple](#): Comprehensive government guidance on how to be compliant with UK health and safety laws
14. [Employers' Liability Insurance](#): Information on employers' liability insurance on the Government website
15. [Health and Safety Statistics EU and UK](#): a report comparing health and safety statistics in the UK with those in other European countries
16. [UK Health and Safety track record](#): a summary of the UK's health and safety track record by the European Agency for Safety and Health at work, highlighting good practice and principles

SECTION 5

INTELLECTUAL PROPERTY RIGHTS





How can you protect your Intellectual Property?

5.1. European reference information

What is Intellectual Property?

Intellectual property (IP) is something that you create using your mind - for example, a story, an invention, an artistic work or a symbol. Intellectual property rights allow you to make money from the intellectual property you own.

IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.

Intellectual property rights play an important role in promoting innovation and protecting investment, in particular in the digital and green economy. That is why the European Commission works to harmonise and enhance laws relating to intellectual property rights in the EU, and to ensure that a level playing field is available at global level.

A reliable IP framework is the best way to harness creativity and enable innovative enterprises to grow. Without the protection of ideas, businesses and individuals would not reap the full benefits of their inventions or creations and would focus less on research and development.

IP is also a key lever to support EU resilience and economic recovery in times of crisis. But at the same time, access to IP should be facilitated under fair conditions. The Commission has designed a legal framework and intellectual property system that offers incentives for EU companies to invest in the provision of goods and services with high standards of quality, innovation, design and creativity.

An intellectual property action plan for the EU

To assume leadership in key industrial areas and improve resilience in times of COVID-19 while making the transitions to a greener and more digital economy, the EU needs to effectively protect and manage intellectual property. In November 2020, the Commission adopted the [Communication 'Making the most of the EU's innovative potential – An intellectual property action plan to support the EU's recovery and resilience'](#).

The EIPA European Intellectual Property Agency (EIPA) – was founded to promote intellectual property matters and easier the process of certain intellectual property for applicants, the patent and trademark registration. The foundation of the organisation goes back to the beginning of the period when the patents and trade mark information became available online. The EIPA, upon fee, enables users detailed access to the registered patents and trade marks.

The European Union Intellectual Property Office (EUIPO) administers the EU Trade Mark and Design rights, applicable throughout the EU. These rights complement national intellectual property (IP) rights and are linked to international IP systems.

The European Union Intellectual Property Network (EUIPN) brings together the national and regional IP offices of the EU, the EUIPO, international partners, and customers of the Office to build a stronger IP network in the EU.

Cooperation with the national and regional intellectual property offices of the EU, with the involvement of users, is now a core task of the Office, which reflects the two-tier nature of the European trade mark and design systems characterised by the coexistence of EU and national/regional titles and their complementary relationship.



5.2. Who can claim intellectual property?



This guide helps me think about the value of the shirts I make
Fashion Designer in London

You own intellectual property if you:

- created it (and it meets the requirements for **copyright**, a **patent** or a **design**)
- bought intellectual property rights from the creator or a previous owner
- have a brand that could be a **trade mark**, for example, a well-known product name

Intellectual property can:

- have more than one owner
- belong to people or businesses
- be sold or transferred

You need to be aware of and manage your Intellectual Property because it can be a source of income from **royalties** payments and licence fees. A royalty is a recurring (rather than one-off) payment in exchange for permission to use your IP. That permission can also be called a “licence” and so royalties are also sometimes known as licence fees.

In some creative fields such as music and film, income from Royalties and Licence Fees can be fundamental to your success and viability.

Visual artists should also be aware of the **Artists Resale Right** or Droit de Suite which entitles authors of original works of art to a royalty each time one of their works is resold through an art market professional. And writers may benefit from **Public Lending Right**, which allows authors to be fairly paid for each loan when their work is lent through public libraries.

Being aware about IP will also help you prevent others stealing and exploiting your IP without permission.

If you're self-employed, you usually own the intellectual property even if your work was commissioned by someone else - unless your contract with them gives them the rights.

You usually will not own the intellectual property for something you created as part of your work while you were employed by someone else.

5.3. How to register your intellectual property?

Copyright is the basic form of intellectual property for creative works. You get copyright protection automatically - you don't have to apply or pay a fee. There isn't a register of copyright works in the UK. You automatically get copyright protection when you create:

- original literary, dramatic, musical and artistic work, including illustration and photography
- original non-literary written work, such as software, web content and databases
- sound and music recordings
- film and television recordings
- broadcasts
- the layout of published editions of written, dramatic and musical works

You can mark your work with the copyright symbol (©), your name and the year of creation. Whether you mark the work or not doesn't affect the level of protection you have.

In addition, [Moral Rights](#) protect your reputation as an artist and the integrity of your artwork. Moral rights apply to artworks that qualify for copyright protection. Whereas copyright allows you to control how your work is reproduced and distributed, moral rights protect your name and reputation - so it is important to be aware of them. They belong to you, the artist, and remain with you even if you no longer own the copyright to an artwork. Unlike copyright, moral rights cannot be transferred or 'assigned' to someone else during your lifetime, but they can be exercised after death by your beneficiaries and personal representatives. In UK law there are 4 moral rights:

- The right to be identified as the creator of your work - known as 'the Attribution Right'. This right must be asserted in order to benefit from it.
- The right to object to derogatory treatment of your work negatively affecting your reputation - known as 'the Right of Integrity'
- The right to not be identified as the creator of a work created by someone else - known as 'the Right to object to False Attribution'
- The right to not have photographs or films that were commissioned for private and domestic purposes exhibited, broadcast or issued to the public - known as 'the Right of Privacy in certain photographs and films'



There are various ways to protect your IP, including:

Trade Marks. Registering a [trade mark](#) can protect your brand, for example the name of your product or service. When you register your trade mark, you'll be able to take legal action against anyone who uses your brand without your permission, including counterfeiters. Putting the ® symbol next to your brand shows that it's yours and warns others against using it. A trade mark also helps sell and license your brand. To register a trade mark you pay a fee and apply to the Intellectual Property Office.

Designs. A [design registration](#) helps protect the appearance of a product, such as its shape or pattern. Registering your design makes it easier to prove that the design is legally yours and when you created it. This will help if anyone tries to copy or use your design without your permission.

Patents. A [patent](#) registers inventions and lets you take legal action against anyone who makes, uses, sells or imports your invention without your permission. The process is expensive and time-consuming. To have the best chance of getting a patent granted you will usually need to pay a patent attorney for help and advice.

5.4. Mechanisms for protecting intellectual property

Protecting your intellectual property makes it easier to take legal action against anyone who steals or copies it. It's your responsibility to defend your IP and to take action if someone's used it without permission (known as 'infringement').

Examples of IP infringement include when someone:

- uses, sells or imports your patented product or process
- uses all or some of your work under copyright without your permission
- makes, offers or sells your registered design for commercial gain
- uses a trade mark that's identical or similar to one you've registered

You can take the following steps:

- Get the other party to stop using your IP or come to an agreement with them, for example license your IP.
- Use mediation or another type of dispute resolution.
- Take legal action if you can't resolve the dispute by other means.

If you are in a commercially competitive field, it is also important that you protect the confidentiality of your prototype design, brand or invention until it is fully protected, to prevent somebody copying it and bringing it to market before you do. Protecting your IP is particularly important whenever you consider the pros and cons of posting your creative work in a digital environment, where it can be infinitely copied and downloaded all over the world for free.

You may want to get help from an IP professional, such as a solicitor. A first point of contact for advice and guidance is the **Intellectual Property Office (IPO)**, which also offers a mediation service.

Creators' Rights Alliance is an umbrella organisation that campaigns for creative professionals IP rights.

In different creative industry sub-sectors there are organisations that you can join to help exploit your IP effectively and protect your rights. These include:

- **Design Artists Copyright Society (DACS)**
- **Performing Rights Society (PRS) and Mechanical Copyright Protection Society (MCPS)**
- **Public Performance Licencing (PPL)**
- **Musicians Union or PR for Music**
- **BECTU**
- **Society of Authors**



5.5. How long will my intellectual property last?

In the UK, copyright lasts for your lifetime plus 70 years.

Moral rights last for the duration of copyright, except for the Right to Object to False Attribution, which lasts for your lifetime plus 20 years.

A trade mark lasts 10 years. You must renew your trade mark every 10 years for it to stay in force.

A design registration lasts 5 years. You must renew your design registration every 5 years to keep it protected - up to a maximum of 25 years.

A patent lasts 5 years. If you want it to stay in force after that, you must renew it every year, up to a maximum of 20 years.

5.6. How can I get authorisation for using someone's IP? What can happen if I use IP without permission?

Income received by writers, publishers and visual artists in return for the copying of their work is an important income for creators and non-compliance denies them this remuneration. However, the digital age has transformed the accessibility of creative content. It is now commonplace to download images, music, videos and all sorts of material without thinking about who owns the IP. If you are using the material commercially in any way, or re-distributing it publicly, then you need to make sure you have [permission from the copyright owner](#). Usually this will involve purchasing a licence for Exclusive Use or Limited Use. Licences ensure that writers, visual artists and publishers receive a fair reward when their work is used so they can continue to invest their time and money in creating new content. Legal use of copyright material doesn't always involve a cost. Copyright owners may be prepared to waive the copyright fee if for example you are not profiting from the use of the material. Digital content may be available free for use through a [Creative Commons Licence](#). This is the most well known example of so-called [copyleft](#) licences which have been developed to cover legally modifying, copying, sharing, and redistributing IP in digital forms.

In UK law there are also six uses of copyright material where permission is not required, known as "[fair dealing](#)":

- for private study and exploration
- for the purpose of examination or instruction
- for quotation, critique or review
- for the reporting of current news events
- for the purpose of parody, caricature or pastiche
- and for text and data mining.

It's vital that you understand how to use copyrighted material fairly. The consequences of a copyright infringement can be costly. If you or your organisation infringes copyright it runs the risk of investigation by Copywatch, the compliance arm of the Copyright Licencing Agency (CLA), as well as legal action by the copyright owner(s). Infringements of copyright in social media posts may be automatically filtered. In most cases, infringement usually results in an out of court settlement or the purchase of a licence. At worst you may find yourself in court, liable to pay damages, which could be substantial.

5.7. Any other information and / or good practice in your country that can be extrapolated to other European countries?

Copyright law is a fast-changing area, affected by dynamic changes in digital and communications technology. There are many differences in detail between the laws in different European countries, and it remains to be seen whether and how far the UK diverges from the EU as a result of Brexit. The UK public lending right is a distinctive aspect of UK copyright law. It has also been argued that the “Fair Dealing” exceptions to copyright in the UK provide users with better protection against aggressive or abusive copyright holders. The UK is one of only a small number of countries in Europe that extends [Freedom of Panorama](#) to the interior of public buildings. Freedom of Panorama allows copyrighted works of art and architecture in public spaces to be photographed without the need for a copyright licence.



5.8. References

1. [IP advice on the European Commission website](#)
2. [EIPA: European Intellectual Property Agency](#)
3. [EUIPO](#): European Union Intellectual Property Office
4. [EUIPN](#): European Trade Mark and Design Network
5. [Intellectual Property – overview](#): Government information giving the basics of Intellectual Property.
6. [Copyright](#): UK Government guide to the basics of Copyright.
7. [Patents](#): UK government advice on how to patent an invention.
8. [Designs](#): UK government advice on registering a design.
9. [Trade marks](#): UK government advice on registering a trade mark.
10. [Royalties](#): Advice and guidance from the Musicians Union on earning royalties income from recordings.
11. [Artist Resale Right](#): Government information on the Artists Resale Right, which is administered by DACS.
12. [Public Lending Right](#): right that allows authors to be fairly paid for each loan when their work is lent through public libraries. Since 2017 this has been extended to e-books and e-audio books.
13. [Moral Rights](#): Design Artists Copyright Society factsheet on Moral Rights.
14. [Protecting your intellectual property](#): UK Government advice on defending your Intellectual Property.
15. [Intellectual Property Office \(IPO\)](#): The Intellectual Property Office (IPO) is the official UK government body responsible for intellectual property (IP) rights including patents, designs, trade marks and copyright.
16. [Creators' Rights Alliance](#): collective that promote, protect and further the interests of creators through policy, advocacy and campaigning work on behalf of 17 organisations and trade unions representing just under 350,000 creators on issues affecting creative professionals rights, working conditions and IP.
17. [Design Artists Copyright Society \(DACS\)](#): Established by artists for artists, DACS is a not-for-profit visual artists' rights management organisation. DACS collects and distributes royalties to visual artists and their estates through Payback, Artist's Resale Right, Copyright Licensing and Artimage.

18. [Performing Rights Society \(PRS\) and Mechanical Copyright Protection Society \(MCPS\)](#): PRS and MCPS provide rights management and pay royalties on works broadcast on TV or radio, performed or played in public, whether live, through a recording, streamed or downloaded. They also pay royalties on music that is recorded, streamed or downloaded, or used in TV, film or radio.
19. [Public Performance Licencing \(PPL\)](#): PPL is the UK's music licensing company for over 120,000 performers and recording rightsholders.
20. [Musicians Union](#): Trade Union representing over 30,000 musicians working to protect their members' rights and campaign for a fairer music industry.
21. [PR for Music](#): UK collective management organization supporting artists to collect royalties for their music.
22. [BECTU](#): Union for creative ambition, representing over 40,000 staff, contract and freelance workers in the media and entertainment industries.
23. [Society of Authors](#): UK's largest trade union for all types of writers, illustrators and literary translators, at every stage of their careers.
24. [Using copyrighted material](#): Government advice on how to seek permission to use copyrighted material.
25. [Finding copyright owners \(WATCH\)](#): The University of Reading in association with the Harry Ransom Centre, University of Texas, hosts the WATCH database of copyright contacts for writers, artists, and prominent figures in other creative fields.
26. [Creative Commons Licence](#): The Creative Commons copyright licenses and tools forge a balance inside the traditional "all rights reserved" setting that copyright law creates. They give everyone from individual creators to large companies and institutions a simple, standardized way to grant copyright permissions to their creative work and comprise a pool of content that can be copied, distributed, edited, remixed, and built upon, all within the boundaries of copyright law.
27. [Copyleft licences have been developed to legally allow modifying, copying, sharing, and redistributing IP in the digital field](#)
28. [Exceptions to copyright](#): UK Government information on exceptions to copyright also known as "fair dealing".
29. [How to avoid copyright infringement](#): Advice from the British Library on how to avoid copyright infringement.
30. [Freedom of Panorama allows copyrighted works of art and architecture in public spaces to be photographed without the need for a copyright licence.](#)

SECTION 6

GDPR





What is required when managing personal data?

6.1. European reference information

Put into effect in May 2018, the [General Data Protection Regulation \(GDPR\)](#) is the toughest privacy and security law in the world. Though it was drafted and passed by the European Union, it imposes obligations onto organizations anywhere, so long as they target or collect data related to people in the EU. The GDPR will levy harsh fines against those who violate its privacy and security standards, with penalties reaching into the tens of millions of euros. With the GDPR, Europe is signalling its firm stance on data privacy and security at a time when more people are entrusting their personal data with cloud services and breaches being a daily occurrence. The regulation itself is large, far-reaching, and fairly light on specifics.

If you process data, you have to do so according to seven protection and accountability principles outlined in the GDPR Article 5.1-2:

- **Lawfulness, fairness and transparency** – Processing must be lawful, fair, and transparent to the data subject.
- **Purpose limitation** – You must process data for the legitimate purposes specified explicitly to the data subject when you collected it.
- **Data minimization** – You should collect and process only as much data as absolutely necessary for the purposes specified.
- **Accuracy** – You must keep personal data accurate and up to date.
- **Storage limitation** – You may only store personally identifying data for as long as necessary for the specified purpose.
- **Integrity and confidentiality** – Processing must be done in such a way as to ensure appropriate security, integrity, and confidentiality (e.g. by using encryption).
- **Accountability** – The data controller is responsible for being able to demonstrate GDPR compliance with all of these principles.

In the following sections, it'll cover the perspective and understanding of GDPR in your country as well as further information about how to apply GDPR in your business.

6.2. GDPR in your country

The UK has a relatively long history of national data protection regulations and government institutions, stretching all the way back to the year 1984 when the first Data Protection Registrar was appointed to oversee the implementation of [the Data Protection Act passed by government in the same year](#). Over the years, several other pieces of both national and EU-level legislation and regulations replaced and built upon the original UK Data Protection Act, until ultimately, in May 2018, the EU GDPR regulation was implemented as it was elsewhere in the EU.

Simultaneously, the [Data Protection Act 2018](#) was passed, integrating the key aspects of the EU regulation into UK law. As a result of this, despite the fact that Brexit has meant that EU GDPR no longer applies in the UK, it has been replaced by UK GDPR, which although not identical to its EU counterpart, [makes very little difference \(if any\) in practice](#). In fact, as of 2021, the EU has officially recognised the UK as having [data protection 'adequacy'](#), meaning that it is "essentially equivalent" in terms of regulations, and that data is allowed to flow freely between the UK and the EU.

In the 34 years since the original Data Protection Act of 1984, the office of the Data Protection Registrar had slowly evolved into what is now known as the Information Commissioner's Office (ICO), which was tasked with overseeing the implementation of the EU GDPR regulations and now continues to do so for UK GDPR.

In the UK, ICO is responsible for:

- Issuing guidance and information [to organisations](#) in the UK on what their responsibilities and obligations are when handling and processing data.
- Issuing guidance [to individuals](#) on what their right data protection rights are.
- Receiving and actioning [complaints](#)
- Receiving and actioning [reports of data breaches](#)
- Keeping a [register of organisations and sole traders](#) collecting and processing data (and charging a fee for this)
- [Conducting research, audits and enforcement](#) generally to ensure organisations meet their information obligations in the UK

6.3. Basic information about how to apply GDPR in your business

The first step for businesses in the UK in terms of applying GDPR is to understand the concept of [what is and isn't personal data](#), and identify exactly what types of personal data they are processing. Generally, the terms “personal data is information that relates to an identified or identifiable individual.”

The next step is to determine whether they are data controllers or processors. The key difference between the two is that the data controller is responsible for the decision of which data is collected, how it is processed and for what purpose, whereas the data processor simply processes the data on behalf of the controller. There are [checklists on the ICO's website](#) to help businesses determine this. If a business is acting as a data controller, then there are a variety of additional data protection obligations that don't apply to organisations that are only acting as a data processor, one of which is paying the fee to register with the ICO. ICO has a [self-assessment tool on their website](#) to help organisations and individuals who are processing data determine whether they need to pay the fee and register.

When developing their data processing strategy, businesses in the UK must follow the seven key [principles established by UK GDPR](#), these are:

- Lawfulness, fairness and transparency
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity and confidentiality (security)
- Accountability

Businesses processing data are also under an obligation to identify and disclose [their lawful basis for processing data](#). The most common of these is [consent](#), which if being used as the lawful basis, must be obtained explicitly by giving the individual a real choice and the option to say no. The other forms of lawful basis for processing data are more heavily reliant on what data is being processed and for what purpose, but are useful for when consent is difficult to obtain.

Businesses must also respect the [individual rights](#) of those who's data they are processing. One of the most key rights which will apply in almost every circumstance is the [right to be informed](#). This is where all of the details such as which data is being processed and why, who has access to it, the lawful basis for processing, etc. need to be disclosed to the individual. This is usually done through a privacy or GDPR policy that is made available to the individual.

There are a number of obligations that all businesses processing data must comply with in terms of [accountability and governance](#). These include things such as maintaining proper documentation of data processing activities, reporting data breaches and appointing a data protection officer (whose contact information should be provided in the aforementioned privacy policy).

6.4. References

1. [What is GDPR?](#)
2. [EU GDPR regulations.](#)
3. [Guide](#) to the UK GDPR: Detailed government guidance for organisations on how GDPR in the UK works.
4. [Data protection for organisations](#): Government information for organisations on data protection in the UK.
5. [Data protection rights](#): Government information about data protection rights in the UK
6. [The ICO](#): Information about the Information Commissioner's Office.
7. [UK GDPR and the EU summary](#): A summary of government information on how UK GDPR links with EU Regulations.
8. [Data protection compliance checklists](#): A variety of government tools for business to use as data compliance checklists.
9. [Data Protection Self-Assessment](#): an assessment tool created by the ICO to help businesses identify their data protection obligations.

SECTION 7

CREATIVE AND CULTURAL COMPANIES BENCHMARKED AT NATIONAL LEVEL



7.1. Creative and Cultural Business I: Collage Arts

Short business description

Collage Arts is a leading arts development, training and creative regeneration charity based in the heart of Haringey's Cultural Quarter. For over 37 years, the organisation has created opportunities for greater access and participation in the arts and creative industries for the whole community through a range of skills and enterprise programmes, support services, arts development and heritage projects, facilities and resources.

Why is it a benchmark?

Collage Arts has managed to be a sustainable business for over 37 years. They regenerated several industrial heritage buildings and now provide 80,000 sq ft of studio space across five buildings. Artists, craft makers, musicians, videographers and garment-makers are just some of the creatives who call Collage Arts home. Over their lifetime, they have evolved into a cross-sectoral art charity adapting to the changes in the creative and cultural industries.

How did it start?

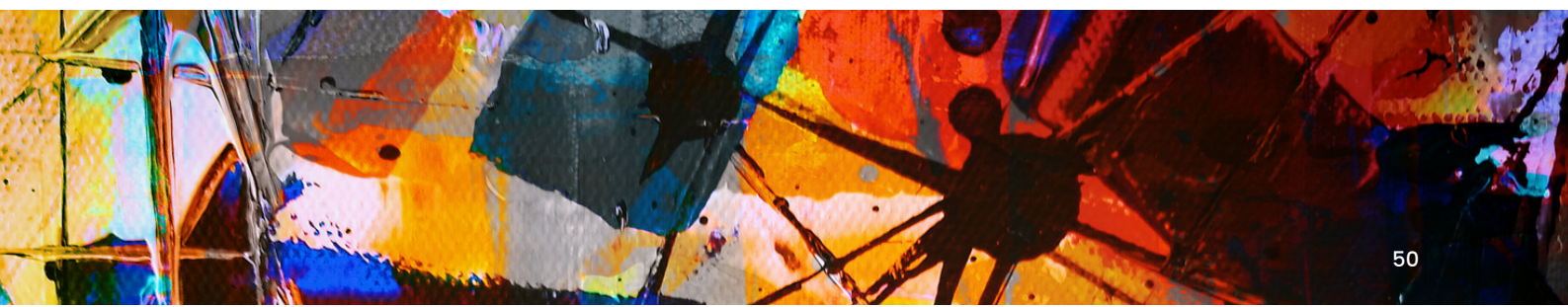
After the regeneration of the first artspace, the Chocolate Factory in Wood Green, Collage Arts has worked on providing greater access and support to under-represented sections of the local community. Thanks to the involvement of this community in their arts development programmes, they have been able to follow an organic growth towards the sustainable creative business they are now.

Any other relevant information

Each November at the N22 Open Studios is a celebration of the role of the creative people in Wood Green's Cultural Quarter. This is home to over 140 creative people and some of the most important recording studios in the UK who open their studios to visitors of all kind during this yearly festival. This is the best opportunity to know more about Collage Arts, their artspace and community.

References.

1. <https://collage-arts.org/>
2. <https://www.n22openstudio.com/>



7.2. Creative and Cultural Business II: Rosetta Arts

Short business description

Rosetta Arts is an arts hub in East London, delivering engaging courses, creative workshops and innovative participatory art experiences for local communities. At the heart of their programming there is something for all ages and stages of a person's creative learning and development, reaching out to those who otherwise have little access to the transformative benefits of the arts. They work across gender, disability, age and income, they respond to poverty and inequality by acting as a catalyst for creative talent.

Why is it a benchmark?

Rosetta Arts is currently based in a former Victorian school building in West Ham which has been regenerated and changed into a community arts education space. They have also managed to successfully sustain this art charity for 30 years and over the current pandemic, delivering innovative programmes that mobilise artists and educators for the support and development of the local community. Their work is recognised nationally in their status as an Arts Council England National Portfolio Organisation.

How did it start?

Founded in 1993 by radical educator and artist, Yvonne Humble, Rosetta Arts has grown and developed responding to the needs and desires expressed by local communities. They are now looking into the regeneration of a new industrial heritage site to expand their artistic programmes in London.

Any other relevant information

Rosetta Arts publish their yearly annual report that can be accessed through their websites.

References

1. <https://rosettaarts.org/>
2. <https://www.rosettaarts.org/wp-content/uploads/2022/04/Rosetta-CIO-Annual-Report-31MAR21-FINAL.pdf>

7.3. Creative and Cultural Business III: Hatcham House

Short business description

Hatch Hubs at Hatcham House are run by the Facework Group, a CIC that supports people to face the changing world of work. They provide accessible and flexible workspaces for local communities in New Cross, London. They run programmes to support residents and businesses in their local area, and strive for excellence in everything they do from the hospitality and interior in their workspaces to the service they deliver in their events.

Why is it a benchmark?

Hatch Hubs is a great example of a historic heritage building that has been regenerated for the support of the local area. This former liberal club now offers workspaces for its members as well as art exhibitions spaces. It also fosters the community through development workshops and events. Hatcham House is also working with the Really Local Group to convert a further venue at Peckham Levels, that has so much to offer the local community.

How did it start?

The original Hatcham Liberal Club was a working man's club which at its height had over 1,000 local members. Gradually with work-patterns changing and the challenge of looking after a Grade II listed building, membership fell and the original hall at the back of the building was sold off in 2007. In 2016 the building was lovingly restored by a private developer and as part of this transformation a smaller hall was created for the members. The Facework Group team were thinking about ways to support more people in facing work, here in the UK and thought having a physical space would be a great launchpad for training activities and events. In January 2020, Hatcham House was launched. In the last two years they have successfully continued operating a workspace and events venue during the pandemic but responding to the way in which people's work patterns have been shaken up, Hatch Hubs has grown in popularity at a rapid rate.

Any other relevant information

Hatcham Hub spaces are also available to hire for corporate, community and private events.

References

1. <https://www.hatchamhouse.com/>
2. <https://www.face.work/>

SECTION 8

CONCLUSION





This “**step by step guide for cultural business life cycle**” was the fourth and last output from the iCREATE project, providing creative people that would like to set up their own business with a guide that will help them to start up and operate their business in the cultural sector, with a focus on cultural heritage.

The other outputs produced in the iCREATE project include:

1. A research analysis of young people’s level of entrepreneurship competencies in the creative and cultural sector.
2. A Tailored Training Framework & Training Needs Analysis tool. Flexible learning pathway that delivers individualised training to young learners.
3. A Massive Online Open Curriculum for improvement of skills and knowledge of young people for business start-up in the creative and cultural sector. A set of training modules including three main parts: Sense of initiative and entrepreneurship, Start and Sustain the business, Online tools and methodological guides.

In the guide, you found several links to further advice from official sources such as the UK Government. Make sure you are always looking at current advice. It is often stated when information was last updated.

If you want to know more about the project and get access to the other outputs, check our website at: <https://icreate.projectlibrary.eu/>

iCreate

Boosting Cultural and Creative Entrepreneurial Mindset of Youth



Co-funded by the
Erasmus+ Programme
of the European Union

The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein. Project Agreement No: 2020-1-SE02-KA227-YOU-003099