

Written 17 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!

What's Your Exit Strategy?

The ultimate aim of every serious business person is to build a company that has value, so that it can be sold or transferred, allowing the entrepreneur to exit gracefully and profitably.



Recently, we have been helping a number of our entrepreneur clients develop exit strategies. There are many issues to consider:

- When do you want to retire?
- Can the business be sold to your employees?
- Is a trade sale more likely?
- Are there children involved?
- How much is the business worth?
- What needs to be done to enhance the value of the business?
- How long will it take?
- Do you want/need to stay on after sale or transfer?
- What are the tax consequences?

We have a tried and tested methodology to address these issues and to help you prepare your business for sale, find potential buyers and negotiate to get the maximum price a buyer feels your business is worth. If you would like to discuss your personal exit plans we would be happy to do so with you — please call us!

Second State Pension Age Review launches

The review will consider whether the rules around pensionable age are appropriate, based on the latest life expectancy data and other evidence.

The Pensions Act 2014 requires government to regularly review State Pension age, and in accordance with law, this latest Review must be published by 7 May 2023.

State Pension age is currently 66 and two further increases are currently set out in legislation: a gradual rise to 67 for those born on or after April 1960; and a gradual rise to 68 between 2044 and 2046 for those born on or after April 1977. The first Review of State Pension age was undertaken in 2017 and concluded that the next Review should consider whether the increase to age 68 should be brought forward to 2037-39 before tabling any changes to legislation.

As the number of people over State Pension age increases, due to a growing population and people on average living longer, the government needs to make sure that decisions on how to manage its costs are robust, fair and transparent for taxpayers now and in the future.

This review will consider a wide range of evidence, for example, it will:

- examine the implications of the latest life expectancy data
- provide a balanced assessment of the costs of an ageing population and future State Pension expenditure
- consider labour market changes and people's ability and opportunities to work over State Pension age
- and develop options for setting the legislative timetable for State Pension age that are transparent and fair

See: [Second State Pension Age Review launches - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/second-state-pension-age-review-launches)

New rules to protect value of small pension pots laid in Parliament

The rules, which come into force from April 2022, mean pension savings invested in the default funds of schemes used for Automatic Enrolment with a value of £100 or less will be exempt from flat fees, benefitting hundreds of thousands of savers across the country.

2022 marks ten years since the introduction of Automatic Enrolment. Since its introduction, the percentage of eligible employees participating in workplace pensions as a whole has grown from 55% to 88% – an increase of 33%.

By November 2021, a record 10.6m eligible employees were enrolled in an Automatic Enrolment pension scheme.

Alongside the £100 threshold – known as the ‘de minimis’ – the government continues to engage with the pensions industry on wider consolidation initiatives to tackle the growth of small pots, including through the industry-led Small Pots Co-ordination Group.

See: [New rules to protect value of small pension pots laid in Parliament - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-rules-to-protect-value-of-small-pension-pots-laid-in-parliament)

Statutory Pay Rates from April 2022

The government has published the proposed statutory rates for maternity pay, paternity pay, shared parental pay, adoption pay, parental bereavement pay and sick pay from April 2022.

The rates normally increase each April in line with the consumer price index (CPI) and this normally occurs on the first Sunday in April, which is 3 April 2022.

See: [Benefit and pension rates 2022 to 2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/news/benefit-and-pension-rates-2022-to-2023)

Managing home workers' health and safety

The Health and Safety Executive (HSE) home working guidance is for anyone who employs home workers, including those who split their time between their workplace and home (sometimes called hybrid working).

The guidance has been redesigned and expanded to provide more detail on straightforward actions to manage home workers' health and safety.

This includes the risks of working with display screen equipment (DSE) at home as well as stress and poor mental health.

There is also advice for home workers themselves, as well as a video and practical tips on good posture when working with DSE.

Employers have the same health and safety responsibilities for people working at home as for any other worker.

See: [Managing home workers' health and safety - Overview - HSE](https://www.hse.gov.uk/working/home-working/overview/)

Chancellor's Spring 2022 statement and mini budget?

Whilst most of us were wrapping our Christmas presents on 23 December 2021 the Chancellor of the Exchequer, Rishi Sunak, commissioned the Office for Budget Responsibility (OBR) to produce an economic and fiscal forecast for Wednesday 23 March 2022.

The main Budget is scheduled for Autumn each year, but it is anticipated that the Chancellor will take the opportunity to make a number of tax announcements.

See: [Spring 2022 forecast statement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/spring-2022-forecast-statement)

New VAT penalty regime delayed to January 2023

A new, and arguably, fairer system for determining penalties for late returns and late payment of VAT has been delayed by a year and will now commence in January 2023. The same system will also apply to returns under Making Tax Digital (MTD) for income tax and those penalties will now start in April 2024.

Under the new regime taxpayers will accumulate points for late submissions and only after reaching a certain threshold will an automatic penalty be imposed. The threshold will depend on how regularly the taxpayer is required to submit a return.

See: [Penalties for late submission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/penalties-for-late-submission)

Food and Drink Federation Awards 2022

The Food and Drink Federation (FDF) Awards recognise and reward excellence for innovation, competitiveness and talent in the food and drink industry.

Entries to the FDF Awards 2022 are now open!

Take a look at the award categories and enter for free before 28 February 2022, for your chance to win - you can enter as many categories as you like and nominate multiple projects/colleagues.

The awards are open to:

- Food and drink manufacturers
- Retailers, producers, growers, hospitality
- Sectors working with the food and drink supply chain including researchers, distributors, health, local authorities and education providers

See: [FDF Awards | The Food & Drink Federation](https://www.foodanddrinkfederation.co.uk/awards)

Commercialising quantum technologies: feasibility studies round 3

Innovate UK, part of UK Research and Innovation, will invest up to £6 million in quantum technologies innovation projects.

Funding will be available for feasibility projects and industrial research projects that:

- study a commercial opportunity
- quantify performance objectives
- provide a roadmap of future exploitation
- exploit second generation quantum techniques

Second generation quantum technologies are defined as those involving the generation and coherent control of quantum states, resulting in phenomena such as superposition or entanglement. Technologies involving single photon generation are in scope.

To be eligible, projects should address one or more of the technical challenges:

- connectivity - techniques for securing data in storage and in flight
- seeing the invisible - imaging, sensors and detectors for the environment, transport, autonomous systems, infrastructure, and healthcare
- positioning, navigation and timing - developing resilience and precision for situational awareness and time dissemination
- computing - advancing quantum computing for addressing intractable problems through modelling and simulation, machine learning and optimisation

The competition opens on Monday 17 January and closes at 11:00 on Wednesday 9 March 2022.

See: [Competition overview - Commercialising quantum technologies: feasibility studies round 3 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](https://www.innovation-funding.service.gov.uk/competition-overview)

Paying back a Self-Employment Income Support Scheme (SEISS) grant

There is a new section in the SEISS guidance called 'If you still need to make a claim'. If you've not been able to make a claim due to an HMRC error or other exceptional circumstances, you must contact HMRC by 28 February 2022. If you think your grant amount is too low, you must also contact HMRC by 28 February 2022.

You must tell HM Revenue & Customs (HMRC) if, when you made the claim, you were not eligible for the grant. For example:

- for the first or second grant, your business was not adversely affected
- for the third, fourth or fifth grant, your business had not been impacted by reduced activity, capacity or demand or inability to trade in the relevant periods
- you did not intend to continue to trade
- you have incorporated your business

You must also tell HMRC if you:

- received more than HMRC said you were entitled to
- amended any of your tax returns on or after 3 March 2021 in a way which means you're no longer eligible or are entitled to a lower fourth or fifth grant than you received
- made a mistake reporting your turnover in your claim for the fifth grant which means you are entitled to a lower grant than you received

- have received a letter or email from HMRC that says you need to pay back some or all of a grant

When you must tell HMRC

In most cases, if you are not eligible and have to pay the grant back, you must tell HMRC within 90 days of receiving the grant.

For the fourth and fifth grants the rules for when to tell HMRC are different if amending your return affects your eligibility or grant amount.

If your return has been amended

You must tell HMRC if there is an amendment to any of your tax returns on or after 3 March 2021 which either:

- lowers the amount of fourth or fifth grant you're eligible for
- causes you to no longer be eligible for the fourth or fifth grant

If your return has been amended before claiming your grant, you must tell HMRC within 90 days of receiving your grant.

If your return has been amended after receiving your grant, you must tell HMRC within 90 days of making the amendment.

If you do not tell HMRC, they will write to you to recover the grant and you may also have to pay a penalty. Find more information on [how HMRC will recover your overpaid grant](#).

You do not have to tell HMRC if the grant amount:

- you are eligible for has lowered by £100 or less
- was £100 or less

If you are not sure, you should still tell HMRC about the amendment using the online form.

If you made a mistake when reporting your turnover

You need to tell HMRC if you:

- made a mistake reporting your turnover in your claim which means you are entitled to a lower grant than you received
- later realise you should have reported a different turnover figure in your claim which means you are entitled to a lower grant than you received

Voluntary repayments

You can also tell HMRC if you want to voluntarily pay back some or all of the grant you received. You can do this at any time.

You will need your:

- Government Gateway user ID and password that you used when you made your claim

- grant claim reference - you'll [find this in the online service](#) or on your copy of the grant claim
- Self-Assessment Unique Taxpayer Reference (UTR) number.

See: [Return to your claim for the Self-Employment Income Support Scheme - GOV.UK \(www.gov.uk\)](#)

SBRI Climate and Environmental Risk Analytics for Resilient Finance

The Competition aim is to develop innovative solutions that integrate climate and environmental factors into financial services

Organisations can apply for a share of up to £1.5 million to demonstrate and deploy innovative solutions that integrate climate and environmental factors in the financial services industry. Climate and Environmental Risk Analytics for Resilient Finance: Phase 1 is a Small Business Research Initiative (SBRI) competition is funded by Innovate UK.

This is phase 1 of a 2-phase competition. The decision to proceed with phase 2 will depend on the outcomes from phase 1 and assessment of a separate application into a subsequent phase 2 competition. Only successful applicants from phase 1 will be able to apply for the additional funding available in phase 2.

Your project must:

- start by 1 June 2022
- end by 31 August 2022
- last up to 3 months
- have maximum total eligible costs of up to £50,000

Phase 1 prototype R&D contracts will be up to £50,000 for each project for up to 3 months. Innovate UK expect to fund up to 30 projects.

The second phase will involve up to 10 contracts being awarded to organisations chosen from the successful phase 1 applicants. Up to £1,000,000 will be allocated for each contract for up to 9 months, in order to demonstrate the product or service with your end user or customer.

See: [Competition overview - SBRI - Climate and Environmental Risk Analytics for Resilient Finance: Phase 1 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Industrial Energy Transformation Fund Phase 2 - Spring 2022

The Department for Business, Energy and Industrial Strategy (BEIS) has launched the new Industrial Energy Transformation Fund (IETF) Phase 2: Spring 2022 competition window. Businesses can bid for a share of up to £60 million in grant funding through this new phase.

The competition will provide grant funding for the following project types:

- studies - feasibility and engineering studies to enable companies to investigate identified energy efficiency and decarbonisation projects prior to making an investment decision
- energy efficiency - deployment of technologies to reduce industrial energy consumption
- deep decarbonisation - deployment of technologies to achieve industrial emissions savings

Your business must operate an existing site which falls into one of the following categories:

- Mining and quarrying
- Manufacturing
- Recovery and recycling of materials
- Data centre

See: [Industrial Energy Transformation Fund \(IETF\) Phase 2: Spring 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/industrial-energy-transformation-fund-iETF-phase-2-spring-2022)

Nightclub Closure Fund

The Nightclub Closure Fund will provide a one-off payment to support nightclubs that were required to close as a result of coronavirus (COVID-19) measures in December 2021 and January 2022.

The grant is a one-off payment at the rate of:

- £25,000 for premises which have a rateable value of up to and including £40,000
- £35,000 for premises which have a rateable value between £40,001 and £75,000
- £55,000 for premises which have a rateable value of £75,001 or above

Individual ratepayers with more than one business may receive an award for each registered business entity.

Nightclubs which have previously received support have been contacted and were asked to complete an application by 14 January 2022.

Businesses which are registered as a nightclub but have never received COVID-19 funding through their local authority may be eligible for this fund. Additional details will be required in order to assess their eligibility. Further details of this process will be provided in due course.

See: [Coronavirus \(COVID-19\): funding for businesses affected by Omicron control measures - gov.scot \(www.gov.scot\)](https://www.gov.scot/consultations/funding-for-businesses-affected-by-omicron-control-measures)

Meet the Buyer

Meet the Buyer is a national event for suppliers who wish to do business with the public and private sectors in Scotland and further afield. The event gives you access to buyers and decision-makers from across the public and private sectors, with the opportunity to raise your profile as a business and prepare for upcoming contract opportunities.

Each year, everything in the public sector is bought, which adds up to an overall spend of £13.3 billion. There is a regulated tender process to be a supplier to the public sector, and buyers have a duty to engage with local SME businesses in order to contribute to sustainability, support local employment and retain wealth locally. Transparency is required for the procurement of goods, services and works, so public sector buyers are required to be open, fair and honest in the way they choose suppliers and in any dealings with them.

For owners of small or medium-sized businesses, the public sector is the best customer to have because there is no debt risk: payment can be made on a received invoice within 10 days if there's a cash flow need, and within 30 days as the legal maximum.

Unlike most exhibition events, the essence of the Meet the Buyer event is to 'meet the buyer' - so exhibitions are only open to public sector buying organisations, primary contractors with supply chain opportunities, and public business support organisations. Rather than exhibit, suppliers are encouraged to attend for free to promote your business's goods, services and works by making your way around to meet buyers 'face-to-face', so you can introduce your business and discuss upcoming contract opportunities.

Each year, Meet the Buyer traditionally features a main agenda with presentations and question and answer sessions. Themes embedded within the main agenda include community wealth building, sustainable procurement, Fair Work First, how to bring innovation to the public sector, the climate change emergency in public sector procurement, Brexit, Growth Deals, COVID-19 economic recovery and economic growth plans.

See: [Meet the Buyer 2022 | Meet the Buyer 2022 | Supplier Development Programme \(sdpscotland.co.uk\)](#)

Meet the Buyer North

The Meet the Buyer North event is for suppliers who wish to do business in the north of Scotland, including the Highlands and Islands. The event gives you access to buyers and decision-makers from across the public and private sectors, with the opportunity to raise your profile as a business and prepare for upcoming contract opportunities.

See: [Meet the Buyer North 2022 | Meet the Buyer North 2022 | Supplier Development Programme \(sdpscotland.co.uk\)](#)

Meet the Buyer South

The Meet the Buyer South event is for suppliers who wish to do business in the south of Scotland.

See: [Meet the Buyer South 2022 | Meet the Buyer South | Supplier Development Programme \(sdpscotland.co.uk\)](#)

January Business Support Top Up - Hospitality and Leisure

The January Business Support Top Up - Hospitality and Leisure will provide a one-off payment to support businesses in Scotland that were affected by the requirements for physical distancing and capacity limits that came into force from 27 December 2021 due to COVID-19.

Eligible businesses that previously received support through the Strategic Framework Business Fund will be contacted directly by their local authority.

The one-off payment for hospitality businesses is at a rate of:

- £1,400 for premises which have a rateable value of up to and including £51,000
- £2,100 for premises which have a rateable value of £51,001 or more

The one-off payment for leisure businesses is at a rate of:

- £2,050 for premises which have a rateable value of up to and including £51,000
- £3,150 for premises which have a rateable value of £51,001 or more

Individual ratepayers with more than one business may receive an award for each registered business entity.

See: [Coronavirus \(COVID-19\): funding for businesses affected by Omicron control measures - gov.scot \(www.gov.scot\)](#)