

Written 28 February 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!

Last chance for pre-April tax planning?

The new tax year starts 6 April 2022, so you have one month to consider your options, once we pass this date the majority of the tax planning options for Income Tax and Capital Gains Tax purposes will cease unless actioned before the 6 April.



Do you fall into any of these categories?

- You have or are thinking about a change in your personal status (single, married, separating, joining or dissolving a civil partnership).
- You claim Child Benefit and the income of either parent is likely to exceed £50,000 for the first time during tax year 2021-22;
- Your annual income is approaching or above £100,000;
- You have not yet topped up your pension contributions for tax year 2021-22;
- You are self-employed with a 31 March 2022 year-end;
- You are self-employed and are thinking about the purchase of equipment or vehicles; and
- You are the director and/or shareholder of a limited company and have not yet considered voting final dividends or bonuses for 2021-22.

If you do we can help you discuss your options ahead of the 6 April deadline!

The above list is not comprehensive, and we specialise in helping clients with all taxes including PAYE, NIC, VAT, Corporation, Capital Gains, Income and Inheritance tax. Please contact us now!

One month until Making Tax Digital (MTD) for VAT becomes law!

Making Tax Digital for VAT becomes mandatory for all VAT registered businesses from 1 April 2022.



From 1 April 2022, all VAT registered businesses must file digitally through Making Tax Digital, regardless of turnover.

We can sign you up to MTD, although you will be responsible for meeting your VAT obligations. Those who do not join Making Tax Digital for VAT may be charged a penalty for failure to do so.

What is Working Capital Finance?

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset based lending (ABL) is complex and expansive with products, terminology and contractual interpretation varying from lender-to-lender.

The Benefits of arranging Working Capital are:

- Up to 90% of outstanding invoice value can be advanced within 24 hours;
- Flexible lending - funding increases in line with your growth (UK and Export);
- Confidentiality - lenders can offer a completely confidential service - your customers need not know you have a facility in place;
- Lenders allow you to manage your funding at all times;
- Sector-specific finance is often available;
- Structured ABL - funding for management buy-outs/management buy-ins and
- Trade Finance & Supply Chain Finance Solutions.

Specialists in this area can advise on:

- **Invoice Finance** - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. Effectively a business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector based offerings are available, as is the ability to arrange finance for selected invoices only
- **Structured ABL** - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including Debtors, Inventory, Plant & Machinery and Property. Additional forms of funding can be structured in addition to this, such as top up loans in order to drive growth
- **Trade Finance** - supply chain finance with various options, enabling the purchasing of goods from overseas where you are otherwise unable to obtain credit from suppliers

Typically you will need to ensure your management accounts are up to date, you make available current detailed lists of debtors and creditors, and you might need up to date projections before an expert will consider your application. Please talk to us about finance, our working capital finance experts have many years of experience and success in advising businesses across a wide range of sectors in obtaining working capital finance solutions.

Is your business attracting new talent?

Recruiting new employees is tough just now so be different! For example, some employers are now offering "Wellbeing leave" in addition to the usual holiday package. If you want to recruit more you have to get serious about the process and be on it 24/7, 365!



There are a number of actions you can take to make your business attractive to new staff. In addition to reviewing your pay and conditions to be as competitive as possible, these include:

- Tasking recruitment as a permanent process;
- Regularly asking existing staff, customers and suppliers for introductions;
- Offering incentives for referrals;
- Make sure you are running constant online social media and local advertisements;
- Embracing flexibility in hours and location in your business;
- Introducing a “Golden Hello” and loyalty bonuses for length of service (typically one to three years);
- Advertising testimonials from existing staff;
- Using government initiatives for apprentices;
- Make your company and the job sound as attractive as possible by outlining the position to sound prestigious and challenging. These two factors are big incentives for bright potential candidates;
- Knowing that job satisfaction comes from feeling respected and having the opportunity to learn new things and excel in the face of obstacles when advertising the role; and
- Convey your businesses personality so potential employees get a feel for what it would be like to work for you.

Useful guidance on the procedures for recruitment can be seen in the ACAS guide “Recruiting staff” which can be seen here: [Recruiting staff \(acas.org.uk\)](https://www.acas.org.uk/recruiting-staff)

Annual Tax on Enveloped Dwellings (ATED) Rate Changes

ATED is an annual tax payable mainly by companies that own UK residential property valued at more than £500,000. You will need to complete an ATED return if your property is a UK dwelling and was valued at more than £500,000 and is owned completely or partly by a:

- company
- partnership where any of the partners is a company
- collective investment scheme - for example a unit trust or an open ended investment vehicle

Returns must be submitted on or after 1 April in any chargeable period. There are reliefs and exemptions from the tax, which may mean you do not have to pay.

The ATED charges automatically increase each year in line with inflation (based on the previous September’s Consumer Price Index (CPI)).

The ATED annual charges will rise by 3.1% from 1 April 2022 in line with the September 2021 Consumer Price Index. This table shows the property band and what the revised charges will be for the 2022 to 2023 chargeable period.

Taxable value of the property	Charge for tax year 2021/22	Charge for tax year 2022/23
£500,001 to £1,000,000	£3,700	£3,800
£1,000,001 to £2,000,000	£7,500	£7,700
£2,000,001 to £5,000,000	£25,300	£26,050
£5,000,001 to £10,000,000	£59,100	£60,900
£10,000,001 to £20,000,000	£118,600	£122,250
£20,000,001 and over	£237,400	£244,750

Note that there are numerous exemptions and reliefs from ATED, in particular companies renting properties to third parties and those involved in property development.

Revalue ATED properties at 1 April 2022

The value of the property for any chargeable period is the open market value at the later of:

- the date of acquisition
- the revaluation date

In order to calculate the ATED charge the property needs to be revalued every 5 years and the next revaluation date is 1 April 2022. As residential property has increased significantly in recent years this may bring more companies owning residential property within the ATED charge.

Please contact us if you have an ATED property and we will assist you with working out the charge and submitting the required return.

Statutory Sick Pay Rebate Scheme to close 17 March 2022

The government have announced that the Statutory Sick Pay Rebate Scheme will close on 17 March 2022. Employers and their agents will have until 24 March 2022 to submit any new claims for absence periods up to 17 March 2022, or to amend claims already submitted.

Employers will no longer be able to claim back Statutory Sick Pay (SSP) for their employees' coronavirus-related absences or self-isolation that occur after 17 March 2022.

From 25 March, the normal SSP rules will return, which means employers can revert to paying SSP from the fourth qualifying day their employee is off work regardless of the reason for their sickness absence.

For more information on SSP rules for employers go to: [Statutory Sick Pay \(SSP\): employer guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/statutory-sick-pay-sssp-employer-guide)

Advisory fuel rate for company cars

HMRC have updated the advisory fuel rates for employees reimbursing their employer for private mileage to eliminate a private fuel benefit. There appears not to have been a significant increase in petrol and diesel prices in the period under review and as such the reimbursement rates have remained the same. The only change is to one of the LPG rates. However, we expect a change when the 1 June 2022 rates are published.

Note that where employers do not pay for fuel for company cars these same rates can be claimed by employees in respect of business mileage.

These are the HMRC suggested reimbursement rates for employees' private mileage using their company car from 1 March 2022. Where there has been a change the previous rate is shown in brackets.

Engine Size	Petrol	Diesel	LPG
1400cc or less	13p		8p (9p)
1600cc or less		11p	
1401cc to 2000cc	15p		10p
1601 to 2000cc		13p	
Over 2000cc	22p	16p	15p

Note that for hybrid cars you must use the petrol or diesel rate. You can continue to use the previous rates for up to 1 month from the date the new rates apply.

For more details and rates for earlier periods see: [Advisory fuel rates - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/hmrc-announces-new-advisory-fuel-rates-for-company-cars)

Living safely with Covid

A new staged approach to easing protective measures will help Scotland manage and recover from the ongoing coronavirus (COVID-19) pandemic.

In a statement to Parliament, First Minister Nicola Sturgeon confirmed the details of the updated Strategic Framework to manage COVID-19 primarily through public health advice, vaccination, and treatment rather than legal restrictions.

The First Minister also set out an indicative timescale for remaining legal protections to be lifted:

- vaccine certification will no longer be legally required from Monday 28 February, although the app will remain available so any business that wishes to continue certification on a voluntary basis to reassure customers will be able to do so
- current legal requirements on the use of face coverings, the collection of customer details for contact tracing purposes, and for businesses, service providers and places of worship to have regard to guidance on Covid and to take reasonably practicable measures set out in the guidance are expected to be lifted on 21 March, subject to the state of the pandemic
- access to lateral flow and PCR tests will continue to be free of charge, ahead of a detailed transition plan being published on the future of Scotland's test and protect programme in March

People who test positive for COVID-19 will continue to be asked to self-isolate to reduce the risk of infecting other people. Any changes to the recommended period of self-isolation will be considered on an ongoing basis.

See: [Living safely with Covid - gov.scot \(www.gov.scot\)](https://www.gov.scot/Topics/healthandcare/covid-19/living-safely-with-covid-19)

Second boosters for at-risk groups

Second booster jabs will be offered to those aged 75 and over and those at highest risk of severe COVID-19 disease following the latest Joint Committee on Vaccination and Immunisation (JCVI) advice.

To protect those groups a spring booster dose will be offered at least 24 weeks after the last vaccine dose to:

- adults aged 75 years and over
- residents in care homes for older adults
- individuals aged 12 years and over who are immunosuppressed

These people will be invited as they become eligible from at least 24 weeks after their last booster, with the first groups receiving appointments from the second week in March.

See: [Second boosters for at-risk groups - gov.scot \(www.gov.scot\)](https://www.gov.scot/Topics/healthandcare/covid-19/second-boosters)

Vaccinations for all five to 11 year olds

Children aged five to 11 will be offered COVID-19 vaccination appointments in community clinics from 19 March 2022.

This follows the advice last week from the Joint Committee on Vaccination and Immunisation (JCVI) recommending the universal vaccination of five to 11 year olds.

Appointments will be scheduled according to age with 11 years olds invited first, followed by those aged eight to 10 and then those between five and seven years old. Where there are siblings, efforts will be made to invite them to back-to-back appointments to avoid multiple trips for families.

Details of how to rearrange unsuitable appointments will be included in the letters.

Children in this age group who have specific medical conditions which place them at greater risk from COVID-19 are already being vaccinated and will continue to be prioritised.

Vaccinations for all five to 11 year olds will be delivered alongside second booster jabs for those aged 75 and over and those in specific at risk cohorts following yesterday's recommendation from the JCVI. These individuals will be invited as they become eligible from 24 weeks after their last booster with the first groups receiving blue envelopes with appointments from the second week in March.

See: [Vaccinations for all five to 11 year olds - gov.scot \(www.gov.scot\)](https://www.gov.scot)

Hardship Fund for Creative Freelancers

Applications for this fund are now open. This fund offers support for creative freelancers working in the arts, screen and creative sectors in Scotland who are experiencing immediate financial hardship due the loss of income as a result of the COVID-19 pandemic.

Applicants can ask for between £500 and £2,000 in support.

Applications opened at 2pm on Wednesday 23 February and will remain open for as long as funds are available.

See: [Hardship Fund for Creative Freelancers | Creative Scotland](https://www.creativescotland.com)