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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!

### **Facing Crisis Upon Crisis – a perfect storm?**

The International Monetary Fund (IMF) has stated the war in Ukraine will severely set back the world economy and the UK is predicted to have the slowest growth in the G7 and across Europe's main economies at 1.2% for 2023.



Kristalina Georgieva, IMF Managing Director Washington, DC Comments “The pandemic turned our lives and economies upside down, and it is not over. The continued spread of the virus could give rise to even more contagious or worse, more lethal variants, prompting further disruptions. Russia’s invasion of Ukraine, devastating for the Ukrainian economy, is sending shockwaves throughout the globe”.

In economic terms, growth is down, and inflation is up. In human terms, people’s incomes are down, and hardship is up.

These double crises - pandemic and war - and our ability to deal with them, are further complicated by another growing risk: fragmentation of the world economy into geopolitical blocs - with different trade and technology standards, payment systems, and reserve currencies.

See: [Facing Crisis Upon Crisis: How the World Can Respond \(imf.org\)](https://www.imf.org/en/Publications/Facing-Crisis-Upon-Crisis/How-the-World-Can-Respond)

If you are in business and you know growth is slowing, inflation is rising and there are supply chain issues then what actions can you take to shore up resilience and stay ahead of the curve?

Building business resilience requires several key attributes:

- **Collaboration** amongst departments, your suppliers and even fellow businesses.
- **Sharing resources** and removing inefficiencies with duplicate information and processes.
- **Team formation** so all employees know what impact they have on the business and can adapt to changes.
- **Suppleness and adaptability** to make changes.
- Having a business **culture that allows for some failures or mistakes** with new ways of doing things and learning from them and adjusting swiftly.
- Spending time working on **change management** as well as working “in the business”.

Where do you start? Our top performing clients regularly discuss building resilience with all employees and collect their ideas and thoughts so, together, the whole team can work for change.

Please talk to us about the resources we have to help such as our “Change Management” checklist and “Improving Business Systems for Growth” guide.

### **Job vacancies rise to new level**

In the Office for National Statistics (ONS) latest labour market overview, they state that the number of job vacancies in January to March 2022 rose to a new record of 1,288,000.

The ONS also state that the unemployment rate for December 2021 to February 2022 decreased by 0.2 percentage points on the quarter to 3.8%.

What is clear from the latest survey is that job applicants are still calling the shots and employers are still struggling to recruit.



There are a number of actions you can take to make your business attractive to new staff. In addition to reviewing your pay and conditions to be as competitive as possible, these include:

- Treating recruitment as a permanent process;
- Regularly asking existing staff, customers and suppliers for introductions;
- Offering incentives for referrals;
- Make sure you are running constant online social media and local advertisements;
- Embracing flexibility in hours and location in your business;
- Introducing a “golden hello” and loyalty bonuses for length of service (typically one to three years);
- Advertising testimonials from existing staff;
- Using government initiatives for apprentices;
- Making your company and the job sound as attractive as possible by outlining the position to sound prestigious and challenging. These two factors are big incentives for bright potential candidates;
- Knowing that job satisfaction comes from feeling respected and having the opportunity to learn new things and excel in the face of obstacles when advertising the role; and
- Convey your businesses personality so potential employees get a feel for what it would be like to work for you.

Recruiting new employees is tough just now so be different! For example, some employers are now offering “wellbeing leave” in addition to the usual holiday package. If you want to recruit more you must get serious about the process and be on it 24/7, 365!

Useful guidance on the procedures for recruitment can be seen in the ACAS guide “Recruiting staff” which can be seen here: [Recruiting staff \(acas.org.uk\)](https://www.acas.org.uk/recruiting-staff)

See: [Labour market overview, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/labour-market-overview)

## **Digital Growth Grant**

The Department for Digital, Culture, Media and Sport (DCMS) will run a Digital Growth Grant competition over Summer 2022. Bids will be invited to address identified market failures and accelerate the growth of tech start-up and scale-up ecosystems across the regions and nations of the UK. The successful bidder will be awarded up to £12.09 million to be spent over two financial years; 2023/24 and 2024/25.

Further detail on the grant objectives, eligibility and application process will be published in Summer 2022 when the competition opens for applications.

The detailed grant specification is currently being developed in consultation with the market. DCMS is inviting organisations to participate in upcoming webinars as an opportunity to ask questions and to express their views and ideas about the scope of future provision of government-funded support for tech start-ups and scale-ups.

[Express your interest](#) to contribute your views and to stay up to date on when the Digital Growth Grant goes live.

See: [Digital Growth Grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/digital-growth-grant)

### **Guidance for businesses wanting to offer help to Ukraine**

Businesses can find ways to help with the situation in Ukraine by answering calls for specific aid and goods and working to find solutions for those fleeing areas affected by the war.

The Homes for Ukraine scheme will allow individuals, charities, community groups and businesses in the UK to bring Ukrainians to safety, including those with no family ties to the UK.

Phase One of the scheme allows sponsors in the UK to nominate a named Ukrainian or a named Ukrainian family to stay with them in their home or in a separate property.

Individual sponsors will be asked to provide homes or a spare room rent-free for as long as they are able, with a minimum stay of six months. In return, they will receive £350 per month.

Those who have a named Ukrainian they wish to sponsor should contact them directly and prepare to fill in a visa application.

Charities, faith groups, businesses and local community organisations are also helping to facilitate connections between individuals, for potential sponsors who do not have a named contact.

Ukrainians arriving in the UK under this scheme will be granted three years leave to remain, with entitlement to work, and access benefits and public services.

Find more information and record your interest on the [Homes for Ukraine webpage](#). Sponsors will be kept updated on the scheme.

The war in Ukraine has created huge and urgent shortages of medicines and medical devices. A critical need for Ukrainian government organisations is to quickly find and engage financial donors and suppliers that can deliver essential goods. Enkidu is a scheme where companies can list their offer, and if it matches the needs of the Ukrainian government, they will get in touch with the supplier directly - [find out how to get involved](#).

## **Self-driving vehicles to be included in the Highway Code**

The government has confirmed planned changes to The Highway Code, responding to a public consultation, continuing to pave the way for safer, more efficient travel.

The changes to the code will help ensure the first wave of technology will be used safely, explaining clearly that while travelling in self-driving mode, motorists must be ready to resume control in a timely way if they are prompted to; such as when they approach motorway exits.

The plans also include a change to current regulation, allowing drivers to view content that is not related to driving on built-in display screens, while the self-driving vehicle is in control. It will, however, still be illegal to use mobile phones in self-driving mode, given the greater risk they pose in distracting drivers as shown in research.

With self-driving technology rapidly developing across the globe, Britain's first vehicles approved for self-driving could be ready for use later this year. Vehicles will undergo rigorous testing and only be approved as self-driving when they have met stringent standards.

See: [Britain moves closer to a self-driving revolution - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/britain-moves-closer-to-a-self-driving-revolution)

## **End of tax year payroll procedures**

As the 2021/22 tax year has now ended, employers need to carry out the following end of year procedures:

- Provide your employees with their P60 annual summaries by 31 May 2022;
- Prepare forms P11D for employees' expenses and benefits by 5 July 2022;
- Update your employees' payroll data for 2022/23, in particular their new tax codes; and
- Update your payroll software for 2022/23 if you haven't already done so.

Here is a link to the HMRC guidance: [Payroll: annual reporting and tasks: Overview - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/payroll-annual-reporting-and-tasks-overview). Please talk to us about your payroll – we would be delighted to help!

## **HMRC warn workers not to use schemes that claim to increase take home pay**

HMRC have recently published details of the promoters of two tax avoidance schemes that purport to allow workers to maximise their take home pay. HMRC wants employers and employees to understand that these schemes (involving individuals agreeing an employment contract and working as a contractor) do not work and is warning potential users to steer clear of the schemes or exit them. Use of the published schemes could leave users with big tax bills.

This is part of a general crackdown by HMRC on the use of “umbrella” companies and managed service companies to sidestep the IR35 (personal service company) and ‘off-payroll working’ rules.

For further details see: [HMRC names avoidance scheme promoters for first time - GOV.UK \(www.gov.uk\)](#)

### **More than 142,000 individuals use online payment plans to pay their self-assessment tax bill**

HMRC has issued a press release to confirm that more than 142,000 taxpayers have used HMRC’s online ‘Time to Pay’ facility to spread the cost of their self-assessment tax bill since April 2021.

The self-assessment deadline for 2020/21 tax returns was 31 January 2022 but, this year, HMRC gave taxpayers until 1 April to pay any tax owed and not face penalties.

Individuals who were unable to pay in full but had a tax bill of under £30,000 could use the online Time to Pay service to spread the cost into manageable monthly instalments. Those who owed more than £30,000 or needed longer to pay could still use the Time to Pay service but they had to contact HMRC to arrange it.

HMRC has said that, since April 2021, self-assessment taxpayers have used this service to pay nearly £475 million worth of tax in instalments.

It should be noted that any self-assessment taxpayers who did not pay their outstanding tax by 1 April now face a 5% late payment penalty on any outstanding tax.

See: [HMRC Press Release - GOV.UK](#)

### **Strengthening consumer protection and enforcement**

The government is bolstering consumer rights, strengthening the enforcement powers of the Competition and Markets Authority (CMA), and supporting consumers in resolving their own disputes without having to go the courts.

Plans include making it clearly illegal to pay someone to write or host a fake review, so people are not cheated by bogus ratings. The government is consulting on a new law against:

- commissioning someone to write or submit a fake review;
- hosting consumer reviews without taking reasonable steps to check they are genuine; or
- offering or advertising to submit, commission or facilitate fake reviews.

There will also be clearer rules for businesses to make it easier for consumers to opt out of subscriptions, so they are not stuck paying for things they no longer want.

Prepayment schemes like Christmas savings clubs will have to fully safeguard customers' money through insurance or trust accounts. Under new rules, businesses must:

- provide clearer information to consumers before they enter a subscription contract;
- issue a reminder to consumers that a free trial or low-cost introductory offer is coming to an end, and a reminder before a contract auto-renews onto a new term; and
- ensure consumers can exit a contract in a straightforward, cost-effective and timely way.

The enforcement of consumer law is also being strengthened. The CMA, instead of a court, will be able to award compensation to consumers and directly impose financial penalties for:

- breaking consumer protection laws, with penalties worth up to 10% of global annual turnover for businesses or up to £300,000 in the case of an individual.
- breaching undertakings given to the CMA, with penalties worth up to 5% of a business' annual global turnover or up to £150,000 for an individual, and additional daily penalties for continued non-compliance.
- non-compliance with an information notice, concealing evidence or providing false information, with penalties worth up to 1% of a business' annual global turnover or up to £30,000 for an individual, and additional daily penalties for continued non-compliance.

The government is also supporting consumers and traders to resolve more disputes without court action by improving Alternative Dispute Resolution (ADR) services in consumer markets. This includes amending the ADR Regulations 2015 to improve the quality and oversight of ADR services and requiring businesses offering consumers dispute resolution services to be accredited against these regulations.

See: [New rules to protect consumers' hard-earned cash - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-rules-to-protect-consumers-hard-earned-cash)

## **Coronavirus guidance on ventilation**

The Scottish Government has updated their guidance on ventilation to help reduce the risk of coronavirus (COVID-19) transmission in indoor settings.

It includes guidance specifically for businesses, including workplaces and commercial properties.

Topics include:

- how proper ventilation reduces transmission risk;
- how to maintain good ventilation;

- ventilation as part of your overall risk reduction strategy;
- risk assessments, including your ventilation requirements;
- how to monitor air quality;
- natural ventilation;
- mechanical ventilation;
- how to help staff understand the importance of good ventilation;
- how to balance ventilation and comfort levels in cold weather;
- legal requirements, specialist support and advice; and
- other useful tips, including what to do if you cannot open windows.

See: [Ventilation - Coronavirus \(COVID-19\): safer workplaces and public settings - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Ventilation_-_Coronavirus_(COVID-19):_safer_workplaces_and_public_settings_-_gov.scot_(www.gov.scot).pdf)

### **Coronavirus advice and support for 'high risk' employees**

The Scottish Government has published advice and information on support that's available for those who are on the highest risk list (previously known as the shielding list) including how to keep themselves safe at work to reduce the risk of coronavirus (COVID-19).

This will help employers ensure that any employees who are on the highest risk list can return to work safely, if required to do so. Where possible, employers should allow a 'hybrid' system of in-person and remote working for workers.

This guidance includes information on:

- returning to work;
- staying safe; and
- health and wellbeing.

See: [Advice on working - Coronavirus \(COVID-19\): advice for people on the Highest Risk List - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Advice_on_working_-_Coronavirus_(COVID-19):_advice_for_people_on_the_Highest_Risk_List_-_gov.scot_(www.gov.scot).pdf)