

Written 20 December 2021

## **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!

This will be our last business newsletter before Christmas and the New Year break so let us wish you a happy Christmas and a prosperous New Year.

### **2021 – A year of resilience and recovery?**

Let us have hope that in 2022 we return to a more normal way of life free of the restrictions that we have faced over the last two years.

The pandemic happened and now is not the time to reflect how it happened or judge how it was managed, indeed further restrictions have recently been introduced and all we can do is take precautions individually to prevent the Omicron virus spreading and continue to take responsibility in the community to socially distance and help prevent the spread.

This year, despite the lockdowns and restrictions, we have been amazed at the resilience of clients and how they have energetically repurposed or pivoted their businesses into new areas, products and services. Businesses have redesigned delivery and payment systems, moved their entire processes digital, accepted remote working or new safe working environments and adopted to new technologies to survive and indeed prosper in the Covid-19 era.

Clients have demonstrated to us how we can all readily adapt to a change in circumstances and have given us inspiration and optimism for the future. We believe that by this time next year we will be back to where we want to be and more of our daily lives will resemble some kind of normality again. Do not give in to the virus, stay strong, be resilient and together we will move forward!



### **Job vacancies continue to rise!**

The Office for National Statistics (ONS) estimate that between August to October there was a continuing recovery in the labour market, with a quarterly increase in the employment

rate, while the unemployment rate decreased. Total hours worked increased on the quarter, due to the relaxing of some coronavirus (COVID-19) restrictions but are still below pre-coronavirus levels. The UK employment rate was estimated at 75.5%, 1.1 percentage points lower than before the coronavirus pandemic (December 2019 to February 2020), but 0.2 percentage points higher than the previous quarter (May to July 2021).



The UK unemployment rate was estimated at 4.2%, 0.2 percentage points higher than before the pandemic, but 0.4 percentage points lower than the previous quarter. The economic inactivity rate was estimated at 21.2%, 1.0 percentage point higher than before the pandemic, and 0.1 percentage points higher than the previous quarter.

The number of people in part-time work jumped in the three months to October, after falling sharply during the pandemic and there was also a fall in unemployment among 16-24 year-olds, another group initially hit by the crisis.

Unemployment continues to fall after a spike last year, with job vacancies now at a fresh record high.

See: [Employment in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

### **HMRC Employer Bulletin December 2021**

The December edition of the [Employer Bulletin](#) brings you all the latest HMRC updates and guidance to support employers and payroll agents.

There is important information on:

- PAYE – there is important information for those who pay employees early for Christmas, and advice on how to prevent and correct payroll errors
- UK Transition and the recently agreed UK-Swiss Convention on Social Security coordination which came into force on 1 November 2021

- coronavirus (COVID-19) summary of guidance published by HMRC, and declaring grants on tax returns
- tax updates and changes to guidance, with information on the tax avoidance campaign

See: [Employer Bulletin: December 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/bulletin-series/employer-bulletin)

### **UK average house prices increased by 10.2% over the year to October 2021**

The Office for National Statistics (ONS) latest figures show the UK's average house price increased by 10.2% over the year to October, down from 12.3% in the year to September 2021. The average UK house price was £268,000 in October 2021, which is £24,000 higher than this time last year.

The temporary changes to Stamp Duty, Land and Buildings Transaction Tax, and Land Transaction Tax may have allowed sellers to request higher prices as buyers' overall costs are reduced. As the tax breaks were originally due to conclude at the end of March 2021, it is likely that March's average house prices were slightly inflated as buyers rushed to ensure their house purchases were scheduled to complete ahead of this deadline.

This effect was then further exaggerated in June 2021, in line with the extension to the holiday on taxes paid on property purchases in England, Wales and Northern Ireland. Following a decrease in July, average house prices increased in the months of August and September 2021, reaching a record level in September 2021 (when the last of the tax holidays came to an end in England). Despite a slight fall in the month of October 2021, average house prices remain higher than the previous peak seen in June.

Private rental prices paid by tenants in the UK rose by 1.7% in the 12 months to November 2021, up from 1.6% in the 12 months to October 2021. The beginning of 2021 saw a slowdown in rental price growth, which was driven by prices in London.

In England the October data shows, on average, house prices have fallen by 1.5% since September 2021. The annual price rise of 9.8% takes the average property value to £285,113.

See: [UK economy latest - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/gdp/gross-domestic-product)

### **Inflation at its highest rate in over a decade**

Consumer prices rose by 4.6% in the 12 months to November 2021, according to the lead measure of the Consumer Prices Index including owner occupiers' housing costs (CPIH). This is up from 3.8% in the year to October 2021. Annual inflation rates at this time are influenced by the effects of coronavirus (COVID-19) in 2020.

The Consumer Price Index (CPI) also rose from 4.2% to 5.1% in November 2021.

A wide range of prices contributed to the rise in inflation, with the largest upward contributions coming from motor fuels as well as clothing and footwear, where prices rose this year but fell a year ago.

See: [UK economy latest - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/inflationandpriceindices/articles/uk-economy-latest-2021-12-15)

### **International travel update**

From 15 December 2021, all remaining countries were removed from the UK travel red list. The red list policy and additional testing measures in response to Omicron remain in place. As such, passengers arriving from Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Zambia and Zimbabwe will not have to stay in a managed quarantine hotel on arrival from this date. Pre-departure tests and PCR testing measures on or before day 2 remain in place, with a review of all travel measures in the new year. Airlines must continue to check all passengers for pre-departure tests alongside their completed Passenger Locator Form, and passengers will not be allowed to board a flight without providing evidence of a negative test result.

See: [https://www.gov.uk/government/news/11-countries-removed-from-the-uks-red-list?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=8bb63897-ce51-4418-8ec9-b020ea65472d&utm\\_content=daily](https://www.gov.uk/government/news/11-countries-removed-from-the-uks-red-list?utm_medium=email&utm_campaign=govuk-notifications&utm_source=8bb63897-ce51-4418-8ec9-b020ea65472d&utm_content=daily)

### **Advice for pregnant employees**

The advice for pregnant employees on risk assessments in the workplace and occupational health during the coronavirus (COVID-19) pandemic has been updated to reflect recent government announcements. This advice is for you if you are pregnant and working as an employee. This includes pregnant healthcare professionals. It will help you discuss with your line manager and occupational health team how best to ensure health and safety in the workplace.

See: [https://www.gov.uk/government/publications/coronavirus-covid-19-advice-for-pregnant-employees?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=cba7a635-8615-497d-9d56-42b75160357c&utm\\_content=daily](https://www.gov.uk/government/publications/coronavirus-covid-19-advice-for-pregnant-employees?utm_medium=email&utm_campaign=govuk-notifications&utm_source=cba7a635-8615-497d-9d56-42b75160357c&utm_content=daily)

### **Finding and choosing a private coronavirus (COVID-19) test provider**

The lists of and information about private test providers, to help you get the private COVID-19 tests you need has again been updated.

See: [https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing?utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_source=a6136cb4-c6ae-4734-a4a1-abe3647dcd1&utm\\_content=daily](https://www.gov.uk/government/publications/list-of-private-providers-of-coronavirus-testing?utm_medium=email&utm_campaign=govuk-notifications&utm_source=a6136cb4-c6ae-4734-a4a1-abe3647dcd1&utm_content=daily)

## **Second State Pension Age Review launches**

The Review will consider whether the rules around pensionable age are appropriate, based on the latest life expectancy data and other evidence.

The Pensions Act 2014 requires the government to regularly review State Pension age, and in accordance with law, this latest Review must be published by 7 May 2023.

State Pension age is currently 66 and two further increases are currently set out in legislation: a gradual rise to 67 for those born on or after April 1960; and a gradual rise to 68 between 2044 and 2046 for those born on or after April 1977. The first Review of State Pension age was undertaken in 2017 and concluded that the next Review should consider whether the increase to age 68 should be brought forward to 2037-39 before tabling any changes to legislation.

This Review will consider a wide range of evidence, for example, it will:

- examine the implications of the latest life expectancy data;
- provide a balanced assessment of the costs of an ageing population and future State Pension expenditure;
- consider labour market changes and people's ability and opportunities to work over State Pension age;
- and develop options for setting the legislative timetable for State Pension age that are transparent and fair.

See: [Second State Pension Age Review launches - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/second-state-pension-age-review-launches)

## **New measures required to slow the spread of Coronavirus**

As Omicron continues to spread, the Scottish Government is setting out new guidance and measures to take effect from midnight on Friday to stem the flow of transmission, keep businesses and services open, and protect against pressure on health services.

Guidance has been updated on reducing social interaction at home or in indoor public places to a maximum of three households at any time, with everyone encouraged to take a lateral flow test before meeting. This will also be reflected in updated guidance for visiting care homes – with no more than two households to visit a resident at a time – and in hospitals, with no more than two visitors at any time. In all settings, people should take a lateral flow test before meeting, to support people to continue to connect with their loved ones.

Additional funding of £100 million to ensure the Self-Isolation Support Grant is available to those who need it, and a £100 million financial package for eligible businesses is to be made available.

Business support funding has been allocated to enhance adherence to the necessary public health measures and support businesses in hospitality, and food supply and in the culture sector that have lost crucial bookings during this key trading period. The Finance Secretary

will be engaging with affected sectors immediately to consult on and confirm the details of support, and money will be available as soon as possible.

The COVID-19 booster programme continues to accelerate, with the online portal for 18-29 year-olds opening on Wednesday 15 December and the waiting period following vaccination reduced from 15 minutes to five minutes. COVID-19 booster jabs will be prioritised over the remainder of the flu vaccination programme to speed up vaccination times and enable more appointments.

See: [New measures required to slow the spread of Coronavirus - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/new-measures-required-to-slow-the-spread-of-coronavirus/)

### **Scottish Inward Investment Catalyst Fund**

The Scottish Inward Investment Catalyst Fund supports inward investment companies, not yet located in Scotland, that seek to establish stronger ties with academia in Scotland.

The Scottish Inward Investment Catalyst Fund works on the same principles as the Scottish Funding Council's Innovation Voucher programme. Key differences are as follows:

- companies which have previously collaborated with academia or have an existing relationship are eligible
- multi-partner applications will be considered if there is a defined lead business and lead academic partner
- an independent panel of experts will assess and approve applications

Potential funding opportunities are wide and varied. The fund can contribute to the costs of an initial collaborative programme of work, including but not limited to:

- a feasibility study - for example, for a joint research and development (R&D) centre
- a roadmap to leverage investment for joint R&D
- early stage proof of concept for R&D
- supporting talent and skills for R&D

The deadline to apply is 5pm on 10 January 2022.

Funding awards range up to £10,000 in value. This will cover university, research institute or college project costs (such as time, facilities and consumables) in order to carry out the project and disseminate the project findings to the company and wider industry (if appropriate). The award will be paid directly to the university, research institute or college.

The Scottish Inward Investment Catalyst Fund was launched by Interface and the Scottish Government to promote Scotland as a leading destination for inward investment.

See: [Scottish Inward Investment Catalyst Fund | Interface Knowledge Connection \(interface-online.org.uk\)](https://interface-online.org.uk/)

## **Advice and support to improve your recruitment and selection processes using the SCQF**

The Scottish Credit and Qualifications Framework (SCQF) is Scotland's national qualifications framework. It provides a way to recognise, describe and compare the difficulty and time taken to achieve a range of qualifications and learning programmes. In addition to mainstream qualifications, the SCQF includes vocational and skills-based qualifications and learning programmes developed and delivered in the workplace or community.

If you would like to find out more about the SCQF and qualifications in Scotland and see how you can use SCQF levels to improve your recruitment and selection processes, you can book a one-to-one with the SCQF Partnership Employer Engagement Lead. They will help you understand the SCQF, talk you through the range of free materials and support that they offer, and let you know how you can become an SCQF Inclusive Recruiter.

See: [Understanding Qualifications | Scottish Credit and Qualifications Framework \(scqf.org.uk\)](https://scqf.org.uk)

## **Recognition of Prior Learning (RPL) in the workplace**

The Scottish Credit and Qualifications Framework (SCQF) offers a Recognition of Prior Learning (RPL) Toolkit and other resources to help employers embed these practices in their workplace.

Employers can use the SCQF resources and the RPL Toolkit in recruitment, induction, supervision, performance interviewing and supporting employees to gain qualifications.

- the RPL Toolkit offers advice and guidance to help you guide your employees through an RPL process
- the SCQF Employer Guide - Maximise Workforce Potential and Employer Levelling Tool can inform decisions on recruitment and selection activities
- the SCQF Partnership also runs free workshops on understanding RPL and its processes

### How RPL can help your business

Employees do a lot of learning in the workplace. Most of this happens informally as part of the work process and it is not usually assessed or certificated. In most cases, this kind of learning meets the immediate needs of the business by helping the employee perform better in their job. But sometimes, the lack of formal certification or recognition can cause issues for individuals in the workplace. For example, a lack of formal qualifications may lead to slow career progression within the organisation.

You can embed Recognition of Prior Learning (RPL) practices in the workplace by supporting and encouraging staff to undertake formal qualifications. This can help increase staff motivation, improve employee retention and create a more highly skilled workforce.

Some organisations may routinely ask staff to undertake training that they have already done in a previous role (such as a first aid or health and safety qualification). By using RPL, employers can save money and time by not repeating an employee's learning.

The toolkit and resources can help:

- identify employees' skills effectively
- identify skills gaps in organisations
- identify appropriate training opportunities
- reduce employee training time by minimising duplication of learning
- increase motivation and interest in workplace activities on the part of the employee/learner
- generate new ideas and developments for the organisation by encouraging the employee/learner to reflect on work activities

See: [RPL for Employers | Scottish Credit and Qualifications Framework \(scqf.org.uk\)](https://www.scqf.org.uk/rpl-for-employers)

### **SCQF Inclusive Recruiter recognition scheme**

The Scottish Credit and Qualifications Framework (SCQF) Partnership runs a recognition scheme, called SCQF Inclusive Recruiters, for employers who use SCQF levels in their recruitment instead of specific qualifications.

The process to become an SCQF Inclusive Recruiter is simple and does not cost anything. They will explain how to properly level your job roles and help you find the best wording to use in recruitment materials. You will then watch a short video and complete a knowledge quiz. Upon completion, both organisations sign a Memorandum of Understanding setting out their responsibilities. You'll then receive the SCQF Inclusive Recruiter logo for use on your website and recruitment materials.

### **How SCQF levels work**

When recruiting staff, it is important how you specify the level of skill or competence that you need applicants to have. Job adverts often ask for applicants to have a degree or equivalent, or a specific number of Highers or equivalent. Understanding what that 'equivalent' might be is essential to maximise the range and diversity of potential applicants.

For example, a Higher sits at level 6 on the SCQF. However, 93% of qualifications at level 6 on the SCQF are not Highers. By using SCQF levels in your recruitment processes instead of specific qualifications, you can significantly widen your pool of applicants to ensure you get the best range of suitable candidates, who may have a variety of qualifications or skills and experience at the required level.

See: [SCQF Inclusive Recruiter | Scottish Credit and Qualifications Framework](https://www.scqf.org.uk/scqf-inclusive-recruiter)



## **Rapid Response aquaculture fund**

The Rapid Response fund supports collaborative research and development projects in the field of aquaculture.

Applicants must be a consortium that includes industry and academic partners, and must fall within at least one of the following areas of research:

- fish health and welfare
- aquaculture industry capacity
- shellfish and other non-fish species

This is a fast-tracked process for projects that will help the aquaculture sector adapt to a new commercial and operational reality in the months and years ahead. The Scottish Aquaculture Innovation Centre (SAIC) will provide a package of up to £50,000 to successful applicants.

Business partners will be expected to match or exceed the investment through financial and in-kind contributions.

The Rapid Response projects should have a duration of less than one year, with at least one consortium partner based in Scotland.

See: [Funding \(sustainableaquaculture.com\)](https://sustainableaquaculture.com)

## **Coronavirus asymptomatic workplace testing in Scotland**

Public, private and third-sector organisations with 10 or more staff can sign up for free asymptomatic workplace testing. This will help keep employees and customers safe by catching asymptomatic cases and preventing outbreaks.

Those who can't work from home – including sectors such as manufacturing, logistics, hospitality and retail – should be testing regularly before going to work and eligible organisations are encouraged to sign up to workplace testing.

Organisations that sign up can access and distribute LFD kits twice a week free of charge or implement their own asymptomatic test site model.

Eligible organisations will also be given access to an online portal containing everything they need to plan and deliver an effective workplace testing programme, including promotional materials.

See: [Coronavirus \(COVID-19\): getting tested in Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot)

## **Scotland's deposit return scheme**

The UK's first deposit return scheme will go live across Scotland on 16 August 2023, helping to recycle billions of bottles and cans every year.

The announcement follows an independent review, which considered the impact of COVID-19 on the scheme.

Addressing parliament, the Circular Economy Minister set out plans for a phased implementation of the scheme and said the target of achieving 90% collection rates by 2024 will be maintained.

As part of the phased implementation, the Scottish Government is working with retailers on a voluntary basis to enable people to start returning their bottles and cans for recycling from November 2022.

See: [Scotland's deposit return scheme - gov.scot \(www.gov.scot\)](https://www.gov.scot/scotland-deposit-return-scheme)

### **Creating a cleaner Scotland**

Fines for flytipping could be more than doubled as part of proposals being consulted on.

The consultation on a new National Litter and Flytipping Strategy proposes a range of measures to prevent litter and flytipping, improve data and strengthen enforcement.

This includes raising fines for flytipping from £200 to £500 - the maximum permitted by current legislation. The consultation also asks if they should be raised beyond this cap.

The introduction of a sustained national behaviour change campaign is also being proposed, aimed at breaking the cycle of littering and flytipping. This would be supported by new research, looking at why people continue to litter.

See: [Creating a cleaner Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/creating-a-cleaner-scotland)