

Written 17 January 2022

BUSINESS NEWS WALES

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.fdf.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.apply-for-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](https://www.gov.uk/government/news/industrial-energy-transformation-fund-phase-2-2022)
(www.gov.uk)

Alert level 2 measures stay in place

The Welsh government has confirmed [alert level 2](#) measures will stay in place in Wales following the outcome of the latest regulations review.

Cases of coronavirus have risen sharply to their highest ever levels as the Omicron wave has surged across Wales in the post-Christmas period. The latest figures show there are more than 2,200 cases per 100,000 people in Wales.

At [alert level 2](#) people must:

- Wear a face covering (unless there is a reasonable excuse not to wear one) in all indoor public places, including when not seated in a pub, café or restaurant.
- Meet no more than five other people at a café, restaurant, pub or other public premises (unless with their household of a larger number). This applies to both outdoor and indoor areas of the premises.
- Work from home if they can.
- [Self-isolate](#) for seven days if they test positive for COVID-19. People should take a lateral flow test on day six and day seven. If either test is positive they should remain in isolation until two negative lateral flow tests or after day 10, whichever is sooner.
- Not take part in an organised event indoors of more than 30 people or outdoors for more than 50 people. All organised events must be organised by a responsible body and have a risk assessment.

People are also being encouraged to follow strengthened guidance to help them stay safe at home, this includes limiting the number of people they meet who they don't live with, to flow before you go by taking a lateral flow test before going out, meeting people outdoors wherever possible and making sure indoor spaces are well ventilated.

See: [People asked to keep Wales safe as alert level 2 measures stay in place | GOV.WALES](#)

Emergency Covid Financial Support Including Newly Established Businesses

The Welsh Government recognises that there is a need to support those who started a new business in the summer months.

New funding will provide a potential lifeline to those who have recently established their business and help them to continue trading through the period 13 December 2021 to 14 February 2022 despite being impacted by the spread of Omicron.

To be eligible businesses must have been trading on or before the 1 September 2021.

An eligibility checker for the Economic Resilience Fund (ERF) element of the funding is available on the Business Wales website.

See: [COVID-19 Crisis Support Tool | Business Wales \(gov.wales\)](#)

The full statement by Vaughan Gething can be seen here: [Written Statement: Emergency Covid Financial Support Including Newly Established Businesses \(7 January 2022\) | GOV.WALES](#)

Welsh Writing Awards 2022

The 2022 New Welsh Writing Awards is now open for entries and this year's theme is the Rheidol Prize for Prose with a Welsh Theme or Setting. The winner will be awarded a prize of £1,000. The closing date for entries is 15 February 2022.

For further information please see the following links:

- [2022 – Terms & Conditions](#)
- [2022 Awards – Submit Your Entry](#)
- [2022 Awards – Partners and Sponsors](#)

Register to have your say on Wales' future farming scheme

The Welsh Government is encouraging farmers to register to have their say in the next phase of designing the new Sustainable Farming Scheme.

This next phase will take place in the summer of 2022 and people can register now to be part of the process.

The Sustainable Farming Scheme will support farmers to lower their farms' carbon footprint, help improve the environment and support the production of food in a sustainable way.

See: [Contact the Farm Liaison Service | GOV.WALES](#)

Second homes: local variation to land transaction tax rates

The Welsh Government would like your views on proposed local variation to land transaction tax (LTT) rates for second homes, short term holiday lets and potentially other additional residential properties, and are consulting on changes to LTT to give more opportunity to people who are looking to buy homes for permanent occupation.

Issues include:

- the size of areas in which local variations could take place
- the procedure for identifying the areas where different rates may apply
- the types of transactions that could be subject to different rates in local areas

The consultation closes on 28 March 2022.

See: [Second homes: local variation to land transaction tax rates | GOV.WALES](#)

Non Domestic Rates linked grant fund

Local Authorities will be delivering a Non Domestic Rates (NDR) linked grant fund to non-essential retail, hospitality, leisure and tourism businesses (NERHLT). There will not be an application process for this element, however in order to receive payment, businesses will be required to register with their local authority to confirm their details.

NDR linked grants will then be paid directly to rate payers as follows:

- NERHLT businesses in receipt of Small Business Rate Relief (SBRR) and with a rateable value of £12,000 or less will be eligible for a £2,000 payment.
- NERHLT businesses with a rateable value of between £12,001 and £51,000 will be eligible for a £4,000 payment if impacted by the restrictions.
- NERHLT businesses with a rateable value of between £51,001 and £500,000 will be eligible for a £6,000 payment if impacted by the restrictions.

The registration process for the NDR linked grants opened on 13 January 2022.

See: [Non Domestic Rates Linked Grant 2022 | Business Wales \(gov.wales\)](#)