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Business 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!

Managing inheritance tax

Like many other taxes, inheritance tax (or IHT) allowances have been frozen. This sounds generous of the chancellor at a time when the government is strapped for cash. But it actually means that we are paying more. Data from HMRC has revealed that Inheritance tax collected between April 2022 and February 2023 totalled £6.4bn, which is £900m higher than the same period last year.



The rise is actually due to the frozen tax-free allowance for inheritance tax (also known as the nil-rate band) – coupled with the rocketing rise of house prices.

It's estimated 10,000 more families could end up paying IHT, while the Treasury could receive nearly £8 billion a year over the next few years.

How can you reduce your inheritance tax bill?

When you die, your estate is valued, and this value is subject to inheritance tax (IHT). Generally, any excess over the nil-rate band (currently £325,000) is chargeable to inheritance tax at 40%. But there are ways to reduce your inheritance tax bill.

1. Give it away

The easiest way to pass your wealth onto your loved ones without paying tax is simply to give it to them.

- You can give up to £3,000 to loved ones each tax year without it becoming liable for IHT. If you didn't use the allowance last year, you can combine it and pass on £6,000.
- Gifts of £5,000 to children for a wedding are also protected from IHT; grandchildren can have up to £2,500.

If you die within seven years of making a larger gift, IHT will be payable. There's a sliding scale. Die three to four years after giving, the IHT rate lowers to 32%. At six to seven years it falls to 8%.

There is another way to give. Donate at least 10% of your estate to charity and get a 4% discount on your IHT rate for the rest of your estate, lowering it from 40% to 36%.

2. Put it in a pension

Your pension, depending on the type of pension plan you hold, if it is kept invested could be used to pass on wealth as it is usually excluded from your estate for IHT purposes. Nominate beneficiaries for your pension should you pass away before you receive it, and IHT isn't normally payable.

If you die after the age of 75 your beneficiaries will need to pay income tax on the money they take out.

3. Invest it (carefully)

Making the right kind of investments might help you avoid IHT. An individual savings account (ISA) can't help. ISAs are exempt from income tax and capital gains tax, but they form part of your estate for IHT.

There could be other solutions such as with Alternative Investment Market (AIM) holdings.

The companies listed on AIM tend to be smaller and more highly speculative in nature, in part due to AIM's relaxed regulations and listing requirements. However, investing in AIM companies tends to be high risk investing and is not a route most people should consider. You should seek independent financial advice before considering investing in this market, remembering that, when investing, your capital is at risk and you could lose some or all of your investment.

4. Put it in trust

Setting up a trust to hold your assets could keep them out of your estate, and out of the taxman's reach – but the position has become more complicated in recent years, and it might not always be suitable. They may still have their uses. The trustee can control the assets, rather than them being passed onto the beneficiaries right away. This might help if your beneficiaries are not known for financial prudence or are

young children. You should seek Independent financial/legal advice before establishing a trust.

5. Insure it

You can take out a whole of life insurance policy large enough to mitigate some or all of your IHT liability. You may need to regularly review the level of cover if your estate increases in value as the original sum assured may not cover the whole IHT liability. Alternatively, you may choose a plan where the cover increases with inflation. Whichever option is chosen, have it written in trust. Your beneficiaries won't struggle with a huge inheritance tax bill when you die, but while you are alive you will be paying monthly premiums.

6. Get some help

Expert advice can be vital to help work out the total value of an estate, calculate how much inheritance tax is likely to be charged and understand what options are available to manage that tax bill. Advice on writing up a will to be tax efficient is also essential.

Please talk to us about any tax related questions you may have and if you need a financial adviser see: [Choosing a financial adviser | MoneyHelper](#)

Data protection and marketing webinar for small businesses

The Information Commissioner's Office (ICO) is repeating its data protection and marketing webinar for small businesses, due to the popular demand it received last time it ran.

This free event will take place on Microsoft Teams on Tuesday 23 May from 10am to 11am.

The ICO's experts will share tips and advice to help small businesses handle people's information confidently and unlock the value of the personal information they hold. The webinar will also offer an opportunity for people to get involved and bring along questions.

The ICO will cover a range of topics, including:

- electronic marketing,
- privacy notices, and
- subject access requests (SARs).

The deadline for registrations is 5pm on 19 May 2023.

See: [Making data protection and marketing work for your small business | ICO](#)

ICO offers new Innovation Advice Service

The Information Commissioner's Office (ICO) has launched a new service for UK organisations looking to use personal data in new and innovative ways

As part of their commitment to helping organisations innovate and grow, the ICO is trialling a new Innovation Advice Service, designed to answer specific data protection questions.

The service is aimed at organisations planning to use the personal data of people living in the UK, to drive a new or innovative product, service, or business model that is not currently live.

The service is open to organisations of any size and in any sector.

You can ask questions at any stage of planning, designing or development of your project. However, the ICO may prioritise questions where their response has the greatest potential to influence your thinking and planning, or where it could be helpful to lots of other organisations.

Your question must be about specific aspects of your new or innovative use of data. The ICO will not accept questions that are vague or generic.

See: [Innovation advice service | ICO](#)

What is Greenwashing?

Greenwashing is the practice by which companies claim they are doing more for the environment than they actually are.

Greenwashing has increased as:

- companies' climate commitments are on the rise;
- consumers increasingly seek to buy more sustainable products;
- companies are incentivised to make products more attractive to consumers; and
- employees are attracted to work for companies with strong sustainability credentials.

Making false environmental claims hampers decarbonisation progress and impact. If greenwashing is not addressed, it will undermine the efforts of genuine leaders, creating confusion, cynicism, and a failure to deliver urgent climate action. It is a collective problem which requires collective action.

Watch The Carbon Trust's webinar on how to avoid greenwashing and read their top tips on how to counter greenwashing through transparent communications for your business.

See: [Briefing: how to counter greenwashing with transparent communications | The Carbon Trust](#)

UK FinTech Week 2023

Join UK FinTech Week across the UK from 17 April to 21 April 2023, which will showcase Innovation in financial services on a global stage.

FinTech founders, bank ex-cos, technologists, entrepreneurs, investors, regulators, policy-makers, politicians, academics and media from around the world will come together to learn, discuss, debate and network.

This dedicated week is *the* best opportunity to discover why the UK is, and will remain, the world's preeminent financial services hub, packing a year's worth of knowledge, insight, and engagement into just five days.

See: [UK FinTech Week 2023 - Innovate Finance – The Voice of Global FinTech](#)

Third phase of the Industrial Energy Transformation Fund now live

Following the success of Phases 1 and 2 and strong feedback from stakeholders, the Department for Energy Security and Net Zero (DESNZ) has announced plans to launch Phase 3 of the Industrial Energy Transformation Fund (IETF).

IETF Phase 3 will be worth £185 million in grant funding to UK businesses for energy efficiency and deep decarbonisation studies and deployment projects. The department will hold a full consultation with UK industry later this year to finalise the design of Phase 3 of the fund before launching the first IETF Phase 3 competition window early next year.

DESNZ is currently in the process of finalising plans and timelines for holding the IETF Phase 3 consultation and launching Phase 3 of the fund, which is subject to business case approvals. The Department will be engaging with stakeholders regularly over the coming months and further announcements will be made in due course.

See: [Industrial Energy Transformation Fund - Phase 3 now live - NAAME](#)

Consultation: The Border Target Operating Model

The United Kingdom Government, in collaboration with the Scottish and Welsh Governments, has published its draft [Border Target Operating Model \(TOM\)](#), setting out a new model for importing goods from all countries into Great Britain, including the EU, in line with their [2025 Border Strategy](#).

The draft TOM proposes a new approach to security controls (applying to all imports), and sanitary and phytosanitary controls (applying to imports of live animals, animal products, plants and plants products) at the border. It sets out how controls will be simplified, digitised and, over time, delivered through the UK's new Single Trade Window.

The Cabinet Office will run a programme of engagement with stakeholders from all nations of the UK and international partners. It will consist of sector specific workshops and international events, as well as wider stakeholder groups and bespoke sessions, covering all aspects of the TOM.

- Tuesday 18 April 2023, 2pm to 4pm – Cabinet Office Seaports and Airports Workshop (online)
- Monday 24 April 2023, 2pm to 4pm – Cabinet Office Carriers Workshop (online)
- Wednesday 26 April 2023, 2pm to 4pm – Cabinet Office Hauliers, Logistics & Customs Intermediaries Workshop (online)
- Wednesday 17 May 2023, 2pm to 4pm – Cabinet Office Final Workshop, Stakeholder Reflections (online)

See: [The Border Target Operating Model: Draft for Feedback - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/the-border-target-operating-model-draft-for-feedback)

Future Leaders Fellowships: round 8

UK Research and Innovation has opened for applications round 8 of their Future Leaders Fellowships programme. The programme aims to develop, retain, attract, and sustain research and innovation talent in the UK, and facilitate movement between disciplines and sectors.

To be considered for a fellowship, you must be an early career researcher or innovator who is either:

- looking to establish or transition to independence, or
- developing their own original and ambitious plans within a commercial setting.

You must be based at, and have the support of, an eligible academic or non-academic institution. This includes commercial organisations of any size and in any sector, provided that they are registered as eligible to apply for funding from the research councils.

Your project can last for up to four years, with the option to apply to renew for a further three years, to support long-term focus on a particular area of research or innovation, and continued career development.

There is no minimum or maximum project cost. The scheme will provide salary support, and there is no preference for lower or higher cost proposals. The closing date for applications is 4 July 2023.

So far, since the scheme started, almost 500 fellowships have been awarded to support applicants from diverse career paths, including those returning from a career break or following time in other roles. Funding is available for work in all research and innovation areas supported by UKRI.

See: [Future Leaders Fellowships: round eight – UKRI](#)

Mobility Pathfinder 2023

There is £50k-£70k funding available for inspirational, life-enhancing ideas, prototypes, or plans to reimagine how personal mobility options in the UK can better support a rapidly ageing population to stay connected, active, and independent for longer.

Funded by the UKRI Healthy Ageing Challenge, part of Innovate UK, the UK's innovation agency, Design Age Institute's Mobility Pathfinder Innovation Programme invites innovators, businesses and entrepreneurs from across the UK to propose personal mobility solutions at ideation stage or beyond that are commercially viable, demonstrate creativity and innovation, and can be supported towards market by investment in good design.

See: [Mobility Pathfinder 2023 - Innovate UK KTN \(ktn-uk.org\)](#)

Volunteering: guidance for employers on how to manage the risks

The Health and Safety Executive (HSE) has guidance on how to manage the risks to volunteers.

The guidance explains how health and safety law applies to volunteering.

There is also information on:

- when to report incidents involving volunteers, and
- including volunteers in your risk assessments.

The pages provide some specific advice for volunteers who manage non-domestic premises such as village and community halls, as well as guidance on charity retail and fundraising.

See: [Volunteering: How to manage the risks - HSE](#)

Preparing to Export programme

Scottish Enterprise, Scotland's national economic development agency, has designed the Preparing to Export programme to help Scottish companies through the key stages before they start exporting.

The programme consists of a mix of online e-learning, workshops and one-to-one sessions with the international trade experts Strategem.

The programme is split into 2 key phases, delivered over a 6-week period. The first phase focuses on creating an outline strategy, to ensure you have the basics in

place for exporting success. The second phase helps you build your own tailored export plan.

Throughout the programme, businesses will get help to research potential markets properly and ensure they have the necessary capital to begin exporting.

The end goal of the programme is to develop a practical export plan that will help companies think strategically as they enter international markets and get the support needed to put learning into practice.

See: [Preparing to Export programme - Scottish Enterprise \(scottish-enterprise.com\)](https://www.scottish-enterprise.com/prepare-to-export)

Export and international sales opportunities

The Scottish Enterprise website includes a list of export and international sales opportunities for Scottish businesses that operate in the consumer goods, food and drink, science and technology and energy sectors.

The list is updated regularly. As well as available opportunities, it highlights the criteria that Scottish companies, products and services must meet to be competitive.

Interested companies can read more about the background of each opportunity, then register their interest to find out more or speak directly to a relevant international trade specialist.

Scottish Enterprise and its international arm, Scottish Development International (SDI), have a large team of trade specialists who work in key international markets to gather market intelligence, build relationships and identify buyers and supply chain opportunities for ambitious Scottish companies.

See: [Sector and market opportunities for international exports - Scottish Enterprise \(scottish-enterprise.com\)](https://www.scottish-enterprise.com/sector-and-market-opportunities-for-international-exports)

Advice on creating a climate action plan for the tourism and events sector

VisitScotland has created a step-by-step guide to developing a climate action plan for businesses in the tourism and events sector.

This guide will help businesses find ways to increase efficiency with a view to reducing costs. It can also help you meet customer demand, recruit and keep staff, build resilience, and manage risks.

The guide will help you:

- identify and measure your carbon emissions,
- adapt to unavoidable climate change,
- support nature-based solutions, and
- communicate with your stakeholders.

Throughout the guide there are climate action workbooks to download and use in conjunction with the guide. These workbooks will help you identify and measure emission sources, plan your actions, record progress, and report on achievements.

See: [Climate Action Plan for Scottish Businesses | VisitScotland.org](#)

DigitalBoost

DigitalBoost, available through Business Gateway, is a range of digital support that spans a Digital Health Check, digital resources, and webinars. Find out about how this support could help your business improve its performance, people and processes.

See: [DigitalBoost | Business Gateway | Business Gateway \(bgateway.com\)](#)

DigitalBoost Health Check

Complete a quick Digital Health Check to identify your digital skills and any gaps in your digital performance. Answer 12 quick questions about your business approach to:

- information and communications technology,
- e-commerce,
- digital marketing strategy, and
- digital marketing implementation.

The results of your Digital Health Check will show you how you could use technology to improve your performance, profits, and people.

See: [DigitalBoost Health Check | Business Gateway | Business Gateway \(bgateway.com\)](#)

Marine Fund Scotland

This fund will support investments and jobs in seafood sectors, the marine environment and coastal communities in Scotland. It replaces the European Maritime and Fisheries Fund (EMFF) following the UK's exit from the EU. The EMFF supported the sustainable growth of the marine economy in coastal communities, in sectors such as fishing, aquaculture, and seafood processing.

The third year of the Marine Fund Scotland reflects Scotland's Blue Economy Vision which was published earlier in 2022.

See: [Marine and fisheries grants - gov.scot \(www.gov.scot\)](#)

Fair Work programme – Highlands and Islands

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.

Fair Work can be defined as work that offers effective voice, opportunity, security, fulfilment, and respect. It aims to balance the rights and responsibilities of employers and workers to create mutual benefits for individuals, organisations, and society. These can include increased participation in work, improved productivity in the workplace, and wider distribution of wealth in local communities.

Fair Work can be a significant driver of productivity for Scotland and contribute to growth that is inclusive.

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