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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!

Building business resilience

Millions of businesses and households are struggling with their energy costs, alongside increases in general taxation, the cost of council tax, water bills and other utilities.

Is it all doom and gloom or can you plan forward and make adjustments in, and to, your business to factor in these changes?



Our experience tells us that business owners are a resilient bunch and those that are the most successful are also flexible in their planning. Here are some of our recommended actions, based on what we have seen other clients doing recently to firm up their resilience to these tough times:

- Review your budgets and set realistic and achievable targets for the remainder of 2023. Know your cash flow forecast inside out.

- Review your debtors list and chase up overdue invoices (if appropriate). If applicable, offer existing debtors extended payment terms and/or discounts.
- Make sure your terms of business contain explicit payment terms.
- Assign responsibility to one individual for invoicing and collections.
- Put extra effort into making sure your relationships with your better customers are solid.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- If appropriate, review banking facilities and discuss future needs.
- Know what you are spending and on what. Look at your detailed expense list in your profit and loss account and assess if there is room for negotiation in any of your fixed expenses and/or whether there are alternative suppliers.
- Review and flowchart the main processes in your business (e.g. sales processing, order fulfilment, shipping etc.) and challenge the need for each step.
- Encourage team members to suggest ways to streamline and simplify processes.
- Review efficiency of business processes and consider alternatives such as outsourcing certain activities locally or overseas.
- Establish your key performance indicators (KPI's) and measure them on a weekly basis.
- Pull everyone together to explain the business strategy and get their buy-in.

The British Business Bank's Guide to building business resilience contains impartial, practical, and actionable information and support to help smaller businesses manage their costs, boost their long-term profitability, and increase their resilience.



There is guidance on everything from energy efficiency to investing in technology, included to help make your business more innovative and resilient.

Other topics covered in the guide include:

- Foundations for growth,
- Managing business costs,

- Securing funds and controlling debt,
- Focusing on customers,
- Optimising your supply chain, and
- Controlling staff overheads.

See: [Guide to building business resilience - British Business Bank \(british-business-bank.co.uk\)](https://www.british-business-bank.co.uk)

Please talk to us about planning ahead because we have considerable experience with helping our clients with their strategy and sustainability in turbulent times.

Giving Shares to Employees

Where companies give shares to employees in the company or group that they work for they will generally be taxed on the difference between the market value of those shares and the amount paid, if any. The transaction also needs to be reported to HMRC by 7 July following the end of the tax year. HMRC provide a template to enable employers to report the transaction online:

See: [Other ERS schemes and arrangements: end of year return template, technical note and guidance notes - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Considerations around whether employers need to operate PAYE and whether national insurance contributions are payable depends upon whether the shares are 'readily convertible assets'. Broadly, this would be where there are trading arrangements in place to quickly sell the shares.

It is generally more tax efficient for the employee if the company awards them shares under a tax-advantaged share incentive scheme such as under the Enterprise Management Incentive (EMI) scheme or a Share Incentive Plan (SIP).

Contact us if you would like more information about these schemes.

Corporation Tax relief for Employee Share Acquisitions

Provided certain conditions are satisfied, the employing company will obtain a corporation tax deduction when employees acquire shares in the company or group that they work for, whether they acquire the shares directly or under a share option agreement. The amount of the deduction is the difference between the market value of the shares and the amount paid by the employee and will often mirror the amount taxed on the employee. This is a statutory deduction and will be available irrespective of whether there is a deduction for the transaction in the company's profit and loss account.

Awarding shares to employees is a complex area so please contact us before you consider such arrangements.

Working Capital Finance explained

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 to drive growth; and
- 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 business across a wide range of sectors in obtaining working capital finance solutions.

Pub is the Hub Community Services Fund

Isolation and loneliness are very prevalent in rural areas where transport and amenities are scarce, so Pub is The Hub is making funding available to pubs prepared to support their local residents.

If you would like to consider ways in which your pub could diversify and support your local community then please read on!

- Would you like more information on developing your pub into a hub for your community?
- Would access to experts in the licensing trade be something you would value before making any decisions on diversifying?
- Would you like this support to be free of charge?
- Would you welcome a grant of up to £3,000, subject to meeting guidelines, to support any project you had identified?
- Would you welcome PR and Media coverage free of charge?

See: [Community Services Fund - Pub is The Hub](#)

Manufacturing Awards 2023

The Make UK Manufacturing Awards 2023 is recognising and awarding manufacturers and their apprentices who have done exceptional work in the sector.

Share your stories of resilience and transformation and shine a light on the incredible efforts of your people and business. Whether you've implemented a new export strategy; developed a new product; or have taken great leaps in your journey towards net zero – you are all manufacturing heroes. With 5 apprentice categories and 7 business categories, there is an award for you and your business. It's free to enter, and you can apply to multiple categories. Application is quick and simple via an online form

See: [Make UK](#)

SE100 Social Business Awards 2023

Equality and Climate share centre stage for this year's NatWest SE100 Index and Social Business Awards. Don't miss your chance to be named among the UK's top impact enterprises – enter by 7 May 2023.

The awards recognise social ventures and mission-driven businesses that are leading by example in their quest to generate revenue to deliver a social or environmental mission.

This year's categories are:

- Equality Award,
- Trailblazing Newcomer,
- Social Business Champion,
- Impact Management Champion,
- Leader of the Year,
- Social Investment Award, and
- Climate Champion.

See: [UK social enterprise 'top 100' 2023 edition opens for nominations | The Social Enterprise Magazine - Pioneers Post](#)

Businesses can sign the Armed Forces Covenant

The armed forces covenant is a pledge that together we acknowledge and understand that those who serve or who have served in the armed forces, and their families, should be treated with fairness and respect in the communities, economy, and society they serve with their lives.

The covenant focusses on helping members of the armed forces community have the same access to government and commercial services and products as any other citizen.

Reservists and veterans bring a variety of transferable skills and qualities to the civilian workplace, developed throughout their military careers.

Businesses, charitable, and public sector organisations of all sizes who wish to support the armed forces community can sign the covenant. You make your own promises on how you will demonstrate your support.

See: [Businesses - Armed Forces Covenant](#)

'Pioneer' unveiled as an alternative to Horizon Europe funding

The UK government has published its Pioneer programme, setting out how it would protect and support the UK research and innovation sector if the UK isn't able to associate to Horizon Europe.

Negotiations are still ongoing in the hope of securing a successful association. However, the government maintains that any association must be on the basis of fair and appropriate terms. If association cannot be secured on the right terms, the UK will implement its ambitious, alternative plan - Pioneer.

Should it be needed, the Pioneer programme would focus on four main themes to complement the UK's existing research and development investments:

- talent,

- end-to-end innovation,
- global collaboration, and
- investment in the R&D system.

Pioneer would receive the same amount of funding as the government would have paid to associate to Horizon from 2021 to 2027. This means the UK would invest around £14.6 billion in Pioneer to the end of 2027/28, including the support already provided to the sector via the Horizon Guarantee.

See: [Pioneer: global science for global good - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pioneer-global-science-for-global-good)

Business Companion – trading laws explained

Business Companion provides information for businesses and individuals that need to know about trading standards and consumer protection legislation.

The guidance is divided up into 15 broad Quick Guides and each one contains a number of more detailed In-depth Guides.

There may be rules you are not aware of, so make sure you explore the site thoroughly. Business Companion covers Trading Standards law for England, Scotland and Wales and is backed by UK Government.

See: [Home | Business Companion](#)

Importing live animals or animal products

The UK Government have updated their collection of guidance for importing live animals and animal products.

Contents include:

- Topical issues,
- Welfare of animals in transport,
- Import under Balai rules,
- Food, drink and composite products,
- Live animals, cattle or high-risk food and feed,
- Endangered species, and
- Licences.

See: [Guidance on importing live animals or animal products - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/importing-live-animals-or-animal-products)

Early Careers Programme - host a student or graduate for a project

Bright Green Business runs an Early Careers Programme to help businesses across Scotland recruit students and graduates to work on projects. The placements can help businesses start new projects or move existing projects forward. You could benefit from this programme if:

- you want to connect with knowledgeable students and graduates from across Scotland; or
- you have any project that needs to be launched, run, or supported.

Your business will first need to submit an inquiry to Bright Green Business, then the placement coordinator will contact you. You'll work together to refine the project plan and identify what you're looking for in a candidate. The coordinator will then advertise the role and schedule interviews with suitable applicants.

The fee you pay to Bright Green Business covers a Real Living Wage stipend for the student or graduate, as well as all HR and administrative support throughout the process.

See: [General Information | Bright Green Business](#)

Environmental Placement Programme - host a student or graduate for an environmental project

Bright Green Business runs an Environmental Placement Programme to help businesses across Scotland recruit students and graduates to work on environmentally focused projects. The projects can help businesses understand their environmental impact, improve their performance, and plan for the future.

You could benefit from this programme if:

- you want to understand your business's environmental impact;
- you want to make a plan to reduce your environmental impact;
- you want to understand how climate change might affect you; or
- you have any project with an environmental focus that needs to be launched, run, or supported.

Your business will first need to submit an inquiry to Bright Green Business, then the placement coordinator will contact you. You'll work together to refine the project plan and identify what you're looking for in a candidate. The coordinator will then advertise the role and schedule interviews with suitable applicants.

The fee you pay to Bright Green Business covers a Real Living Wage stipend for the student or graduate, as well as all HR and administrative support throughout the process.

See: [General Information | Bright Green Business](#)

Fair Work programme – Update

The Fair Work programme offers specialist support to businesses and social enterprises that are based in the Highlands and Islands. It will help you understand what it means to be a Fair Work employer and develop the culture, policies, and practices needed to balance the rights and responsibilities of workers and employers.

The support is provided by expert advisers and consists of a 2-hour training workshop, followed by a one-to-one session. You'll receive a Fair Work action plan tailored to your organisation.

See: [Fair work support | HIE](#)

Grants for Fife businesses – open for applications

Fife Council's SME Development Grant provides financial support to help Fife-based small and medium-sized enterprises (SMEs) to develop and grow.

The grant opened for applications on 1 April 2023. The deadline to apply is 31 January 2025.

The fund provides a non-repayable grant of up to £2,850, or 100% of the eligible costs (whichever is lower), to cover costs in 6 eligible areas:

- trade development,
- workforce upskilling,
- transition to net zero,
- research and development (R&D) and innovation support,
- agriculture business diversification, and
- support for studies.

Trade development

The trade development funding provides grants to:

- assist businesses with the cost of exhibiting at trade shows in the UK or Europe;
- assist businesses with the cost of participating in overseas trade missions; and
- support other costs associated with accessing new markets, such as exporting.

Workforce upskilling

The funding for workforce upskilling provides grants to help companies improve the productivity and profitability of their business by training and upskilling existing employees.

Transition to net zero

The transition to net zero funding helps businesses move towards achieving net zero emissions through a range of measures, including premises improvements, waste reduction or reuse, and the creation of green jobs.

Research and development (R&D) and innovation support

The R&D and innovation funding is primarily for micro-SMEs that are unable to access the R&D and innovation support provided by Scottish Enterprise.

Agriculture business diversification

The agriculture business diversification funding is to help agriculture businesses to develop agritourism and food and drink-focussed proposals, as well as to support the adoption of new approaches and technologies, including vertical farming.

Support for studies

The support for studies funding can help businesses that are required to undertake a study – for example, on ecological impact or noise assessment – as part of a project to develop new or existing premises.

The SME Development Grant is delivered by Business Gateway Fife on behalf of Fife Council and is fully funded by the UK Government through the UK Shared Prosperity Fund.

Applications are completed by a Business Gateway adviser, then checked, signed, and submitted by the business that's applying. Therefore, you must be working with Business Gateway Fife to be considered.

See: [Grants for Fife businesses \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Free consultancy support for Fife-based businesses now open

Fife's Specialist Business Advice programme can provide small and medium-sized businesses (SMEs) in Fife that are looking to develop with up to 3 days of fully-funded consultancy support.

The Specialist Business Advice programme opened for applications on 1 April 2023. New applications will be accepted until 31 December 2024.

Tailored, expert advice is available from specialists across a range of topics.

Applications are completed by a Business Gateway adviser, then checked, signed, and submitted by the business that's applying. Therefore, you must be working with Business Gateway Fife to be considered.

See: [Free consultancy support for Fife-based businesses \(findbusinesssupport.gov.scot\)](https://www.gov.scot/findbusinesssupport)

Tax changes for second and empty homes

Plans to enable councils to raise the amount of council tax paid on empty and second homes will be included in a new consultation to help increase housing availability.

First Minister Humza Yousaf announced proposals at the Scottish Trades Union Congress last week which could give councils powers to charge up to double the full rate of council tax on second homes from April 2024.

The proposed change would bring second homes into line with long-term empty homes from next year. The consultation will also seek views on further powers to charge more than double rate on both empty and second homes in future years.

Latest figures show that in January 2023 there were 42,865 long-term empty homes in Scotland.

The consultation will also ask for views on whether there should be changes to the definition of when a property offering self-catered accommodation becomes liable for non-domestic rates.

See: [Tax changes for second and empty homes - gov.scot \(www.gov.scot\)](https://www.gov.scot/tax-changes-second-empty-homes)

Protections for Scotland's cattle industry

Farmers bringing cattle into Scotland will be subject to tighter controls in order to reduce the risk of spreading Bovine Tuberculosis (TB).

From 18 May, changes to legislation will come into force which will require stricter pre-movement testing of cattle, adding extra precautions for animals coming from areas of higher risk of infection.

In addition, compensation will be reduced for any unclean cattle slaughtered for TB control purposes. This will incentivise farmers to keep their animals clean and promote better animal health and welfare.

See: [Protections for Scotland's cattle industry - gov.scot \(www.gov.scot\)](https://www.gov.scot/protections-scotland-cattle-industry)