

Written by 24 July 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!

### **Why cash flow management is essential right now**

Last week the Office for National Statistics (ONS) stated that the UK's rate of inflation dropped to 7.9% in the year to June, which means the rate of price rises in the UK has slowed more than expected, down from 8.7% in May - although it still remains high. Falling fuel prices contributed to the drop, while food prices rose less quickly than in June last year. Experts are predicting that the Bank of England will increase interest rates by a minimum of a quarter per cent in August as they continue with their plan to get inflation down to 2 per cent.



With increased supplier prices, continued rises in interest rates, and high annual inflation, managing your business's cash and understanding the flows is a vital tool in maintaining resilience and being able to adopt flexible strategies for success.

An example of recognising the importance of cash flows is Amazon. They recently launched a flexible financing programme that gives businesses access to funding linked to their sales, allowing them to repay as they earn. A merchant cash advance, delivered in collaboration with financing provider "YouLend" could provide a new flexible financing option for eligible UK-based businesses selling on Amazon.co.uk, which provides greater cash flow suppleness in addition to the fixed-term business

loans already offered by Amazon Lending. We expect to see more businesses adopting “elasticity” arrangements with their customers in the future.

Cash flows are a reflection of all the cash that is flowing in and out of a business. Owners can look at the direction of the cash flows for insights about the health of specific products or services and overall market patterns.

No matter how inventive or simple your business model is, you can still have problems with cash flow and here are some of our thoughts on managing the flow of cash in your business:

The first stage of understanding and predicting how funds flow is to perform a health check on your accounts. Look at your latest profit and loss statement and check that your income is sufficient to cover your expenses. If your profit is falling behind your expenses and cash flow is slowing down you might need to take action. Prepare a funds flow statement so you know where the money goes.

Next create a yearly budget, look where cash could become tight and identify months where you can save to cover off the quieter times. Look at those quieter months and think about flexible work scheduling, new products or services, or other activities to tide you over.

Finally make sure you collect your money from those who owe you quickly. Reward customer loyalty by offering early bird discounts. Set credit limits and payment terms to ensure customers follow the rules. If you take on new customers, make credit checks. Penalise late payers and request up front deposits or payment (if appropriate).

[Talk to us about preparing a funds flow statement and annual budget so that you can work on your business for maximum success!](#)

## **Working Capital Finance – can it help with cash flow?**

Working capital finance solutions can 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 relatively quickly;
- 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 in order to drive growth.
- 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 and you make available current detailed lists of debtors and creditors. 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 businesses across a wide range of sectors in obtaining working capital finance solutions.

## Find a Grant service

The Find a Grant service offers a free central place on GOV.UK for business, individuals, and organisations to find and apply for UK government grants. The Find a Grant service is an initiative being delivered by the [Government Grants Management Function](#), in Cabinet Office.



It is an innovative pilot that seeks to make it simpler, faster and fairer for civil society organisations and small and medium-sized enterprises (SMEs) across the UK to find and apply for funding. Their goal for this service is to modernise grant-making.

You can use this service to:

- access UK government grant funding;
- search and filter to find a grant that matches your needs;
- find out if you are eligible to apply for a grant; and
- find out how to apply for a grant.

See: [Home - Find a grant \(find-government-grants.service.gov.uk\)](https://find-government-grants.service.gov.uk)

### **What is Fair Trade?**

Farming is the largest employer in the world but millions of people who live and work on smallholder farms don't earn enough to provide for either themselves or their families.

It's often these communities who are most affected by climate change despite having done the least to contribute to it.

Fair Trade is a global movement that puts people and the planet before profit. When producers receive a fair price for their goods it leads to an improved working environment and a better quality of life for them and their families. Fair Trade takes a holistic approach by connecting producers and consumers through making supply chains more transparent and providing better choices for shopping responsibly. Justice, equity, and sustainable development should be at the heart of equal trade structures and Fair Trade is a partnership for change and development through trade.



Fairtrade as one word is a set of social, economic and environmental, standards for companies and the farmers and workers who produce goods like bananas, coffee, and chocolate. When you buy Fairtrade, you're supporting a system that guarantees that producers receive better prices and fair terms of trade. This helps farmers and workers to invest in economic, social and environmental projects of their own choice which can help relieve the effects of climate change and benefit people worldwide.

See: [Home - Fairtrade Foundation](https://www.fairtrade.org.uk)

### **The New “Business Council” – Will it make a difference?**

A new business council has been appointed by the UK Prime Minister to report from the business frontlines and to encourage stability and growth in the UK economy.

Fourteen business leaders, from a range of sectors across the UK economy, join the Prime Minister's new Business Council. Chief Executives from AstraZeneca, NatWest Group and BAE Systems are among the fourteen business leaders joining the council, alongside SSE, Google Deepmind, Sainsbury's and Vodafone. Other companies represented on the council include GSK, Aviva, Shell, Sage, Taylor Wimpey, Diageo and Barclays.

These leaders are recognised as trusted experts in their respective fields and are in charge of some of the country's biggest employers in strategically important industries for UK growth, from construction, life-sciences and tech, to financial services and energy.

Together, they employ around 330,000 people across the country, with an even greater reach throughout their supply chain and a presence globally too.

The newly appointed Business Council will be a forum to bring a real-world perspective on how the current economic climate is impacting business and how government and industry can work together to boost investment and innovation, drive productivity and create highly skilled jobs.

Only time will tell if the UK government listens to the appointed business leaders. Certainly, encouraging investment, removing barriers to trade, and encouraging new opportunities would be welcomed by all businesses.

See: [Major business leaders join PM's new Business Council to turbocharge economic growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/major-business-leaders-join-pm-s-new-business-council-to-turbocharge-economic-growth)

## **EU Settlement Scheme enhancements confirmed**

From September 2023 people with pre-settled status under the EU Settlement Scheme (EUSS) will automatically have their status extended by 2 years before it expires if they have not obtained settled status.

The process will be automated by the Home Office and reflected in the person's digital status. They will be notified of the extension directly. This will ensure that nobody loses their immigration status if they do not apply to switch from pre-settled to settled status.

The Home Office also intends to take steps to automatically convert as many eligible pre-settled status holders as possible to settled status once they are eligible for it, without them needing to make an application. During 2024, automated checks of pre-settled status will establish their ongoing continuous residence in the UK.

See: [EU Settlement Scheme enhancements confirmed - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/eu-settlement-scheme-enhancements-confirmed)

## Plastic Packaging Tax (PPT) Reminder

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 need to register for PPT if either of the following apply:

- you expect to manufacture or import 10 or more tonnes in the next 30 days (the 'forward look' test); or
- you have manufactured or imported 10 or more tonnes of plastic packaging since 1 April 2022 (the 'backward look' test).

Once you are registered for PPT, you will need to submit a return to HMRC, 4 times a year.

Your return must cover an accounting period.

The 2023 to 2024 accounting periods are:

- 1 April to 30 June 2023,
- 1 July to 30 September 2023,
- 1 October to 31 December 2023, and
- 1 January to 31 March 2024.

You must submit the return and pay any tax due no later than the last working day of the month, following the end of the accounting period you are reporting.

The deadlines to submit returns and pay any tax for the 2023 to 2024 accounting periods are:

- 1 April to 30 June 2023 – deadline is Monday 31 July 2023,
- 1 July to 30 September 2023 – deadline is Tuesday 31 October 2023,
- 1 October to 31 December 2023 – deadline is Wednesday 31 January 2024, and
- 1 January to 31 March 2024 – deadline is Tuesday 30 April 2024.

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

## Innovate UK – new funding opportunities

UK registered organisations can apply for a share of up to £25 million for game-changing and commercially viable research and development innovations that can significantly impact the UK economy. The closing date to apply is 27 September 2023. To find out more and apply: [Innovate UK smart grants: June 2023 – UKRI](#)

[Ofgem round 3: call for ideas](#)

UK registered organisations can apply for a share of up to £450 million to deliver net zero at the lowest cost to consumers and support innovative businesses to grow and scale. There is no closing date for this opportunity. To find out more and apply: [Ofgem round three: call for ideas – UKRI](#)

#### Industrial decarbonisation: local plans

UK registered organisations can apply for a share of up to £5 million to develop strategic plans for place-based industrial decarbonisation. The closing date to apply is 2 August 2023. To find out more and apply: [Industrial decarbonisation: local industrial decarbonisation plans – UKRI](#)

#### Innovative technologies: nucleic acid medicines manufacture round 2

UK registered organisations can apply for a share of up to £5 million for manufacturing innovation for nucleic acid medicines. The closing date to apply is 19 July 2023. To find out more and apply: [Innovative technologies: nucleic acid medicines manufacture round two – UKRI](#)

#### Engineering biology collaborative R&D round 2

UK registered businesses can apply for a share of up to £6.7 million to develop engineering biology technologies, processes, products and services as a solution to societal challenges. The closing date to apply is 26 July 2023. To find out more and apply: [Engineering biology collaborative R&D round two – UKRI](#)

### **Women in Engineering Grant 2023**

If you a female leader of an enterprise within UK engineering and are looking for funding to take your organisation to the next level, then check out this grant from manufacturing specialist Get It Made. They have announced a new grant, which aims to support female-led engineering enterprises and help encourage the next generation of women in UK engineering. The manufacturing grant consists of £5,000 (excluding VAT) that can be used when ordering any of Get It Made's manufacturing services.

Applications close at midnight on 31 July 2023.

See: [Women in Engineering Grant 2023 | Engineering Grants | Get It Made \(get-it-made.co.uk\)](#)

### **Healthcare innovation funding opportunity for SMEs**

SMEs developing medical equipment can apply for health and social care research funding from the National Institute for Health and Care Research (NIHR) through the Invention for Innovation (i4i) Programme.

The Connect stream of the i4i Programme aims to help businesses reach the next stage in the development process to apply for further funding, in particular for an i4i Product Development Award.

Your business must be developing medical devices in vitro diagnostics and high-impact patient-focused digital health technologies for use in the NHS or social care system.

The minimum entry point is experimental proof-of-concept or laboratory-validated technology. However, you may submit proposals to progress innovations at any stage of the research and development pathway leading to implementation.

[Apply to the Connect stream](#) of the i4i Programme.

This i4i Programme is one of the health and social care research funding schemes available to researchers in this field and, in some cases, Northern Ireland-based SMEs.

Other funding schemes available from Autumn 2023, include:

- The Evidence Synthesis programme,
- Research for Social Care,
- Programme Grants for Applied Research programme, and
- Programme Development Grants.

See: [Invention for Innovation | NIHR](#)

### **Asbestos and construction – new resources available**

The Health and Safety Executive's (HSE) "Asbestos and You" campaign urges tradespeople working in construction to be aware of disturbing asbestos.

Two new free resources have been launched for workers to test and enhance their knowledge about asbestos and the risks associated with it.

- Take a quick [Asbestos and You quiz](#) to test your knowledge on the risks of asbestos and how to protect yourself and others from exposure to asbestos fibres.
- Watch the webinar [Lurking in the shadows - the truth about asbestos](#) hosted by the Institution of Occupational Safety and Health to get an understanding of the campaign and hear experts discuss the risks continued to be associated with asbestos, particularly with younger workers.

See: [Asbestos & You - Work Right to keep Britain safe](#)



## **Falkirk Council Low Carbon Advisory Service (LCAS)**

LCAS offers professional, expert advice and support to businesses in the Falkirk area to help them save energy, reduce their carbon emissions, increase their resilience, boost profits, and play their part in tackling climate change.

The support can include:

- practical advice on how to reduce your energy consumption;
- advise on resource efficiency, including materials, water, waste and supply chains;
- help with measuring and reducing your carbon emissions;
- environmental audits;
- climate change awareness training;
- advice on how to market your sustainability achievements;
- advice on potential funding for improvements and practical help with applications for Falkirk Council's Energy Efficiency Fund.

See: [Business & investment - Grants for businesses | Falkirk Council](#)

## **Argyll and Bute Council grants**

There are a number of grants available in the Argyll and Bute area:

### Business Start-up Grant

This comprises funding to help you start up and establish a new business in the area. Grants of up to £500 are available.

You will need to download and fill out an application form. You'll be asked to provide information about your business and a 12-month cash flow forecast. You'll also need to identify the items that you require grant support for and explain why you need a grant.

After you submit your completed application form and any supporting documents, you must meet by phone or video with a business adviser from Argyll and Bute Council's Business Gateway to discuss your application.

See: [Business Start-up Grant | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)

### Trade Fair Training or Accreditation Grant

This is grant funding to help you attend a trade fair, undertake training or gain accreditation for your business. Grants from £125 up to £1,000 are available.

You'll need to download and submit an application form. You'll be asked for information about your business, details about your accounts and a 12-month cash flow forecast.

You'll also be asked to list the items that you need support for and to explain why you need funding.

After you apply and submit any supporting documents, you must meet by phone or video with a business adviser from Argyll and Bute Council's Business Gateway to discuss your application.

This support is funded by the UK government through the UK Shared Prosperity Fund.

If your application is approved, you'll receive an offer letter confirming the items that can be supported by the grant and the maximum value of the grant available to you.

You claim your grant by submitting proof of expenditure (invoices and bank statements) for the approved items. You must submit all claims for approved costs within 12 weeks of your grant offer.

See: [Trade Fair, Training or Accreditation Grant | Argyll and Bute Council \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/trade-fair-training-or-accreditation-grant)

### Small Business Development Grant

The Council may be able to provide grant funding to help you develop your business. Grants of up to £5,000 are available.

You will need to download and fill out an application form. You'll be asked to provide information about your business and a 12-month cash flow forecast. You'll also need to identify the items that you require grant support for and explain why you need a grant.

After you submit your completed application form and any supporting documents, you must meet by phone or video with a business adviser from Argyll and Bute Council's Business Gateway to discuss your application.

See: [Small Business Development Grant | Argyll and Bute Council \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/small-business-development-grant)

### **Techscaler funding to support early-stage technology companies**

The Techscaler Minimum Viable Product (MVP) Small R&D Grant provides funding to certain early-stage technology companies (start-ups and scale-ups) for research and development (R&D) projects to create new products, processes, or services.

This grant is only available to certain companies based in Scotland that have taken part in the Techscaler Executive Education Programme and been mentored by Codebase.

However, not all companies that participate in the Techscaler programme will be eligible.

Codebase will work with Scottish Enterprise, Highlands and Islands Enterprise, and South of Scotland Enterprise to identify companies that are eligible for the grant. If your company is eligible, Codebase will contact you to let you know - you don't need to do anything first.

Each project should be carried out by an individual Scotland-based company.

The minimum grant amount is £5,000 and the maximum is £50,000.

See: [Join Techscaler - HubSpot Form](#)

### **Green Grant Fund - Highland and Islands**

This fund aims to help businesses in the Highlands and Islands to reduce their energy use or make it greener. The fund is specifically for businesses in the tourism, creative, and food and drink processing sectors and social enterprises in any sector.

Funding of up to £150,000 is available, which will cover up to 50% of the total cost of a project. The minimum grant award is £25,000.

Projects can include anything that helps businesses or social enterprises reduce or green their energy use and achieve net zero carbon emissions. Examples include energy efficiency measures, renewables, active business travel, and waste management.

The funding can be used for most categories of capital investment, such as purchasing equipment, fixtures, fittings, and IT infrastructure.

The grant can also be used for the construction, adaptation or upgrade of premises or other business infrastructure.

You'll need to demonstrate that the funding will help you to progress towards net zero carbon emissions and reduce your energy bills in the long term.

See: [HIE Green Grant Fund | HIE](#)