

Written 3 October 2022

## **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!

### **U-turn on the top rate of tax**

Facing huge criticism and market turbulence following his announcement of a series of “growth” measures, Chancellor Kwasi Kwarteng has today reversed the decision on the tax cut for the highest earners. He has confirmed he will not pursue cutting the 45p rate of income tax on people earning more than £150,000 a year. The proposal to scrap the rate had been criticised as unfair at time of rising living costs.

Following the mini budget markets reacted poorly and we saw a falling pound, higher interest rates, a collapse in mortgage products and the Bank of England stepping in to calm markets. Prime Minister Liz Truss has admitted yesterday she should have "laid the ground better" for her mini budget, after it sparked days of market turmoil.

We will keep you updated on the effects of this and other decisions in good time for the new tax year which commences 6 April, 2023.

### **Update your payroll software for 6 November NIC changes**

The 23 September mini budget announced the scrapping the Health and Social Care Levy and important changes to employee and employer National Insurance Contributions (NICs) that take effect in just six weeks' time. Software developers are frantically working to make sure that payroll software is ready for the 6 November rate change.

Unlike PAYE which generally works on a cumulative basis NIC for employees, who are not directors, is calculated weekly or monthly based on the limits and rates for that particular payroll period. This means that if the wrong NIC is calculated the error cannot be corrected in the next pay period and the employer will have to claim a refund from HMRC. This is because there is currently no procedure to retrospectively correct the earlier NIC calculation. Unless a simple NIC reclaim system is introduced this could be time consuming for both the employer and HMRC.

### **Consider delaying end of October payroll to 6 November?**

Employers may wish to consider negotiating with employees to delay the end of October payroll to 6 November to benefit from the 1.25% NIC reduction.

For a senior employee on £10,000 a month this would save £125 for both the employer and employee, or a lot more for some Premier League footballers. Cristiano Ronaldo is allegedly on £20 million a year so a delay to 6 November would save him and Manchester United £20,833!

This would of course impact on the employees' ability to make bank payments such as mortgages and other direct debits scheduled to be made at the end of October or early November.

Please contact us if you wish to talk through your payroll options.

### **Dealing with the rising costs of living**

Retail sales fell steeply in August as the rising cost of living put pressure on households, figures show. According to the Office for National Statistics (ONS), sales fell by 1.6% which is much larger than economists predicted, continuing a fall since the summer of 2021.



Retail sales in all the main sectors - food, non-food, online and fuel - fell over the month and supermarkets' sales volumes fell by 0.9% in August. However, alcohol and tobacco sales rose by 6.3%. August's sales figures signalled the largest month-on-month drop since December 2021.

If you are struggling with your finances, there are some steps you can take to start managing your situation. Make a list of the organisations that you need to make a payment to.

Note down how much you pay and whether you are behind on any payments. This includes essential household bills such as electricity and gas, as well as loans and any other debts or repayments you have.

If you find this too difficult, a debt adviser can help you for free.

The [MoneyHelper Debt Advice Locator tool](#) can help you find out where to access free debt advice near you.

It's important that you prioritise your debts. Some debts will be more urgent than others because the consequences of not paying them can be more serious. These may include:

- Mortgage or rent
- Council tax/rates
- Gas or electricity bills

MoneyHelper has useful information on [how to prioritise your debts](#).

Once you know which debts are a priority, you can work out a budget.

This will help you understand how much money you have to pay your commitments as you go forward.

You might want to use a budget tool, such as the [MoneyHelper online budget planner](#), or a tool provided by a debt adviser to help you.

If you are worried about not being able to make future payments, it is important to contact the organisations you make payments to and let them know. They may be able to talk to you about options for changing how or when you pay.

If you are finding it difficult to pay your mortgage, credit card or personal loan, your lender should provide you with support tailored to your individual circumstances. This support will be available if you're struggling for the first time or if you've already had help.

Your options could include:

- Making reduced payments for a temporary period.
- Changing your mortgage or loan term to make your payments more affordable.
- Making no payments for a temporary period.
- Being directed to sources of free debt advice.

Contact your lender as soon as possible if you're finding it difficult to make payments.

Just talking to your lender will not affect your credit file, and they can help you. If you agree on an arrangement with them, that will be reflected on your file, but this would also be the case with any missed payments.

If your lender is not treating you fairly, you have the right to complain directly to them. If you aren't satisfied with their response, you can contact the [Financial Ombudsman Service](#).

See: [Dealing with the financial impact of rising costs of living | FCA](#)

## **Protecting employees from stress at work**

The Working Minds campaign has been created by the Health and Safety Executive (HSE), Britain's national regulator for workplace health and safety and is committed to improving the health of workers.

Tackling stress isn't just the right thing to do, it's a legal obligation. Working Minds can help you make it a routine priority for your business.

There are three main reasons employers should be looking to prevent stress and support good mental health in business:

1. It's the law
2. It's good for business
3. It's the right thing to do

Whether you're a small business or a large corporation, the law requires all employers to prevent work-related stress and support good mental health in the workplace.

It's important to remember that in the end, we're all just people. Every one of us faces pressures in and out of the workplace and by treating each other with respect and compassion at work, we support our teams and colleagues to stay well.

The earlier a problem is tackled, the less impact it will have on the person and your business. Stress affects people differently – what stresses one person may not affect another. Factors like skills, experience, age or disability may affect someone's coping ability.

You can get started today with these 5 steps:

1. Reach out and have conversations.
2. Recognise the signs and causes of stress.
3. Respond to any risks identified by agreeing on action points between employer and workers.
4. Reflect on the actions taken – have things improved?
5. Make it routine to check back in on how things are going.

If you think that a worker is having problems, encourage them to talk to someone, whether it's their line manager, trade union representative, GP or their occupational health team.

See: [Working Minds Employers - Work Right to keep Britain safe](#)

## **Fit notes: new professions able to issue fit notes**

From 1 July 2022, nurses, occupational therapists, pharmacists and physiotherapists are all able to legally certify fit notes in addition to doctors. This makes it easier to get advice certified by the most relevant healthcare professional. The legislation does not otherwise alter the purpose and function of the fit note, which will continue to support and empower better conversations about work and health between employers and workers. These professionals should be working within general practice or delivering NHS services as access to the new version of the fit note is limited to these settings.

See: [Fit note: guidance for employers and line managers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/fit-note-guidance-for-employers-and-line-managers)

## **Business asset finance explained**

Business asset finance is an agreement that enables businesses to obtain the assets needed to manage and/or expand effectively and spread the cost/outlay.

Regardless of the size of the business, the decision to invest in assets is always difficult. However, there are some key benefits, including:

- It's a great alternative to a traditional bank loan.
- Increased tax benefits.
- Payments can be budgeted according to cash flow.
- Lenders secure against the asset.

Specialists can advise on:

- Hire purchase - allows you to buy an asset and pay for it over a period of time, spreading the cost via an agreement with a finance company. An initial deposit is payable; and
- Finance lease – a rental agreement through which an asset can be obtained for a fixed term. At the end of the initial term, the agreement can be extended or sold with a rebate of the sale proceeds to the client.

You will need to ensure that your management accounts are up to date, that you have current detailed lists of debtors, creditors and all assets, and you might need up-to-date projections before a lender will consider your application. Please talk to us about finance. We can introduce you to finance specialists who have many years of experience and success in advising businesses across a wide range of sectors.

## **Submitting your Self Assessment return early**

HMRC has seen a growing trend in customers submitting their Self Assessment returns early. In the last five years, the number of customers choosing to file their return on the first day of the tax year has almost doubled.

You have until 31 January 2023 to send HMRC your Self Assessment tax return and to pay any tax you may owe.

Learn more about getting started with Self Assessment, including registration, tax returns, tax bills and payments on the webpage below.

See: [HMRC email updates, videos and webinars for Self Assessment - GOV.UK \(www.gov.uk\)](#)

## **Christmas holidays 2022**

The Christmas season has a big impact on most businesses and employees in the UK. It will be a time when there is likely to be extra demand for products, services and sales in some businesses, whilst others may experience a quiet period or shut down for the Christmas holidays.

This year, Christmas Day (25 December 2022), falls on a Sunday and Boxing Day falls on a Monday, which means Tuesday 27 December 2022 will be a bank holiday.

Many employees will request time off to spend time with their family, go on holiday or attend religious services. Employees working over the Christmas period may experience different working patterns, a change in the nature of their workload or face difficulties getting to and from work.

An organisation's annual leave policy should give guidance on how to book time off. However, employers may wish to look at being a little more flexible when allowing employees leave during this period.

The key is for both parties to try to come to an agreement and plan as early as possible while being fair and consistent with all staff.

See: [Bank holidays and Christmas: Checking holiday entitlement - Acas](#)

## **UK Trade & Export Finance Forum 2022**

The UK Trade & Export Finance Forum brings together finance and business leaders for a full day of presentations, case studies, panels, workshops and networking, covering the latest developments in export and trade finance.

Whether you are a UK supplier looking to export overseas or an international corporate considering long-term financing, this forum will provide you with insight and business connections to support you in your export journey.

Now in its fifth year, the event will take place on Thursday 17 November 2022 and will return in hybrid format, bringing together over 600 attendees online and in central London.

The Forum will explore the importance of realising the export potential of emerging net zero technologies. You'll hear about the UK government's support for new

sectors and recent product developments to help companies make the transition to clean energy, with case studies from SMEs to large corporates.

The International Workshops will also return, giving unique insights into the opportunities within key trading markets globally.

You can expect:

- The opportunity to meet with decision-makers at major global companies to discuss their supply chain needs and procurement processes.
- Insights from leading trade finance experts and policymakers on market and sector trends.
- To connect with your regional Export Finance Manager and International Export Finance Executives to find out how UKEF can support you to succeed overseas.
- Networking and a range of sessions including workshops, one-to-one meetings, panels and case studies.

Who should attend?

- UK exporters of any size looking to expand their presence internationally.
- International corporates seeking finance.
- Banks, private lenders or insurers, and legal firms.
- Trade, business, and policy organisations.

See: [UK Trade & Export Finance Forum 2022 - New Registration \(great.gov.uk\)](https://www.great.gov.uk/uk-trade-export-finance-forum-2022)

### **Commonwealth market awareness webinar series**

The Department for International Trade (DIT) is hosting a series of market awareness webinars to highlight business and exporting opportunities across a range of Commonwealth markets.

These webinars provide businesses with knowledge and insight into the opportunities available in these markets.

In the second series of one-hour webinars, DIT will be covering more Commonwealth markets.

The markets covered include:

- The Commonwealth opportunity with the Commonwealth secretariat – 20 October, 9am to 10am
- India – 20 October, 10am to 11am
- Malaysia – 26 October, 9am to 10am
- Nigeria – date to be confirmed



See: [Commonwealth Market Awareness Series Part 2 \(great.gov.uk\)](https://www.great.gov.uk/government/collections/commonwealth-market-awareness-series-part-2)

### **Gift Aid Awareness Day 2022 for charities**

This year's Gift Aid Awareness Day will be held on Thursday, 6 October 2022.

Every year since 2018, charities across the UK have been taking to social media in October to share the #TickTheBox message with donors, members, supporters and volunteers.

This year's #TickTheBox campaign will focus on the value of Gift Aid. The Charity Finance Group (CFG) are inviting all charities to share on social media, on your website and in your newsletters, the impact that Gift Aid has on the people and communities you serve.

Whatever your charity's purpose, CFG wants Gift Aid Awareness Day to be another opportunity to show your supporters the amazing things you do, thanks to those who #TickTheBox.

See: [Charity Finance Group | Knowledge Hub \(cfg.org.uk\)](https://www.cfg.org.uk/knowledge-hub)

### **Green Heat Hub Grand Challenge**

This challenge encourages industry, academic and third sector organisations to develop project proposals for a 'green heat hub' that will help position Scotland as a leading location in Europe for green heat manufacturing.

Organisations will be encouraged to collaborate on a project proposal, which will help those involved in green heat manufacturing to create the vision and development of a demand-led design and an operational model for a green heat hub.

A green heat hub should:

- Attract inward investment by demonstrating that Scotland can provide a ready-made support system for growth.
- Be a centre of collaboration for companies, researchers and customers connected to the Scottish and international innovation ecosystem.
- Display the green heat solutions of the future through demonstrations and market intelligence.
- Address challenges to industry growth through facilitation or direct support.
- Enable industry leadership with companies invested and investing in the centre.

There will be a 2-stage application process. Each consortium must submit a pre-proposal application, then successful applicants will be invited to the full proposal stage, which includes an award of up to £75,000 in grant funding to support eligible business case development costs.



Stage 1 pre-proposal applications must be submitted by Friday 18 November 2022.

Stage 2 full proposal applications must be submitted by Wednesday 14 April 2023.

Consortiums with both industry and academic representation can apply. More than one company or academic can be included in each, but they cannot be involved in multiple proposals. Third-sector organisations can also be included in the consortium partnership.

The lead applicant must have a registered business address in Scotland. Each consortium that reaches stage 2 will be awarded a grant of up to £75,000, paid in arrears, to help them complete the project proposal. This will be paid to the lead applicant.

See: [Green Heat Hub Grand Challenge - Scottish Enterprise \(scottish-enterprise.com\)](https://scottish-enterprise.com)

### **Rural Leadership Programme – The deadline is 3 October!**

The Scottish Rural Leadership Programme is designed to help Scottish rural business owners who have the desire and ambition to grow their business.

The programme runs from 27 October 2022 until early March 2023. It involves a series of engaging and stimulating workshops that help leaders develop themselves and their businesses through one-to-one coaching, peer-to-peer mentoring, innovation, and an inspirational learning journey to London and Edinburgh.

The programme is being delivered by Elevator UK and will be held regionally across Scotland.

Participants will become part of a well-connected network of nearly 700 rural leaders across Scotland.

Applications must be submitted by Monday 3 October 2022.

See: [Scottish Rural Leadership Programme | Elevator UK](https://scottishruralleadershipprogramme.com)