

GOING GREEN

An increasing number of businesses are introducing measures to reduce their impact on the environment.

They are driven in part by pressure from customers, shareholders, employees, and local communities concerned about the state of the planet we are passing onto the next generation, and in part by the need to comply with a raft of environmental legislation. But there are also sound business reasons for adopting green measures.

Businesses can benefit from significant cost savings, greater efficiency, and possible reduced insurance premiums by introducing improved environmental practices. In some sectors at least having green credentials can provide a competitive edge and strengthen your position in the marketplace.

Developing an environmental policy

When developing an environmental policy for your business:

1. Make sure you are up-to-date and in full compliance with any relevant environmental regulations on air pollution, hazardous substances, waste disposal, water management, packaging, land use, etc.
2. Look for synergy between stakeholders concerns and regulatory requirements on the one hand and your business goals, organisational capability, and potential financial benefits on the other.
3. Pay particular attention to the evolving policies of existing and potential customers. For example, public sector agencies are now required to procure only products and services that meet certain green standards.
4. Keep a close eye on your competitors' strategies in this area.

Financial assistance

There is Government help available for small businesses to invest in green technologies. For example, businesses can now receive interest-free loans worth up to £200,000 to buy new energy-efficient equipment, such as lighting, boilers and insulation.

It is estimated that there is £1.2 billion in funds available from various sources to help businesses with projects such as introducing recycling schemes, switching to green packaging, purchasing hybrid vehicles, installing solar panels, and many more.

Tax advantages

There are various tax advantages for businesses adopting green policies. For example, enhanced capital allowances enable a business to claim 100% first-year capital allowances on spending on qualifying plant and machinery in three areas:

- Energy-saving plant and machinery
- Low carbon dioxide emission cars and natural gas and hydrogen refuelling infrastructure
- Water conservation plant and machinery

There are also other tax incentives aimed at encouraging businesses to reduce vehicle use and emissions, such as lower vehicle tax for vehicles with lower emissions, reduced fuel duty on alternative fuels, and tax and NIC breaks for green travel arrangements.

Contact us if you require assistance in this area.