

Written 4 October 2021

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!

Fuel pump crisis and the looming “challenging” winter

With panic buying at the pumps, the shortage of HGV drivers, and a looming winter energy crisis many of us are running our businesses in an ever increasing level of uncertainty.



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 the remainder of 2021.
- 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.

Six-month cash flow template

If you receive cash or card for sales at the point of sale, this could help with estimating cash surplus / deficit for the next 3-6 months' time.

	Cash estimates					
	March	April	May	June	July	August
	€	€	€	€	€	€
A Cash from sales	2500	1650	900	2500	5000	800
B Cash out to suppliers	350	750	800	150	1250	750
C Employee / owner costs	450	450	450	450	450	450
D Distribution and Marketing costs	125	125	125	125	125	125
E Heat light and similar Costs	75	75	75	75	75	75
F Rent and rates	750	750	750	750	750	750
G Other	50	50	50	25	25	25
H TOTAL COSTS (Add B to G)	1800	2200	2250	1575	2675	2175
Net Cash surplus or deficit (sales less costs) A less H						
PUT THIS FIGURE IN SURPLUS / DEFICIT ROW	700	-550	-1350	925	2325	-1375
Bank Balance brought forward	0	700	150	-1200	-275	2050
Surplus (deficit)	700	-550	-1350	925	2325	-1375
Balance C/CF	700	150	-1200	-275	2050	675

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.

House price review - Office for National Statistics (ONS) latest survey released

The ONS have released their latest analysis identifying the types of areas that are seeing the fastest house price growth during the coronavirus pandemic, and who could be at risk of being priced out.

Rising house prices and private rents mean that some workers are at risk of being priced out of living in rural and coastal areas, contributing to skill shortages in the tourism and hospitality industries that their local economies rely on. Young and low paid workers in tourist hotspots are increasingly facing the prospect of being unable to afford to live there.



Despite falling from a record high in June, the average UK house price (£256,000) increased by 8.0% in July 2021 compared with the previous year.

House prices were rising at three times the national rate in some rural and coastal areas in July, such as Conwy in North Wales (25.0%), North Devon (22.5%) and Richmondshire in the Yorkshire Dales (21.4%), continuing a trend seen during the coronavirus (COVID-19) pandemic.

Meanwhile, the seven areas that recorded house price falls in July were all London boroughs.

House prices are increasing partly because of temporary changes to taxes paid on property purchases (including Stamp Duty in England and Northern Ireland), but they also reflect a shift in consumer preferences with growth being driven by rural and coastal areas.

Prospective home buyers are seeking more space, with prices for detached houses (9.0% growth in July) consistently rising faster than terraced houses (7.7%) or flats (6.1%).

As a result, people living in rural and coastal areas – particularly the young and those on lower incomes – are at risk of being priced out of the housing market.

This could be contributing to hospitality businesses being unable to fill vacancies, with the industry being predominant in tourist areas and containing a high proportion of young and low paid workers.

See: [Coronavirus and house price growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/coronavirus-and-house-price-growth)

HMRC Publish Guidance on New Penalty Regime for Late Returns

Finance Act 2021 introduced a new regime for late VAT returns that will apply to VAT periods commencing on or after 1 April 2022 and to other returns at a later date.

HMRC have now published detailed guidance on the new rules. The reforms come into effect:

- for VAT taxpayers from periods starting on or after 1 April 2022
- for taxpayers within MTD for Income Tax Self-Assessment (ITSA), from the tax year beginning 6 April 2024
- for all other ITSA taxpayers, from the tax year beginning 6 April 2025

The new regime will be a points-based system and will operate in a similar way to motoring penalties in that the points will elapse after a period of time depending on the regularity of the returns.

For details see: [Penalties for late submission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/policy-guidance-on-new-penalty-regime-for-late-submission)

Tips and Gratuities should go to staff not the employer

The Government is to make it illegal for companies not to pass on tips to their employees. This comes after some major restaurant chains were accused of keeping 10% of tips given to staff.

The Department for Business Energy and Industrial Strategy (BEIS) have announced that new legislation, to be introduced within a year, would help about two million people in the hospitality industry. An updated consultation response was published on 24 September:

See: [Tipping, gratuities, cover and service charges consultation: government response \(publishing.service.gov.uk\)](#)

The current rules for taxing tips, gratuities and service charges are complex and, whilst all tips are taxable, national insurance does not currently apply where the payment is given directly to the staff member.

For current HMRC guidance on the taxation of tips, gratuities and service charges:

See: [Tips at work: Tips and tax - GOV.UK \(www.gov.uk\)](#)

Deadline for Covid-19 sick pay

The UK Government has updated its guidance for claims made under the Coronavirus Statutory Sick Pay Rebate Scheme. Employers can only claim back statutory sick pay paid to employees due to Covid-19 who were off work on or before 30 September 2021.

The Coronavirus Statutory Sick Pay Rebate Scheme will repay employers the Statutory Sick Pay paid to current or former employees. You must submit or amend claims on or before 31 December 2021.

See: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](#)

UK Stickers have now replaced GB stickers

The guidance on what UK goods vehicle operators need to do to carry out international road haulage has changed to refer to the change from GB stickers to UK stickers as UK stickers have now replaced GB stickers.

There will be new rules for transporting goods to or through Europe from 2022. These will affect you if you use vans or heavy goods vehicles (HGVs).

See: [Carry out international road haulage - GOV.UK \(www.gov.uk\)](#)

Government seeks views on contingency proposals for mandatory certification

A policy proposal has been published for mandatory vaccine certification as a contingency measure under the government's Autumn and Winter Plan.

The government states it remains confident ‘Plan A’ will prevent the NHS from facing unsustainable pressure and certification will not be required but mandatory vaccine-only certification could potentially be introduced in certain settings as part of ‘Plan B’.

The proposal for mandatory COVID certification in a Plan B scenario fulfils the commitment, set out in the Autumn and Winter Plan, to provide organisations with more detail about the proposed certification regime that would be introduced as part of Plan B.

The government invites feedback on these proposals. A call for evidence runs until 11 October.

See: [Government seeks views on contingency proposals for certification - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/seeks-views-on-contingency-proposals-for-certification)

Gift Aid Awareness Day 2021

Gift Aid is a tax relief for individuals which enables them to give the income tax or capital gains tax that they pay directly to a charity on top of their donation. In effect it adds 25p for every £1 donated to a charity. Gift Aid is an important tax relief worth £1.3 billion to the charity sector. This year’s Gift Aid Awareness Day is taking place on Thursday 7 October 2021. Charity Finance Group (CFG) are asking UK-based charities, small, medium and large, to spread the “#TickTheBox” message far and wide on 7 October 2021. CFG have produced a 2021 campaign pack for use, which includes logos, posters, infographics and a banner.

See: [Charity Finance Group | Gift Aid Awareness \(cfg.org.uk\)](https://cfg.org.uk/gift-aid-awareness-day-2021/)

Allergen Labelling Changes For Prepacked For Direct Sale (PPDS) Food

On 1 October 2021, the law on allergen labelling for pre-packed for direct sale (PPDS) foods changed. This means that any food business selling PPDS foods must include full ingredients on the product label with allergenic ingredients emphasised within that list.



To help support food businesses, the Food Standards Agency (FSA) has launched a PPDS Hub featuring useful information including new labelling guidance for PPDS foods and

guides that will be helpful to specific sectors including bakery, butchers, fast food and takeaways, mobile sellers, restaurants, cafes and pubs, and schools. The guides give practical information on PPDS and how these changes could impact a food business.

See: [Allergen labelling changes for prepacked for direct sale \(PPDS\) food | Food Standards Agency](#)

Pump priming grants for Horizon Europe proposals

Grants of up to £5,000 are now available to help UK businesses collaborate with partners in other countries to develop bids for Pillar 2 of Horizon Europe.

The funding, provided by the UK's Department for Business, Energy & Industrial Strategy, aims to develop collaborative activity between UK and EU/associated countries' entities. This activity should focus on Pillar 2 of Horizon Europe, which is Global Challenges and European Industrial Competitiveness.

The purpose of this call is not to implement the proposed projects that will be submitted to Horizon Europe, but to give the UK-based partners the resources needed to collaborate with EU organisations and stakeholders to further develop the idea and the market opportunities.

The funding can be used in a variety of ways, including feasibility studies, application advice and training, partnership building, and dedicated time to take forward an application.

Proposals are welcome:

- in all disciplines - engineering, natural sciences, medical sciences, humanities, and social sciences
- from research institutes and universities based in the UK and any other type of organisations eligible for Horizon Europe funding, including SMEs, charities and companies

The first wave of this call closes for submissions on 13 October 2021 at 17:00.

See: [Horizon Europe Pump Priming Collaboration between UK and EU Partners | The British Academy](#)

Vaccine certification introduction delayed

Higher risk venues covered by the Coronavirus vaccine certification scheme will have two-and-a-half weeks to test and adapt the new scheme in their own premises before the measures are legally enforced.

The scheme came into effect on 1st October in Scotland meaning people will have to show proof of their status to enter some venues and events. But legal enforcement will not come into effect until Monday October 18th.

People attending a range of late night venues and larger indoor and outdoor live events, such as music festivals or large sporting events, are required to show staff their Covid

status. This will be done via the Covid Status App on their mobile device or using the paper certificate.

See: [Vaccine certification introduction confirmed - gov.scot \(www.gov.scot\)](https://www.gov.scot/vaccine-certification-introduction-confirmed/)

Improving ventilation to tackle COVID-19

Business premises will be able to access a £25 million package to improve ventilation and reduce the risk of coronavirus (COVID-19) transmission.

Grants will target a wide range of high risk settings where people come into close proximity, including restaurants, bars and gyms, with support available to help companies undertake work such as the installation of carbon dioxide monitors and altering windows and vents.

An expert advice group, chaired by Professor Tim Sharpe from the University of Strathclyde, unanimously recommended that businesses should be supported to improve ventilation. The Group was established in August to advise how enhanced ventilation can help reduce transmission of the virus.

See: [Improving ventilation to tackle COVID-19 - gov.scot \(www.gov.scot\)](https://www.gov.scot/improving-ventilation-to-tackle-covid-19/)

Grants for tenants in rent arrears

Councils have been given £10 million to provide grants to tenants who have fallen behind on their rent as a result of the pandemic and are at risk of eviction.

The grants will help tenants who are struggling financially as a direct result of the pandemic, allowing them to reduce or pay off their rent arrears. They will be available to tenants in both the private and social rented sectors.

This is part of a package of measures available to local authorities to prevent homelessness, alongside Discretionary Housing Payments and advice on maximising income. The grants also come on top of the Scottish Government's £10 million Tenant Hardship Loan Fund.

See: [Grants for tenants in rent arrears - gov.scot \(www.gov.scot\)](https://www.gov.scot/grants-for-tenants-in-rent-arrears/)

Scottish Enterprise Entrepreneurial Academy

The Entrepreneurial Academy provides transformational education that's designed to support the growth of Scotland's entrepreneurs. The programme offers a series of workshops delivered by experts in their field who have real experience of supporting entrepreneurs alongside running their own successful businesses.

If you're an entrepreneur, this programme will help transform how you approach growing your company. Learn about topics that will be indispensable to your scaling strategy and get the knowledge and tools to grow your business. You'll also get the opportunity to meet your peers and build networks.

The workshops will run from October 2021 to March 2022. Each topic will be offered twice over the 6 months. All workshops will be held online and will be split into half-day sessions.

See: [Scottish Enterprise Entrepreneurial Academy \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Days Out Incentive Fund

This fund aims to help visitor attractions and experiences recover following the pandemic. The fund will allow successful applicants to offer a consumer-facing promotion to help stimulate demand for Scotland's visitor attractions, day tour excursions and activities during the off-season.

The funding will subsidise the cost of a ticket to their visitor attraction, activity, or day tour excursion.

The Days Out Incentive Fund is being delivered by VisitScotland on behalf of the Scottish Government, with development input from the Association of Scottish Visitor Attractions (ASVA). The total value of the fund is £4 million.

The fund is part of the tourism recovery programme developed by the Scottish Tourism Emergency Response Group (STERG) in collaboration with members of the Tourism Task Force. The fund will open for applications at midday on 5 October 2021 and the deadline to apply is 5pm on 12 October 2021.

See: [Days Out Incentive Fund - COVID-19 | Visitscotland.org](https://www.visitscotland.org)

Guidance on Fair Work First criteria

The Scottish Government has published guidance on its Fair Work First criteria to encourage and support employers to adopt fair work practices within their organisation.

The guidance does not set a minimum standard. Instead, it provides direction on how the Fair Work First criteria can be implemented by organisations of various types and sizes, in different sectors and locations. It should be used by those involved in awarding public sector grants, sponsorship and other funding and contracts, as well as those who apply for or receive such funding and/or contracts.

See: [Fair Work First: guidance - gov.scot \(www.gov.scot\)](https://www.gov.scot)