

Written by 19 December 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!

### **Wishing you all a Happy Christmas and prosperous New Year!**

Christmas is a season of enjoying the simple things that make life beautiful. May you have great memories that will permanently touch your heart.

We wish you so much joy during this season and all through to the New Year.



### **Scottish Budget – A “troubled context”**

Last week, the Scottish Finance Secretary, John Swinney outlined why “the Scottish Government Budget for 2023-24 takes place in the most turbulent economic and financial context most people can remember.” He stated he was wrestling with the challenges right now and that in the autumn the Scottish government had to cut its spending plans midway through the current financial year by £1.2 billion.

He announced income tax rates are to rise for anyone earning more than £43,662 a year, so that higher rate tax payers will pay 42p in the pound from April 2023 (tax

year 2023/24) and the threshold for top rate taxpayers will reduce from £150,000 to £125,140.

The top rate of tax increases to 47p in the pound for those earning £125,140 and above.

Mr Swinney has pledged that benefits will increase by 10.1%, which was the rate of inflation in September.

The Additional Dwellings Supplement rate for Land & Buildings Transaction Tax is increased from 4% to 6% from 16 December 2022.

Other announcements included:

- An extra £72m is allocated to complete overdue ferries;
- The wider justice system is to get an extra £165m;
- Investment of over £13bn in health boards to allow them to continue to drive forward the five-year recovery plan;
- £20m originally for indyref2 is switched to the Fuel Insecurity Fund;
- £2bn is allocated to establish and improve primary health care services in the community;
- £1.7bn is allocated for social care and integration to improve services;
- An additional £100m will be made available to support delivery of the £10.90 real living wage for adult social care, building on the increase provided in 2022-23; and
- A £1bn increase in health and social care spend;

See: [Budget Statement: 2023-24 - gov.scot \(www.gov.scot\)](https://www.gov.scot/budget-statement-2023-24)

### **Looking for some new year business ideas?**

If you are looking for some new business ideas, then ask us for a copy of our guide called “57 Ways to Grow Your Business”! Our publication is packed full of bright ideas for the Serious Entrepreneur and starts with the four basics of growth.

All the ideas in this guide ultimately revolve around four basic insights about growing a business:

- Increase the number of customers,
- Increase the number of times each one does business with you,
- Increase the average value of each transaction, and
- Increase your own effectiveness and efficiency.

# 57 Ways to Grow Your Business

Bright Ideas for the Serious Entrepreneur



Here are some other business principles that we explore in the guide:

- What you can measure, you can manage.
- Build in unique core differentiators and focus on them constantly.
- It's more important to be different than it is to be better.
- Cutting the price is always an option but there is usually a better way: increasing value.
- Break compromises and lower the barriers to people doing business with you.
- Systemise every aspect of your business.
- Empower your team to make it right for every customer.
- Create a clear and detailed action plan.

Ask us for a copy – you never know there may be a gem or two in there for you to help you grow faster!

## **Post-Brexit reform of financial services announced**

Andrew Griffith, the UK City of London minister, has stated the UK government's intent to revamp the regulation of the investment and insurance sectors.

Earlier this month he unveiled over 30 reforms "to unlock investment and turbocharge growth in towns and cities across the UK".

Last week the Chancellor, Jeremy Hunt, set out plans to repeal and replace EU retained laws governing financial services. This will establish a new regulatory framework for the UK with the aim of making it more agile, less costly, and more responsive to emerging trends.

These plans included a commitment to make substantial legislative progress over the course of 2023 on repealing and replacing EU-era rules governing insurers' balance sheets. This is expected to unlock over £100 billion of private investment for productive assets such as UK infrastructure.

The work to repeal, and where appropriate replace, retained EU law governing the sector has been guided by industry and split into two initial tranches. These will focus on delivering reform to areas which provide the most significant boost to UK growth and competitiveness, and the government will set out further detail on future tranches over time.

These announcements deliver the next chapter in the government's plan for a UK financial services sector that is open, sustainable, and technologically advanced; one that is globally competitive and acts in the interests of communities and citizens.

As announced in the Autumn Statement, the government will look to announce changes to EU regulations in four other high growth industries by the end of next year, including digital technology, life sciences, green industries, and advanced manufacturing.

See: [Edinburgh Reforms hail next chapter for UK Financial Services - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/edinburgh-reforms-hail-next-chapter-for-uk-financial-services)

## **Tax Year Basis for Unincorporated Businesses – Amending Estimates**

From tax year 2024/25 unincorporated businesses will be required to compute their profits on the new 'tax year' basis, i.e. those arising between 6 April and 5 April. Many businesses are considering changing their accounting period end to align with the tax year but those that choose not to will need to apportion their profits and may need to estimate some of the figures in order to meet the 31 January filing deadline.

For example, a business with a 31 December accounting year end would need to include nine months of the profits from the year ended 31 December 2024 and three months from the year ended 31 December 2025 in 2024/25. The results for the year ended 31 December 2025 are unlikely to have been finalised by the 2024/25 filing deadline of 31 January 2026. This will require an estimate of those profits/losses and use that as the basis for the 2024/25 tax return submission.

HMRC's guidance on provisional figures currently requires businesses to make amendments to provide final figures 'without delay'. HMRC have now announced that this condition will be relaxed before the start of the basis period transition year in 2023/24.

Earlier this year HMRC consulted on a number of options on how to deal with provisional figures. The government have decided that they will allow businesses to amend provisional figures by the normal time limit for making amendments. For the 2024/25 tax year this would be on or before 31 January 2027, the same filing date as the 2025/26 return.

In order to avoid this additional complexity, unincorporated businesses should consider amending their accounting date to 31 March or 5 April. The timing of the change is critical, and it will generally be better to do this to 31 March or 5 April 2024 due to the ability to spread additional profits arising over 5 tax years.

Please contact us to discuss the full implications of changing your business year end.

### **Cost of Living Crisis – Help for Households Campaign**

The UK Government has launched its 'Help for Households' campaign. The campaign aims to help people through the cost of living this winter. Some of the topics include:

- Cheaper broadband and phone packages - Social tariffs are cheaper broadband and phone packages for people claiming Universal Credit, Pension Credit and some other benefits. For further information please select the following link [Cheaper broadband and phone packages - Ofcom](#)
- Discounts and offers – To find out what discounts and offers are available from businesses to help with the cost of living, please select the following link [Discounts and offers - Help for Households](#)

See: [Help for Households - Get government cost of living support](#)

### **HSE guidance on keeping workplace temperature reasonable**

As winter takes hold, you can find helpful advice from the Health and Safety Executive (HSE) on keeping people as comfortable as possible when working in the cold.

The guidance has been refreshed to make it easier to find and understand advice on how to protect workers in both low and high temperatures.

The Workplace (Health, Safety and Welfare) Regulations require employers to provide a reasonable indoor temperature in the workplace.

The guidance explains how you can assess the risks to workers and put controls in place to protect them.

There is a workplace temperature checklist to help you carry out a basic risk assessment. HSE have also updated sources of advice, including practical steps you can take in the summer months to protect workers during a heatwave.

See: [Temperature \(hse.gov.uk\)](https://www.hse.gov.uk/temperature/)

### **Stay safe in the snow**

The Met Office has some practical advice and information on what to do to stay safe in the snow.

When there is a snow warning in place the guidance covers:

1. What to do if you need to drive somewhere;
2. Driving safely in snow;
3. Thinking ahead and acting now so you can cope if cut off;
4. Staying safe if you are cut off; and
5. What you can do in a power cut.

See: [5 tips for staying safe in snow - Met Office.](https://www.metoffice.gov.uk/advice/snow)

### **StartUp Show 2023**

Whether you are an aspiring or existing entrepreneur, the StartUp Show is a chance to not only discover everything you need to know about starting a business, but also to connect with advisers and business experts who'll help take your enterprise to the next level.

The event takes place on 28 January 2023 at King's College London, with early bird tickets costing £10 (register by 31 December 2022).

By registering for the event, you will receive access to the recordings captured from the Keynote stage, featuring top tips from inspirational entrepreneurs.

See: [StartUp Show: The biggest start-up event in London \(enterprisenation.com\)](https://www.enterprisenation.com/startup-show/)

## “Small Business Goes Big” – Enterprise Nation scheme

Enterprise Nation has partnered with Adobe to bring “Small Business Goes Big”. It’s a chance to pitch your small business to retail buyers, with the possibility of getting stocked. You could also win a share of £10,000 cash grants.



If you are a small business, micro-business, freelancer or sole trader, are based in the UK, have fewer than 20 employees, and operate in the following sectors then you’re eligible to apply:

- Food and drink
- Homewares
- Fashion and jewellery
- Beauty
- Health, leisure and wellbeing

To enter, you will simply create a two-minute pitch video with the free Adobe Express app. You don't need any design or software experience.

The competition closes on 8 January 2023.

See: [Small Business Goes Big | Enterprise Nation](#)

## **Cyber Essentials grace period extended**

Cyber Essentials has extended the certification grace period to April 2023, to coincide with the next technical requirements refresh. In January 2022, the National Cyber Security Centre (NCSC) announced an [update of the Cyber Essentials technical controls](#).

At the time, organisations who were looking to be assessed against the new standards were given a grace period of up to 12 months for some of the requirements. This grace period was due to end in January.

The decision has now been made to extend the grace period for a further three months until April 2023. The new deadline will coincide with the next, light touch, update to Cyber Essentials' technical requirements.

See: [About Cyber Essentials - NCSC.GOV.UK](#)

## **SBRI: Net Zero heat and power upgrades for demand reduction**

Apply for Small Business Research Initiative (SBRI) funding to develop data driven approaches for upgrading portfolios of buildings. Innovate UK is investing up to £5 million (across two phases) to accelerate the shift to a net zero economy, by developing and testing scalable commercial service propositions.

These must reduce bills and carbon emissions from buildings with the intention of commercialising the results beyond phase two of this competition.

Projects must take a data-driven approach to assessing and defining appropriate pathways for:

- the upgrading of building portfolios
- targeting decarbonisation
- energy demand reduction
- market demand certainty
- heat efficiency

This is phase one of a two-phase competition. For phase one, you must deliver a technical feasibility study and produce a feasibility report that:

- outlines your approach to delivering future building upgrade programmes,
- identifies a building portfolio-owning partner, and
- describes supply chain partners and outlines how this service could be commercialised more broadly after the end of the project.

For phase two, successful projects from phase one will be invited to apply for funding to test their approach. Success in the phase two competition will depend on a subsequent assessment process.



See: [Competition overview - SBRI: Net Zero heat and power upgrades for demand reduction phase 1 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

## **ICO revises its guidance on international data transfers**

The Information Commissioner's Office (ICO) has updated its international transfers guidance, adding:

- a new section on [transfer risk assessments \(TRAs\)](#)
- a downloadable [TRA tool \(DOC, 368K\)](#)

These updates aim to help organisations know how to protect people's personal information when making international transfers.

Earlier this year, the ICO published the International Data Transfer Agreement (IDTA) and the Addendum to the European Union Standard Contractual Clauses (SCCs).

The latest updates clarify an alternative transfer risk assessment approach to the one put forward by the European Data Protection Board.

With the guidance, and the six-question TRA tool, the ICO offers a framework to help people identify an initial risk level for categories of data and focus on whether the transfer significantly increases the risk of either privacy or other human rights breach. The ICO believes this approach captures the key risk to the people the data is about, and is also achievable.

See: [International transfers | ICO](#)

## **Fair Work programme**

The Fair Work programme offers specialist human resources (HR) support to businesses in the creative industries, tourism and food and drink sectors, as well as social enterprises in any sector, that are based in the Highlands and Islands. It will help you understand what it means to be a Fair Work employer and develop the culture, policies and practices needed to balance the rights and responsibilities of workers and employers.

The support is provided by expert advisers and consists of a 2-hour training workshop, followed by a one-to-one session. You'll receive a Fair Work action plan tailored to your organisation.

Fair Work can be defined as work that offers effective voice, opportunity, security, fulfilment and respect. It aims to balance the rights and responsibilities of employers and workers to create mutual benefits for individuals, organisations and society. These can include increased participation in work, improved productivity in the workplace, and wider distribution of wealth in local communities.

Fair Work can be a significant driver of productivity for Scotland and contribute to growth that is inclusive.

See: [Fair work support | HIE](#)

### **Just Enterprise leadership programmes for the third sector in Scotland**

Just Enterprise is a Scottish Government-funded programme that helps sustain, develop and grow Scotland's third sector.

The service includes specialist leadership programmes for social entrepreneurs and leaders of established social enterprises based in Scotland. As well as providing practical, personal and reflective learning, the programmes allow individuals to share challenges, good practice and experience with others at a similar stage on their leadership journey.

See: [Leadership - Just Enterprise](#)

### **Just Enterprise start-up support for the third sector in Scotland**

This service offers start-up business consultancy support and learning events for social entrepreneurs and early-stage social enterprises.

See: [Start Up - Just Enterprise](#)