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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!

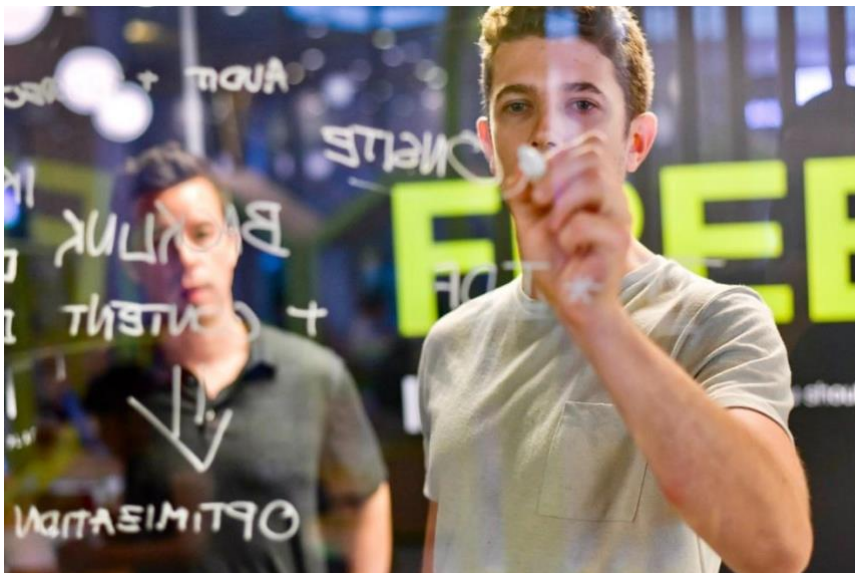
Take control of your business!

We were finally getting over the financial crisis when Covid struck. Then, in the trough of the worst economic downturn in 300 years, we discovered that recovery was driving the Financial Times Stock Exchange (FTSE) to new heights and the job market into a frenzy. In the wake of that, it became clear that the recovery was overheating and that we were facing a period of rising inflation and industrial action.

Russia's war in Ukraine made things worse. It has not only meant human suffering, but it has also affected the entire global economy, driving up the cost of food and energy. It adds to the hardship for those on a low income and means serious food security risks in the world's poorest economies.

The economy has always had its ups and downs, but its resemblance to a roller coaster is currently more marked than ever with the news of Prime Minister Boris Johnson's resignation and the race for his successor.

Businesses of every size face challenges that are now suppressing growth. A business might have a great product or service, but without a strategic plan to help it define, articulate and communicate where it is going, it will be at the mercy of outside events. We encourage our clients to take some time to think long-term about their business and to establish goals or targets that you can control.



A plan starts with identifying and accessing opportunities within your market and should address how your business is going to evolve to meet the challenges of today and the future. The plan gives your business purpose and it answers questions about your long-term goals.

The first step is to look at five important areas:

1. Think long term – invest time in understanding where the market is going and what this means for your customers. Short-term decisions do not help grow a business.
2. Having a good value proposition is essential – this states the relevance of your product or service, what it does and why customers need it. What is yours?
3. Expand your reach – what is your target customer and what do you need to do to let them know you exist and that your product or service is relevant to them?
4. Growth means new people, systems and (maybe) different ways of doing things. Grow at a pace you can manage.
5. How will your marketing get your value proposition to relevant customers?

Once you have taken some time to write out your plan and where you want your business to be in (say) 2 years, the next step is to work out a marketing programme with actions to make it happen.

A marketing plan is a business document outlining your marketing strategy and tactics. It is often focused on a specific period (i.e. over the next 12 months) and covers a variety of marketing-related details, such as costs, goals and action steps. But like your business plan, a marketing plan is not a static document. The plan should outline:

1. How you are going to keep existing customers happy and returning to buy more often.
2. What the goals are for getting new customers.
3. The marketing methods you are going to use to achieve points 1 and 2.

We specialise in helping our clients manage their businesses. We do this by preparing and updating detailed forecasts, using the latest and most powerful software.

Please talk to us about strategic planning. We can provide a template so you can do this yourself or work together with you to produce estimates for a variety of scenarios and help you take control of your business!

Attracting and retaining key staff with share incentives

In the increasingly competitive job market, it is important for employers to attract and retain talented people to help them grow their business. More and more key staff would like the opportunity to participate in the equity of the organisation that they work for and employers that do not offer such opportunities will be at a disadvantage when looking to retain and recruit.

In the case of companies, there are currently four HMRC 'tax-advantaged' schemes that provide employees and employers with income tax and National Insurance (NIC) advantages. These used to be referred to as "HMRC approved" schemes but HMRC, although helpful, no longer provide an approval service. The onus is now on the company or its professional advisers to ensure that the scheme complies with the specific legislation, which can be complex. The four tax-advantaged schemes are currently:

Share Incentive Plan (SIP) and Save As You Earn (SAYE or Sharesave) schemes, which generally need to be made available to all employees after a qualifying period.

Schemes more appropriate for SMEs are the Company Share Option Plan (CSOP) and the Enterprise Management Incentives (EMI) share option scheme, as these are discretionary schemes which allow management to award options to selected employees and directors that the organisation is looking to incentivise.

Shares acquired under these four schemes are generally free from income tax and NICs. Depending on the scheme used, the employer may also qualify for a corporation tax deduction for the difference between the price paid by the employee for their shares and the market value.

The scheme of first choice, provided the company qualifies, is currently the EMI share option scheme as it allows the employee or director to hold options up to £250,000 of the employing company's shares based on the market value when the option was granted. The shares, once acquired, potentially qualify for CGT business asset disposal relief when sold, and thus the first £1 million of gains would be taxed at just 10%.

The acquisition of shares and securities in connection with employment, other than through one of the four schemes outlined above, are commonly referred to as 'unapproved' or 'taxed' schemes. This means that neither the employee nor the employer benefit from any income tax or NIC advantages. This could result in a significant income tax and NIC charge.

Please contact us if you would like to discuss introducing a share incentive scheme to help you attract and retain talented staff.

Charging the correct rate of VAT

The VAT rules are becoming increasingly complex and businesses need to ensure that the correct rate is applied to the goods and services they supply.

HMRC have recently updated their guidance on VAT rates. It provides a list of goods and services which you can check to determine which rates of VAT apply and which items are exempt or outside the scope of VAT: [VAT rates on different goods and services - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/vat-rates-on-different-goods-and-services)

The guide is not a comprehensive list, and you may need to check the appropriate VAT Notices that deal with certain supplies in more detail. We can of course assist you if you are unclear on the correct rate to apply.

Fast Start: Innovation

Innovate UK is offering small and micro businesses a share of up to £30 million in grants alongside tailored business support delivered by [Innovate UK EDGE](#). You can apply for up to £50,000 for highly innovative ideas that have a clear route to commercialisation through business growth.

Your project must lead to new products, processes or services that are significantly ahead of others currently available, or propose an innovative use of existing products, processes or services. It can also involve a new or innovative business model.

In your application, you must be able to show that you:

- Have a great idea.
- Need public funding.
- Have the capability to deliver the project.
- Will deliver the project.

Your idea must focus on either achieving net zero or self-driven healthcare, and how new technology can enable affordable, adoptable and investable innovations in these areas. They are particularly interested in proposals which will help you:

- Develop both your idea and your business.
- Create a new revenue stream.
- Evidence and enable your market, funding and commercialisation plans.
- Show what's feasible, helping you decide whether to pursue your idea further.
- Catalyse further innovation on your path to commercial success.
- Respond to changing market conditions.

The competition closes on Tuesday 26 July 2022 11:00am.

See: [Competition overview - Fast Start: Innovation - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Innovate UK Smart Grants

Innovate UK, part of UK Research and Innovation, is investing up to £25 million in game-changing, and world-leading ideas, designed for swift, successful commercialisation. Ideas need to be genuinely new and novel, not just disruptive within their sector. The competition closes on 27 July 2022.

Your proposal must be business focused, with deliverable, realistic and adequately resourced plans to achieve a return on investment, growth and market share following project completion.

Applications can come from any area of technology and be applied to any part of the economy such as, but not exclusively:

- [Net zero](#)
- [The arts](#)
- [Design](#)
- [Media](#)

Your project must:

- Start by 1 January 2023.
- End by 31 December 2025.
- Include at least one micro, small or medium-sized enterprise (SME) as the lead or a collaborative grant claiming partner.
- Carry out all its project work in the UK.
- Intend to exploit the results from or in the UK.

See: [Competition overview - Innovate UK Smart Grants: April 2022 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

NCSC issues new guidance on long-term cyber resilience

The National Cyber Security Centre (NCSC) has published new guidance in which it urges UK organisations to prepare for an extended period of heightened cyber security threat.

The guidance is designed to apply to any period of sustained heightened cyber threat, including the one arising from Russia in light of events in and around Ukraine.



While the NCSC is not aware of any current specific threats to UK organisations, it says that the cyber threat to the UK remains heightened and they expect it to stay that way for some time.

The new guidance aims to help organisations avoid complacency and staff burnout. It advises that increased workloads for cyber security staff over an extended period can harm wellbeing and lead to lower productivity, with a potential rise in unsafe behaviours or errors.

The recommended actions in the guidance include:

- Following the NCSC's [actions to take when the cyber threat is heightened guidance](#).
- Revisiting risk-based decisions taken during the initial phase of heightened threat.
- Empowering cyber staff to make day-to-day decisions about the threat response without requiring additional oversight.
- Ensuring workloads are spread evenly across individuals and teams.
- Ensuring frontline cyber staff can take breaks to recharge.
- Accelerating planned action to harden networks and boost defence capabilities.

See: [Maintaining a sustainable strengthened cyber security posture - NCSC.GOV.UK](#)

UK Government to fund HGV driver training programme for veterans

The Office for Veterans' Affairs will provide £100,000 in funding to the charity Veterans Into Logistics, to support veterans to become HGV drivers. The announcement is on top of the £25m of UK Government funding being distributed through the Armed Forces Covenant Fund Trust to charities to offer support to veterans across the United Kingdom. The grant has been provided to the charity [Veterans into Logistics](#), which offers bespoke training for former military personnel who wish to pursue careers in HGV driving.

See: [Government funds HGV driver training programme for veterans - GOV.UK \(www.gov.uk\)](#)

Plastic Packaging Tax update

The Plastic Packaging Tax (PPT) was introduced on 1 April 2022. If you manufacture or import plastic packaging into the UK, you may need to register for PPT, submit a PPT return and pay any tax due.

As the end of the first quarterly accounting period for PPT approaches, HMRC shared some key reminders on completing PPT returns and payments.

- If you are liable to register or have already registered for PPT, from 1 July 2022 you must submit your PPT return and pay any tax due no later than 29 July 2022.
- Your PPT return needs to cover plastic packaging your business manufactured or imported into the UK, from when you became liable to 30 June 2022.
- You must keep [accounts and records](#) to support the information provided when you [complete your quarterly PPT return](#).
- Your accounts must show how you have worked out the figures you submit on your PPT return, and your records must show the evidence to support these figures.
- You must keep your accounts and records for at least 6 years from the end of the accounting period, and record weight in tonnes, kilograms, and grams.
- You will need to pay any tax due through your online PPT account. You can pay via Direct Debit, BACS, CHAPS, Debit/Corporate credit card or Faster Payments.
- For a reminder of these steps and all return and payment dates for 2022-23, download the [PPT flyer](#).

See: [Plastic Packaging Tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Projects developing innovative carbon removal tech can benefit from UK Government funding

New developments in innovative technologies to remove greenhouse gases from the atmosphere will be taken forward by new government-backed projects across the UK – helping to create new green jobs and putting the UK at the forefront of this new industry.

The UK government announced last week that a total of 15 projects across the UK, from Edinburgh to Exeter, Swindon to Sheffield, will benefit from a share of over £54 million to develop technologies that remove carbon emissions from the atmosphere. This government support will encourage further private investment into the UK, the creation of new green jobs in these regions and help the UK meet its emission reduction targets.

The money will help projects further develop their greenhouse gas removal technologies, which include a machine that can pull carbon dioxide out of the air, a plant to convert household waste into hydrogen for use in the transport industry and a system to remove carbon dioxide from seawater.

See: [Projects developing innovative carbon removal tech benefit from over £54 million government funding - GOV.UK \(www.gov.uk\)](#)

Tax credits claimants have until 31 July to renew their claims.

Thousands of claimants are yet to renew their tax credits ahead of the deadline, with HMRC reminding them to do so by 31 July or their payments will stop.

Tax credits help working families with targeted financial support, so claimants must renew before the deadline to ensure they don't miss out on the money they are entitled to.

Renewing online is the best option, and you can log into GOV.UK to check the status of your renewal.

See: [Manage your tax credits - GOV.UK \(www.gov.uk\)](#)

Translating Hydrogen into Action

This project is designed to support Scotland's hydrogen sector by encouraging small and medium-sized enterprises (SMEs) that work in this area to develop new and existing technologies. Companies that work in the manufacture of fuel cells, chemical processes and energy systems are all eligible.

The support can include:

- Expert academic advice on technology and safety.
- Access to specialised testing equipment, facilities and expertise.
- Support for early-stage prototyping to scale up.
- Identifying and engaging with SMEs that show growth potential.
- A collaborative platform for testing and scale-up.
- Advice on funding.
- Promotion of the services and facilities offered by the University of St Andrews and the University of Strathclyde.
- Matching SMEs to knowledge and expertise across both the University of St Andrews and the University of Strathclyde.
- A programme of events and activities.

See: [Hydrogen Accelerator – Scotland's Hydrogen Accelerator \(h2-accelerator.org\)](#)

EXTEND programme for aerospace rail and renewables sectors

This project aims to help the aerospace, rail and renewables sectors move to net zero carbon emissions.

It is designed to address the challenges around the lifecycle of products and components and how these items can be recovered and reused in the sector.

Small and medium-sized enterprises (SMEs) will receive support through events, projects and individual contact. The support can include:

- Helping SMEs to understand their current capabilities, capacity and management.
- Identifying opportunities for collaboration with other parts of the supply chain.
- Matching SMEs to companies that make and provide the equipment.
- Training and up-skilling.
- Access to design and manufacturing equipment for demonstration, testing and training purposes.

See: [About - EXTEND](#)

Circular Textiles Fund

Zero Waste Scotland is administering a new £2 million fund, backed by the Scottish Government, to help reduce the environmental impact of textiles. The fund will support the development of circular supply chains in Scotland and help businesses achieve net zero carbon emissions across the textiles industry, from fashion to upholstery.

The Circular Textiles Fund can help businesses in Scotland take part in Scotland's circular economy through the implementation of their own innovative circular projects. This means resources will be valued and kept in circulation for as long as possible.

To be eligible, your project must:

- Actively contribute to improving circularity in textiles in Scotland.
- Demonstrate economic or social benefits - for example, jobs, turnover increase and social inclusion.
- Contribute to the reduction of textile waste in Scotland, including diversion of waste from landfills, improving end-of-life options and moving waste up the hierarchy.
- Achieve a positive impact on carbon emissions.
- Develop or provide new or untested solutions for the Scottish market, including collaborative partnerships (projects must be well advanced along the

development pathway - early-stage research or basic science projects will not be supported).

Collaboration between 2 or more organisations is actively encouraged.

Expressions of interest must be submitted by 29 July 2022.

See: [Circular Textiles Fund | Zero Waste Scotland](#)

How to answer questions from your employees and colleagues about climate change

A new Business Energy guide will help you answer questions from your employees and colleagues about climate change. It includes information on the most common misconceptions about climate change and gives you the facts behind them.

Topics include:

- Rising global temperatures.
- Disruption to supply chains.
- The costs of switching to renewable energy.
- The importance of stopping global warming.
- What you can do to help.

See: [How to answer your colleagues' questions about climate change · Business Energy Scotland](#)

40 quick and easy ways to cut your energy bills and carbon footprint

This Business Energy Scotland guide lists 40 free and low-cost easy ways to cut the amount of energy you use. Cutting your energy bills is not only good for the environment, but it's also good for your business.

Topics include:

- Encouraging energy-saving behaviour.
- Understanding how much energy you currently use.
- How to save on heating.
- How to save on lighting.
- Changing habits.

See: [40 quick and easy ways to cut your energy bills and carbon footprint · Business Energy Scotland](#)

10 ways to save energy and reduce your carbon footprint while working from home

Business Energy Scotland's guide explains how you can save energy and reduce your carbon footprint (and energy bills) while working from home.

The guide covers:

- Lighting in your workspace.
- Heating your workspace.
- Energy saving techniques and tips.
- Working flexibly.
- How to access support from Home Energy Scotland.

See: [10 ways to save energy and reduce your carbon footprint while working from home · Business Energy Scotland](#)

Used Electric Vehicle Loan for Businesses

In September 2020, the Low Carbon Transport Loan was extended to cover used electric vehicles. This means that Scottish businesses of all sizes can now receive financial support for the purchase of a used electric vehicle.

The interest-free Used Electric Vehicle Loan for businesses offers businesses in Scotland:

- Up to £30,000 to cover the cost of purchasing a used electric car.
- Up to £30,000 to cover the cost of purchasing a used electric van.
- Up to £5,000 to cover the cost of purchasing a used electric motorcycle or moped.

If you operate as a limited company, the total funding available to your organisation is £90,000. If you operate as a sole trader or partnership, the total funding available is £75,000. Only used electric cars or vans sold for £30,000 or less, or used electric motorcycles or mopeds sold for £5,000 or less, are eligible for the loan.

The loan scheme is funded by Transport Scotland (an agency of the Scottish Government) and administered by Energy Saving Trust.

See: [Used Electric Vehicle Loan for Businesses \(findbusinesssupport.gov.scot\)](#)