

Written 10 January 2022

## BUSINESS NEWS SCOTLAND

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

### Cash Flow Is The Single Most Important Issue In My Business.

Do you agree? Most of our other clients do. In this economy **CASH IS KING** and managing your cash flow is more important than ever.



If you are concerned about the future of your business then take some time to reflect on where you are and what could happen in the next few months. It is now vitally important for all businesses to plan ahead for a range of scenarios. Cash flow and business planning in these uncertain times may appear difficult but there are some practical steps you can take to minimise potential disruption to your business.

- Review your Budgets and set realistic and achievable targets for 2022.
- Get your employees involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- Review and flow chart the main processes in your business (e.g. Sales processing, order fulfilment, shipping etc.) and challenge the need for each step.

- Put extra effort into making sure your relationships with your customers are solid.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- Pull everyone together and explain the business strategy and get their buy-in.

We specialise in helping our clients manage their cash flow. We do this by preparing and updating detailed cash flow forecasts, using the latest and most powerful software. We can also help you negotiate or renegotiate overdraft facilities and find specific funding to help you grow!

Please talk to us about cash flow planning for the next few months, we can help with a template so you can do this yourself or work together to produce estimates for a variety of scenarios.

### **HMRC gives Self-Assessment taxpayers more time to ease COVID-19 pressures**

Late filing and late payment penalties are to be waived for one month for Self-Assessment taxpayers.

HM Revenue and Customs (HMRC) is waiving late filing and late payment penalties for Self-Assessment taxpayers for one month – giving them extra time, if they need it, to complete their 2020 to 2021 tax return and pay any tax due.

HMRC is encouraging taxpayers to file and pay on time if they can, as the department reveals that, of the 12.2 million taxpayers who need to submit their tax return by 31 January 2022, almost 6.5 million have already done so.

HMRC recognises the pressure faced this year by Self-Assessment taxpayers and their agents. COVID-19 is affecting the capacity of some agents and taxpayers to meet their obligations in time for the 31 January deadline. The penalty waivers give taxpayers who need it more time to complete and file their return online and pay the tax due without worrying about receiving a penalty.

The deadline to file and pay remains 31 January 2022. The penalty waivers will mean that:

- anyone who cannot file their return by the 31 January deadline will not receive a late filing penalty if they file online by 28 February
- anyone who cannot pay their Self-Assessment tax by the 31 January deadline will not receive a late payment penalty if they pay their tax in full, or set up a Time to Pay arrangement, by 1 April

Interest will be payable from 1 February, as usual, so it is still better to pay on time if possible.

See: [HMRC gives Self Assessment taxpayers more time to ease COVID-19 pressures - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/hmrc-gives-self-assessment-taxpayers-more-time-to-ease-covid-19-effects)

If you cannot afford to pay your latest bill then you can set up a time to pay payment plan to spread the cost of your latest Self-Assessment bill if all the following apply:

- you owe £30,000 or less
- you do not have any other payment plans or debts with HMRC
- your tax returns are up to date
- it's less than 60 days after the payment deadline

You can choose how much to pay straight away and how much you want to pay each month. You will have to pay interest.

See: [Pay your Self Assessment tax bill - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/pay-your-self-assessment-tax-bill)

### **Self-certification period temporarily extended**

The UK Government has announced that employees in the UK can self-certify sickness absence for 28 days instead of seven. The change came into force on 17 December 2021 and applies to absences beginning on or after 10 December 2021, up to and including absences, which begin on or before 26 January 2022.

See: [Statutory Sick Pay: employee fitness to work - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/statutory-sick-pay-employee-fitness-to-work)

### **National Living Wage and National Minimum Wage rates for 2022**

The UK Government have announced the rise in the National Minimum Wage and National Living Wage from April 2022.

In full, the increases are:

- National Living Wage (23+) to increase from £8.91 to £9.50
- National Minimum Wage (21-22) to increase from £8.36 to £9.18
- National Minimum Wage (18-20) to increase £6.56 to £6.83
- National Minimum Wage (16-17) to increase £4.62 to £4.81
- Apprenticeship Wage to increase from £4.30 to £4.81

See: [UK government announces pay rise for millions of people - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/uk-government-announces-pay-rise-for-millions-of-people)

### **Seasonal Workers visas extended until end of 2024**

The Home Office and DEFRA have announced the Seasonal Worker visa route will be extended until the end of 2024, which allows foreign workers to come to the UK for up to six months to work in the horticulture sector.

There will be 30,000 visas available in 2022, but this will be kept under review with the potential to increase by 10,000 if necessary.

The number of visas will begin to taper down from 2023.

See: [Industry given certainty around seasonal workers but told to focus on domestic workforce - GOV.UK \(www.gov.uk\)](#)

### **UK Seafood Innovation Fund third call open**

The Seafood Innovation Fund (SIF) is now accepting third call applications. The SIF programme focuses on delivering longer term, cutting-edge innovation across the seafood sector, and helping to take innovative ideas from early-stage research to commercial viability.

The programme includes:

- primary producers
- onshore supply chains
- marine and diadromous fisheries
- marine and land-based aquaculture

The programme excludes:

- freshwater fishing
- recreational fishing

This call is open for feasibility studies only. The maximum funding available is £50,000 for projects with a duration of up to five months. Successful third call feasibility studies will be eligible to apply for larger R&D funding following completion of their projects.

Third call applications will be accepted until the extended deadline of midday on 14 January 2022.

See: [Home - Seafood Innovation Fund](#)

### **Heat Pump Ready Programme**

The Heat Pump Ready Programme, part of the Department for Business, Energy & Industrial Strategy (BEIS) £1 billion Net Zero Innovation Portfolio, has opened its first two streams to applications.

As a key solution for decarbonising homes, heat pumps will be critical for meeting the UK's legally binding commitment to achieve net zero by 2050. Heat Pump Ready will support the development of innovative solutions across the heat pump sector.

The Heat Pump Ready Programme is split into three separate delivery streams:

- Stream 1 - solutions for high-density heat pump deployment. Up to £30 million of Small Business Research Initiative funding from spring 2022. See: [Heat Pump Ready Programme: apply for Stream 1 opportunities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/heat-pump-ready-programme-apply-for-stream-1-opportunities)
- Stream 2 - developing tools and technology. Up to £25 million of grant funding for projects to overcome barriers to heat pump deployment, beginning spring 2022. See: [Heat Pump Ready Programme: apply for Stream 2 opportunities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/heat-pump-ready-programme-apply-for-stream-2-opportunities)
- Stream 3 - trial support and learning. Up to £5 million contract from spring 2022 - Stream 3 is not yet open to applications.

### **Defence Innovation Loans applications**

The Defence and Security Accelerator (DASA) launched Defence Innovation Loans in 2021 to offer small and medium-sized businesses affordable funds to help commercialise their innovations. The scheme was run in cycles; the last of these closed on 5 January 2022.

After internal review, DASA has decided to tweak the format of the scheme to keep Defence Innovation Loans continuously open for proposals.

The changes mean innovators can now apply for Defence Innovation Loans at any time and can expect an initial outcome response within seven weeks rather than having to wait until the end of a cycle to receive feedback.

This new format is a pilot that will be reviewed and will end on 16 March 2022. Depending on the outcome of the pilot, DASA might change the scheme format again, e.g. return to cycle-based assessment periods.

The levels of available funding have not changed. You can apply for a loan between £250,000 and £1.6 million with a below market interest rate of 7.4 per cent per annum. This loan can cover up to 100 per cent of eligible project costs to aid the commercialisation of the solution and the overall term of the loan must not exceed seven years.

The applicant criteria for Defence Innovation Loans also remains the same. To apply, you must:

- be a UK registered SME
- intend to exploit the results in the UK or overseas to make a significant and positive impact on the UK economy and/or productivity
- give evidence that your business is suitable to take on a loan

Only SMEs are eligible to apply for Defence Innovation Loans. Individuals, academic institutions, research organisations and large companies are not eligible.

See: [Competition Document: Defence Innovation Loan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/competition-document-defence-innovation-loan)

## **Recovery Loan Scheme extended.**

Applications for this loan have been extended and are now open until 30 June 2022.

Launched on 6 April 2021, the Recovery Loan Scheme (RLS) provides financial support to businesses across the UK as they recover and grow following the coronavirus pandemic.

You can apply to the scheme if Covid-19 has affected your business. You can use the finance for any legitimate business purpose – including managing cashflow, investment and growth. However, you must be able to afford to take out additional debt finance for these purposes.

If your business has already borrowed from any of the other coronavirus loan schemes – namely:

- the Bounce Back Loan Scheme (BBLs)
- the Coronavirus Business Interruption Loan Scheme (CBILs)
- the Coronavirus Large Business Interruption Loan Scheme (CLBILs)

RLS is still open to you, although the amount you have borrowed under an existing scheme may in certain circumstances limit the amount you may borrow under RLS.

At Autumn Budget 2021, the government announced that the Recovery Loan Scheme will be extended by six months to 30 June 2022, with the following changes applying from 1 January 2022:

- The scheme will only be open to businesses with a turnover not exceeding £45m per annum
- The maximum amount of finance available will be £2 million per business (maximum amount per Group limited to £6m)
- The guaranteed coverage that the government will provide to lenders will be reduced to 70%

See: [Recovery Loan Scheme - British Business Bank \(british-business-bank.co.uk\)](https://british-business-bank.co.uk/recovery-loan-scheme)

## **New laws to strengthen national security**

From 4 January 2022, the government is able to scrutinise and intervene in certain acquisitions that could harm the UK's national security.

The National Security and Investment (NSI) Act – the biggest shake-up of the UK's national security regime for 20 years – commenced on the 4 January 2022.

The government is now able to scrutinise and intervene in certain acquisitions made by anyone, including businesses and investors, that could harm the UK's national security.

The government will also be able to impose certain conditions on an acquisition or, if necessary, unwind or block it – although it is expected this will happen rarely and the vast majority of deals will require no intervention and be able to proceed without delay.

See: [New laws to strengthen national security come into effect - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-laws-to-strengthen-national-security-come-into-effect)

## **Pathfinder Accelerator**

Pathfinder Accelerator is a support programme that helps to speed up the development of new products, services or start-up ventures. It is designed for organisations active in life sciences, technology, engineering, IT, animal health, aquaculture and healthcare.

The focus of the programme is to deliver rapid, practical results for ambitious businesses with new ideas. Participants are taught and coached by a team of leading experts from the worlds of innovation, product development, finance and business strategy.

Participants will also pitch to angel investors and receive one-to-one coaching to rapidly de-risk and commercialise their ideas.

After completion, participants become members of the Pathfinder alumni network and will receive a monthly bulletin and invitations to roundtable events with expert speakers.

Pathfinder is open to any type of organisation which is based in the Highland Council area. These can include existing businesses, social enterprises, entrepreneurs and start-ups.

There are also limited places available for organisations from the rest of the Highlands and Islands (Argyll, Moray, Orkney, Shetland and Western Isles).

The programme is designed for organisations active in life sciences, technology, engineering, IT, animal health, aquaculture and healthcare.

The programme is for existing businesses, social enterprises, entrepreneurs and start-ups who have ambitions to grow by developing new products, services or business models.

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See: [Pathfinder Accelerator \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot/)

## **Innovate Your Business**

If you want expert innovation advice and support to help accelerate the growth of your business then Innovate Your Business (IYB) provides a dedicated enquiry service for businesses which would like specialist support and advice about their business ideas and potential opportunities.

What can IYB do?

- support you to develop a new product or service, improve your processes or put in place new ways of working
- ensure your product/service is commercially viable
- help you find collaborators
- identify appropriate funding and advise on the application process
- structure a research and development project

See: [Innovate Your Business \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

## **COVID-19 Cancellation Fund for Creative Freelancers**

The Scottish Government has committed £8 million for creative freelancers who have lost income following the cancellation of work that was due to take place in the period from the 27 November 2021 to the 31 March 2022 as a consequence of COVID-19.

The fund offers a one-off award to those who are most deeply impacted and disadvantaged by the cancellation or postponement of activity because of the current emergency situation. This can include the cancellation or deferral of performances, productions, exhibitions and shows from which freelancers would have received income. This fund will not replace income lost through cancellation but will provide a contribution to partially offset its adverse impact.

Freelancers can request between £500 and £2000 to help offset the financial impact of cancellation of activity.

Please note that this fund has a set budget and high levels of demand are anticipated. It is recommended that you apply as soon as you are able to. The fund will be open for applications until requests exceed available budget.

See: [COVID-19 Cancellation Fund for Creative Freelancers \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

## **Self-Isolation and testing changes**

Changes have been made to self-isolation rules in line with public health advice and testing requirements to help maximise testing capacity and ensure a speedier start to the process of contact tracing.



From 6 January, new cases will be advised they can end self-isolation if they don't have a fever and test negative on a Lateral Flow Device (LFD) on Day 6 and again at least 24 hours later.

Triple vaccinated close contacts of those who test positive, both household and non-household, or those under the age of 18 and four months, do not need to isolate as long as they return a negative LFD test result each day for seven consecutive days, and remain fever free.

The intention is for the public to be sufficiently reassured of a negative Covid-19 status during the potential incubation period.

Any close contact who is not fully vaccinated (three doses) will still have to self-isolate for the 10 days and take a PCR test.

Changes are also being made to testing after a positive LFD – people will no longer be asked to take a PCR test to confirm the result.

Instead, anyone with a positive LFD should report the result online as soon as the test is done. This ensures that people can get the advice they need as quickly as possible. After reporting their result, people should then fill in the online form they will receive, so that contacts can also be informed and rapidly given the correct advice.

See: [Self-Isolation and testing changes - gov.scot \(www.gov.scot\)](https://www.gov.scot/self-isolation-and-testing-changes)

### **Creating opportunities for women in agriculture**

More women and girls living and working in Scottish agriculture will be able to apply for funding for courses to help develop their skills. Eligible courses include support to get tractor and trailer driving certificates or help to train sheepdogs.

The Practical Training Fund, which was launched earlier this year and is administered by Lantra Scotland, has already supported more than 400 women and girls to undertake courses to develop their skillset or change careers.

From 30 December, women and girls over the age of 13 can apply for up to £500, or more on a case by case basis, for the cost of a practical or technical training course through the fund, with the first batch of successful applicants being notified by the end of January 2022.

See: [Creating opportunities for women in agriculture - gov.scot \(www.gov.scot\)](https://www.gov.scot/creating-opportunities-for-women-in-agriculture)