

Written by 20 February 2023

## 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!

### Power up your business with Innovation!

Innovation has generally been recognised as essential for value creation, both for individual companies and for the UK economy. The development of new ideas, processes and technologies and their flow across different sectors is a significant driver of economic growth and productivity. Recently, innovation has also been identified as crucial to the transition of the economy away from fossil fuels and carbon-intensive business activities.



There are many factors that affect whether and how businesses innovate, for example the availability of skills and capital and government policy measures such as tax incentives.

However, none are more important than the company's own culture, capabilities, and internal systems – all of which are aspects of its governance. Unless companies are governed in a way that is conducive to innovation, they are unlikely to be able to take advantage of new opportunities.

Our most innovative clients share some key characteristics:

- they invest in activities with uncertain outcomes for which the likely commercial return is difficult to quantify and the risk of failure is higher than normal
- they have a culture which encourages flexibility, experimentation and a high level of individual decision making
- they require a longer-term time investment horizon than many other kinds of business activity

Research and Development (R & D) is the process of taking an innovative idea and transforming it into a fully-fledged product or procedure. R & D tax credits are a government incentive designed to encourage innovation across multiple industries. If you carry out R & D that aims to make an advance in science or technology, this is an opportunity for you to reduce your corporation tax bill or receive a refund from HMRC based upon the relevant costs your business dedicates to Research & Development. Recently, R & D tax credits have been the subject of additional scrutiny by HMRC, and some rates will be less generous from April 2023, but it could still be a useful tax relief for your company.

If you are looking for long term finance to support innovation then 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 R & D tax credits and long-term finance, our independent experts have many years of experience and success in advising business across a wide range of sectors.

### **Retiring soon? – Check your entitlement to the State Pension now!**

If you are planning to claim the UK state pension you should check your national insurance (NI) record before 5 April 2023. At present, voluntary contributions can be made to plug gaps back to April 2006, but this will be curtailed from April.

National insurance (NI) contributions are made by employed and self-employed individuals based on their earnings. To qualify for the maximum 'new state pension' (received by those retiring on or after 6 April 2016) a person must have 35 qualifying years of NI contributions. For part payment of the 'new state pension' a person must have contributed for at least 10 years. For those whose NI record started before 6 April 2016, different rules may apply; the number of required years of NI contributions/credits to obtain the full state pension may be higher.

If a person has not contributed enough before reaching state pension age, they may not be able to claim state pension, or receive the full state pension amount.

To help protect state pension and other benefits it may be beneficial for people to make voluntary NI contributions to top up their contribution history, potentially

increasing the amount of state pension they will receive. We recommend you take financial advice when making that decision as, amongst other factors, it requires predicting what contributions will be made before state retirement.

Normally, it is only possible to make voluntary contributions for the past six tax years. Currently there is an extension in place. Individuals can fill gaps in their NIC history from 6 April 2006 to the present date by making voluntary contributions.

From 6 April 2023, the timeframe for making voluntary contributions will revert to the normal six years. This means that in the 2023/24 tax year, it will be possible to make contributions going back to the 2017/18 tax year only.

See: [Check your national insurance record before 5 April 2023 | ICAEW](#)

## **Next generation innovators driving UK towards net zero to get £24 million cash boost**

Next generation energy innovators will receive a £24 million cash boost to develop new technologies that will decarbonise UK industry, build home-grown energy supplies and help prepare the country for a net zero future.

Thirty-seven British companies, including small and medium sized enterprises and start-ups, will get a share of the £19 million Energy Entrepreneurs Fund.

The money will drive forward their innovations to reduce carbon emissions, develop clean energy and improve energy efficiency in people's homes.

The UK-wide projects will allow industry to play its part in helping the country meet its 2050 net zero target by delivering decarbonisation solutions, as well as potentially creating hundreds of green jobs and triggering private sector investment worth millions. The winning projects include:

- **offshore wind robotic inspectors:** Inductive Power Projection Ltd, based in Cornwall, which will use their £444,080 funding to develop an innovative high-frequency wireless charging demonstrator to power floating off-shore wind autonomous 'robotic' drones, to inspect and maintain offshore wind farms.
- **solar architecture:** Build Solar Ltd (a spin out from Exeter University) received £271,933 to develop a low-cost glass brick called Solar Squared for buildings, collecting solar energy via the walls themselves, allowing buildings to generate their own power.
- **offshore wind communications:** Jet Engineering System Solutions, based in the south-east, received £255,754 to develop a 5G floating network enabling high-speed, dependable long-range communications at sea to aid wind farm installation.
- **decommissioning oil wells:** Clearwell Technology Ltd, based in Scotland, received £223,872 to design a thermal pipe milling tool for well plugging – a

green tech that could transform how oil and gas wells are sustainably decommissioned.

See: [Next generation innovators powering UK towards net zero to get £24 million cash boost - GOV.UK \(www.gov.uk\)](#)

### **Guidance for small businesses on using facial recognition technology**

Facial recognition technology (FRT) identifies or otherwise recognises a person from a digital facial image. Businesses can use FRT in a variety of contexts - for example, in allowing access to devices, taking payments, or allowing entry to secure areas.

Depending on the use, FRT involves processing personal data, biometric data, and special category personal data. Such technologies can intrude on people's privacy, so businesses need to think carefully when deciding if they should implement them.

If you are a small business looking to begin using facial recognition technology, read the ICO's latest FAQ about using FRT for payment, entry, or other security systems.

The information highlights key issues to be aware of, such as:

- what you need to consider before using this technology
- when you must complete a data protection impact assessment
- how to identify and satisfy a special category condition
- what to include in your privacy notice if you use FRT

See: [Additional considerations for technologies other than CCTV | ICO](#)

### **Check when you must register for Plastic Packaging Tax**

Plastic Packaging Tax (PPT) was introduced on 1 April 2022. If you manufacture or import 10 or more tonnes of plastic packaging within a 12-month period you must register for PPT on GOV.UK, even if your packaging contains 30% or more recycled plastic.

You must register for Plastic Packaging Tax if you:

- expect to import into the UK or manufacture in the UK 10 tonnes or more of finished plastic packaging components in the next 30 days
- have imported into the UK or manufactured in the UK 10 tonnes or more of finished plastic packaging components since 1 April 2022

This includes non-resident taxpayers who import [finished plastic packaging components](#) into the UK on their own behalf, or manufacture finished plastic packaging components in the UK.

The importer will generally be the consignee on the importation documents, unless they provide [records showing they are acting on behalf of someone who's controlling the import](#), and are using the consignee to store goods on their behalf.

If you import finished packaging components using incoterms, you should make sure you and other businesses know who is responsible for accounting for Plastic Packaging Tax. The tax becomes chargeable when the goods are imported but is accounted for quarterly in arrears rather than at the time of import.

#### If you are a partnership or other unincorporated body

You must register if at least one partner (or person carrying out business) will manufacture or import 10 or more tonnes of finished plastic packaging components in the next 30 days or since 1 April 2022. All members will then be joint and severally liable for Plastic Packaging Tax.

#### If you are a member of a business group

You can [register as a group](#). This allows for only one of the businesses to complete returns and make payments on behalf of all members of the group.

#### When to register

You must register for Plastic Packaging Tax within 30 days of becoming liable for it. You must pay the tax on all chargeable components from the day you're liable to register. You may need to pay a penalty if you do not.

See: [Check when you must register for Plastic Packaging Tax - GOV.UK \(www.gov.uk\)](#)

### **Guidance on working in cold and wintry weather**

The Health and Safety Executive (HSE) have updated their guidance to make it easier to find and understand advice on how to protect workers in low temperatures. This includes guidance for working outdoors.

It also explains how you can assess the risks to workers and put controls in place to protect them.

With low temperatures and less daylight, winter can make surfaces perilous. As a result, slip and trip accidents increase significantly.

See: [Is it too cold or hot to work? \(hse.gov.uk\)](#)

## **UK announces second Global Investment Summit to create jobs in high tech sectors**

Over 200 of the world's highest profile investors, CEOs and financiers are expected to come to the UK in October for a second Global Investment Summit (GIS 23).

GIS 23 will aim to raise billions of pounds of high value investment to create jobs across the UK, with a special focus on high tech sectors such as innovation, research, and development.

The event will build on the inaugural Global Investment Summit in October 2021, that brought together over 170 CEOs to showcase the UK's commitment to green investment ahead of COP26.

The 2021 Summit secured £9.7 billion of new foreign investment on the day, creating over 30,000 new jobs and supporting growth in vital sectors such as wind and hydrogen energy, sustainable homes, and carbon capture and storage.

See: [UK announces second Global Investment Summit to create jobs in high tech sectors - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/uk-announces-second-global-investment-summit-to-create-jobs-in-high-tech-sectors)

## **Fishing industry - new funding to train the next generation**

Training programmes to attract new recruits and improve the quality of training in the fishing, seafood, and aquaculture sectors have been awarded funding from the [£100million UK Seafood Fund](#).

Recognising industry concerns over an ageing fishing workforce and with the number of UK fishers having fallen by 1,700 over the past decade, the UK government considers it is now more important than ever to ensure entrants are equipped with the necessary skills to join the sector and understand the opportunities that are available to them.

Coinciding with National Apprenticeship Week, the seven projects include pilot courses at London's famous Billingsgate market covering technical skills such as the delivery, preparation, and cooking of seafood; practical qualifications for manning fishing boats in Cornwall; and training for school leavers in Scotland going into the seafood industry.

See: [Fishing industry nets new funding to train the next generation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/fishing-industry-nets-new-funding-to-train-the-next-generation)

## **Flexible Workforce Development Fund**

The Flexible Workforce Development Fund (FWDF) helps employers in Scotland access workforce training opportunities to upskill or reskill their employees.

The training is offered in high-quality learning environments across Scotland, such as colleges, the Open University in Scotland (OUiS) and other training providers.

The FWDF will accept applications until 31 July 2023 or until the fund has been fully allocated, if earlier. You should apply early if interested.

If your business pays the UK Apprenticeship Levy, you must provide evidence of this. Small to medium-sized enterprises (SMEs) that do not pay the levy must show evidence that they run a business - for example, a business bank account or company registration number.

Employers who are levy-payers can receive up to £15,000 worth of support. Non-levy paying SMEs can receive up to £5,000 worth of support.

Businesses in the private, public or third sector are eligible.

The FWDF may be particularly beneficial in addressing skills gaps and training needs of the older workforce and those with protected characteristics.

See: [Flexible Workforce Development Fund \(ourskillsforce.co.uk\)](https://www.ourskillsforce.co.uk)

### **Planning for greener communities**

Projects returning former industrial or derelict sites to community use will be more likely to be approved following the introduction of long-term planning reforms.

Planning Minister Tom Arthur visited the £4.2 million Lochshore development at the former Glengarnock Steelworks in Ayrshire to see progress transforming a former heavy industry site into parkland for the benefit of local people and visitors.

Local authorities are encouraged to support proposals for development that will help restore green spaces under the fourth National Planning Framework (NPF4), as part of local development plans. The policy against which planning applications will be assessed for the next decade came into effect on 13 February.

Policies in the NPF4 will also:

- enable more renewable energy generation, outside National Parks and National Scenic Areas, to support the transition away from reliance on fossil fuels
- Regenerate city and town centres to help them adapt to economic change while restricting some out of town retail and drive through developments
- Support the delivery of good quality, affordable homes in neighbourhoods where people can easily access shops, schools and workplaces within a 20 minute walk or cycle

See: [Planning for greener communities - gov.scot \(www.gov.scot\)](https://www.gov.scot)



## **Flexible planning rules - Hospitality**

Hospitality businesses will be able to place tables and chairs on the pavement outside their premises without submitting a planning application under measures expected to come into force at the end of next month.

Strong support was expressed in a public consultation for the extension of permitted development rights to enable more cafés, bars and restaurants to offer outdoor eating and drinking. Regulations to implement the measures were laid in the Scottish Parliament on Friday 10 February for approval by MSPs.

Councils will, however, retain powers to prevent and deal with obstructions that make it difficult for people to access pavements safely and effectively, for example people in wheelchairs or with visual impairments, or families with children in pushchairs.

The 12-week consultation also backed the relaxation of planning rules for the conversion of certain premises into cafes, restaurants, or small-scale offices, as well as the installation of larger electric vehicle charging equipment in car parks. If approved by Parliament, all these measures would be allowed under certain circumstances without the need for a planning application.

See: [Flexible planning rules - gov.scot \(www.gov.scot\)](http://www.gov.scot)

## **Female Business startup checklist**

If you want to start your own business but don't know where to begin, the Startup Checklist is filled with tailored, needs-based support for women. It offers clear and simple advice to help you feel more confident and better equipped to take the plunge with your business venture.

The Startup Checklist can be used to help plan and kickstart your business journey, step by step. The checklist provides advice and support in 9 different areas:

- forming a business idea
- creating a business plan
- finding advisers
- knowing the law
- financial support
- sales and marketing
- digital skills
- networking
- mentoring



The checklist is free if you are a female entrepreneur or women-led business in Scotland in the pre-startup or startup stages of business. You will need to sign up for free membership to read the list.

See: [Home - Womens Business Centre](#)

### **Start-up grants for new businesses in Shetland**

The Shetland Business Start-Up Grant Scheme provides funding of up to £4,000 to newly established businesses in Shetland. An additional grant of up to £1,000 is available to young people under 30. A grant of £1,000 can also be awarded to applications that contribute toward Shetland's transition to net zero.

Financial assistance is provided to applicants that can demonstrate they have aspirations to establish a new full-time business in Shetland.

To apply, you should have a business plan and a 2-year cash flow forecast, which a Business Gateway adviser can help you with.

Grants may be awarded for:

- capital costs
- marketing costs
- training costs

This grant is jointly funded by Shetland Islands Council and Highlands and Islands Enterprise.

See: [Shetland Business Start Up Grant – Shetland Islands Council](#)