

Written by 30 October 2023

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!

Is your business winter ready?

Disruptions due to the weather can happen anywhere at any time. Taking time to plan and prepare your business can save you time and money when something untoward happens.



There are simple steps all businesses can take to ensure that they are prepared for adverse weather such as:

- signing up for flood warnings;
- installing flood protection systems;
- checking your insurance policy covers weather damage to your property - make sure you have suitable insurance, the [Association of British Insurers](#) provides helpful information; [Commercial property insurance](#) is particularly relevant;
- having a business continuity plan;
- making copies of your insurance documentation and key contact information; and
- preparing a grab bag with essential items which can be easily accessed should the premises be evacuated.

Businesses are also encouraged to be aware that harsh weather conditions could leave staff unable to travel to work and therefore should evaluate the risks and provide solutions to being understaffed during this time.

See: [Preparing for emergencies - GOV.UK \(www.gov.uk\)](#)

Self-Assessment scam warning

HM Revenue & Customs (HMRC) is urging Self-Assessment customers to be on the lookout for scam texts, emails, and phone calls from fraudsters.

Scammers impersonating HMRC

With a large number of people expected to submit a Self-Assessment tax return for the 2022-23 tax year before the 31 January 2024 deadline, fraudsters will prey on customers by impersonating HMRC.

The scams take different approaches. Some offer a tax rebate; others tell customers that they need to update their tax details or threaten immediate arrest for tax evasion.

What to do if you suspect a scam

An unexpected contact claiming to be from HMRC should be viewed as suspicious. Take your time and check HMRC's scam advice on how to [identify tax scam phone calls, emails, and text messages](#).

You can report any suspicious communications to HMRC by:

- forwarding suspicious texts claiming to be from HMRC to 60599;
- forwarding emails to phishing@hmrc.gov.uk; and
- [reporting tax scam phone calls to HMRC](#).

Filing your Self-Assessment tax return

If you need to file a Self-Assessment tax return for the 2022 to 2023 tax year, you must do so and pay the tax you owe by the deadline of midnight on Wednesday 31 January 2024.

See: [Self Assessment tax returns: Overview - GOV.UK \(www.gov.uk\)](#)

Welcome to Business Finance Week 2023!

From 6-10 November the British Business Bank, along with several partners from across the UK, will host Business Finance Week 2023.

With a host of free of charge nationwide and regional in-person events, webinars and more, Business Finance Week helps smaller businesses learn about the different finance options available to them to support their individual needs.

Some of the events running are:

- An introduction to angel investment
- Demystifying early-stage equity finance
- Founder Fables and Investor Tales: Common mistakes and how to avoid them
- How to start your business and avoid costly mistakes
- Making sense of start-up funding: Where do I start?
- Starting up the right way: How to supercharge your start-up with investment
- Growing your business: An interview with a founder
- Meet the experts in finance for business growth
- Investment for innovation
- Inspiring inclusive entrepreneurship

See: [Business Finance Week 2023 - British Business Bank \(british-business-bank.co.uk\)](https://www.british-business-bank.co.uk)

The VAT Flat Rate Scheme - new online form

The amount of VAT a business pays or claims back from HM Revenue and Customs (HMRC) is usually the difference between the VAT charged by the business to customers and the VAT the business pays on their own purchases.

With the Flat Rate Scheme:

- you pay a [fixed rate of VAT](#) to HMRC;
- you keep the difference between what you invoice your customers and pay to HMRC;
- you cannot reclaim the VAT on your purchases - except for certain [capital assets over £2,000](#); and
- to join the scheme your VAT turnover must be £150,000 or less (excluding VAT), and you must apply to HMRC.

The main benefits of the scheme are:

- simplified record keeping, as you do not have to keep detailed records of sales and invoices;
- fixed rate percentages that are lower than the standard rate; and
- it helps manage cash flow.

HMRC has launched new online form for businesses to apply for the VAT flat rate scheme: Form VAT600FRS.

The Flat Rate Scheme isn't the best choice for all businesses. Depending on your sector, you may find that you pay more VAT this way than through standard VAT accounting, so please talk to us and we can give you all the information to make the right choice.

See: [Flat Rate Scheme for small businesses \(VAT Notice 733\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/flat-rate-scheme-for-small-businesses)

Alcohol Duty Reform

Changes to Alcohol Duty took effect on 1 August 2023. This includes new reliefs which could reduce your tax bill:

- A Small Producer Relief: which reforms and extends the relief previously enjoyed by small breweries, to producers of all alcoholic products under 8.5% ABV; and
- A reduced rate for draught products also known as Draught Relief, which reduces the tax due on draught alcoholic products under 8.5% ABV, packaged in containers of at least 20 litres, and designed to connect to a qualifying dispense system.

Please contact us to check if you can take advantage of the new reliefs and transitional arrangements for producers and importers of some wine products.

You can find guidance on the new Alcohol Duty rates, Small Producer Relief, and how to submit returns and pay duty here: [Alcohol Duty from 1 August 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/alcohol-duty-from-1-august-2023)

Manufacturing Energy Toolkit

As the winter sets in, the cost of energy will be a key issue for all businesses.

The High Value Manufacturing (HVM) Catapult has launched a pilot scheme to help small manufacturers cut energy usage. The Manufacturing Energy Toolkit is a guided assessment which is carried out by HVM Catapult experts to create a better understanding of energy usage and sources.

With the Manufacturing Energy Toolkit, the HVM Catapult is opening its doors to help manufacturers make their processes more energy efficient, cutting their energy costs and greenhouse gas emissions by up to 46%.

See: [Manufacturing Energy Toolkit for SMEs - HVMC \(catapult.org.uk\)](https://catapult.org.uk/manufacturing-energy-toolkit-for-smes)

Latest HMRC tax webinars for the self employed

Listed below are a number of live HMRC webinars that will give the self-employed an understanding of key taxes that affect them.

[Business expenses for the self-employed](#)

Tue 31 Oct at 9:45am

[Car expenses for the self-employed](#)

Thu 2 Nov at 9:45am

[Construction Industry Scheme for contractors](#)

Thu 9 Nov at 9:45am

[Construction Industry Scheme for subcontractors](#)

Mon 13 Nov at 11:45am

[How to apply the VAT reverse charge for construction services](#)

Tue 14 Nov at 1:45pm

[Company directors - payroll and you](#)

Tue 21 Nov at 1:45pm

[Capital allowances and vehicles](#)

Wed 22 Nov at 11:45am

Wed 13 Dec at 11:45am

Real Living Wage rates for 2023/24

By paying the real Living Wage, employers are voluntarily taking a stand to ensure their employees can earn a wage which is enough to live on.



As well as it being the right thing to do, there is a growing body of evidence demonstrating the business benefits of becoming a Living Wage employer.

The Living Wage rates are independently calculated based on the real cost of living in the UK and London.

The new rates for 2023/24 are:

- £12 per hour UK rate; and
- £13.15 London rate.

See: [Real Living Wage increases to £12 in UK and £13.15 in London | Living Wage Foundation](#)

Funding for AI in the music industry

Innovate UK, part of UK Research and Innovation, will invest up to £1 million in collaborative innovation projects with an artificial intelligence (AI) focus, that aim to benefit the wider UK music sector. This funding is part of Innovate UK's Creative Catalyst.

Projects must:

- support the growth of the UK music industry;
- utilise artificial intelligence or enable the use of AI;
- demonstrate a clearly innovative and ambitious idea;
- respond to the changing market conditions and challenges in the global music industry;
- be market ready within 12 months of receiving support; and
- demonstrate value for money.

To be eligible, applicants must collaborate with industry stakeholders to unlock the full potential of AI applications across the value chain, supporting and uplifting the music industry, and driving long term creative and commercial success.

Collaborators can be international but organisations outside of the UK cannot be funded. Industry stakeholders can also be from within the music industry or from an industry that will benefit the UK music sector.

Innovate UK is interested in proposals across the whole music industry including live, recorded and publishing. Applications which partner with organisations within the traditional music industry supply chain (for example, music labels and music venues) are encouraged.

The deadline for applications is 11am on Wednesday 22 November 2023.

See: [Competition overview - Creative Catalyst: AI in the Music Industry - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Air travel guidance updated to give passengers more clarity on their rights

The Department for Transport (DfT) has refreshed the newly named [Air passenger travel guide](#), making it easier for passengers to know their rights and responsibilities when they travel.



Formerly known as the aviation passenger charter, it details what people can expect from airlines, travel agents, tour operators and airports, and what to do if things don't go to plan.

This includes advice on what to do if flights are cancelled or delayed, if baggage goes missing, and the rights of disabled passengers, as well as guidance on how to complain if passengers feel they have been treated unfairly.

The travel guide also provides general advice for all aspects of your journey, such as what to expect at passport control, what you can bring through UK customs and how to manage connecting flights.

It also reminds passengers to regularly check the [Foreign, Commonwealth and Development Office \(FCDO\) website](#) for the latest security and safety advice before booking travel, as well as what counts as an extraordinary circumstance when compensation isn't available.

The advice also makes clear that while security checks are changing over the coming months, they should continue to be prepared to remove electronics and small liquids from their bags when travelling by air.

See: [Air travel guidance refreshed to give passengers more clarity on their rights - GOV.UK \(www.gov.uk\)](#)

The drive for more zero emission HGV trucks on the road

More zero emission trucks are set to drive on the roads due to UK government funding to decarbonise freight vehicles.

With heavy goods vehicles (HGVs) alone contributing 20% to all transport emissions across the UK, the £200 million in government funding announced in October will be invested across 4 green projects to roll out up to 370 zero emission HGVs.

Delivered in partnership with Innovate UK, the zero emission HGV and infrastructure demonstrator programme will also deliver around 57 refuelling and electric charging sites, providing much needed infrastructure to help the haulage sector decarbonise.

See: [Government invests £200 million to drive innovation and get more zero emission trucks on our roads - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-invests-200-million-to-drive-innovation-and-get-more-zero-emission-trucks-on-our-roads)

International Stress Awareness Week 2023

The International Stress Management Association [ISMAUK] is a registered charity and the lead professional body for workplace and personal stress management, supporting good mental health, wellbeing and performance.

International Stress Awareness Week 2023 takes place from 30 October to 3 November, is a major annual event focusing on stress management and campaigning against the stigma associated with stress and mental health issues.

Midway through the week, Stress Awareness Day falls on Wednesday 1 November.

See: [Global Online Stress Summit | ISMA Stress Management Association](https://www.ismauk.org/global-online-stress-summit)

Delivering a New Deal for Business

Priority actions to deepen and strengthen co-operation between the Scottish Government and business have been unveiled.

A new implementation plan details how recommendations from the New Deal for Business Group will be taken forward over the next 18 months to improve policy preparation and delivery and build a wellbeing economy.

Actions include a forum to oversee the impact of regulations on industry and a full review of how government policy is developed to ensure businesses are consulted at all stages – particularly when new regulation is a potential outcome. Work will also start immediately on helping more parents and carers to get back into work.

Other measures include:

- keeping Non-Domestic Rates reforms under review to ensure they support businesses and communities;
- developing new ways to assess the impact of regulations on business;

- ensuring the right business voices are involved in policy development;
- seeking views on health and work, flexible working and just transition plans from across the business sector;
- outlining and measuring how business contributes to a wellbeing economy; and
- assessing the type of support businesses are seeking to help government better understand their needs.

See: [Delivering a New Deal for Business - gov.scot \(www.gov.scot\)](https://www.gov.scot/Topics/economy/budget/2023/10)

Net zero energy opportunities

Strategic investment to help create thousands of green jobs and deliver the full economic potential of offshore renewables projects is to be delivered over the next five years.

Up to £500 million will leverage private investment in ports, manufacturing and assembly work to support major supply chain opportunities to Scotland, the First Minister has announced.

Scotland's offshore wind capabilities are anticipated to rapidly accelerate over the coming years, with ScotWind – the world's largest floating offshore leasing round – expected to deliver up to £25 billion of investment across Scotland's supply chain.

See: [Delivering net zero energy opportunities - gov.scot \(www.gov.scot\)](https://www.gov.scot/Topics/economy/budget/2023/10)

Council tax frozen

Council tax rates will be frozen in the next financial year to support people struggling with the effects of high inflation, the First Minister has announced.

The freeze will benefit every Council Tax-payer in Scotland at a time when rising prices are putting significant strain on household finances. The Scottish Government will fully fund the freeze to ensure councils can maintain their services.

See: [Council tax frozen - gov.scot \(www.gov.scot\)](https://www.gov.scot/Topics/economy/budget/2023/10)

Government bonds to issue in first for Scotland

The Scottish Government will take steps to issue its first ever bond to finance key infrastructure.

First Minister Humza Yousaf has commissioned initial work including due diligence assessments with the aim of making the bonds available to the market by the end of the current parliamentary session.

Steps will include undertaking detailed analysis to ensure value for money can be achieved and further consideration of the potential investment opportunities in Scotland.

See: [Government bonds to issue in first for Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/government-bonds-to-issue-in-first-for-scotland-2023/pages/1-1-introduction.aspx)

Reassuring harvest predicted despite challenges

The Chief Statistician has released first estimates of the 2023 Scottish harvest.

The figures predict that cereal production will remain in line with the ten-year average despite significant challenges during the year, including high input costs and poor weather condition. Total cereal production is expected to be around 3.0 million tonnes.

Early estimates for yields of barley, oats and oilseed rape are below 2022 levels, but similar to the ten-year averages. The predicted yield for wheat is also below last year's figure but is still higher than the ten-year average. However, industry experts reported farmers are noticing varying quality in the spring barley harvest due to poor weather conditions.

The report includes provisional 2023 crop area estimates. On the whole, total area of cereals grown in Scotland are predicted to be close to the 2022 figures, with a decrease in the area of oats grown and an increase in the oilseed rape area.

See: [Reassuring harvest predicted despite challenges - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/reassuring-harvest-predicted-despite-challenges-2023/pages/1-1-introduction.aspx)

Many businesses choose to hold back investment

Growth in the economy has been faltering and pretty muted over 2023, with a high interest rate environment and wider economic uncertainty leading to investment being delayed or cancelled, according to the Fraser of Allander Institute at the University of Strathclyde.

The Institute's quarterly Economic Commentary, which includes an assessment of all the latest key data on the UK and Scottish economies, was published last week.

In the Deloitte-sponsored Economic Commentary, the University of Strathclyde researchers have set out their new forecasts for the Scottish Economy.

The economists are forecasting growth of 0.2% in 2023, 0.7% in 2024 and 1.2% in 2025. For 2023, this is a revision down from the Institute's previous set of forecasts in June, as data for 2023 to date has been much weaker than expected.

The forecasts for 2024 and 2025 have not changed since June. The most recent data on inflation, which held steady at 6.7% in September, shows that the high inflationary and interest rate environment is likely to persist for longer than previously thought - therefore it is likely that there are more risks to the downside for these forecast numbers than when they were presented in June.

Analysis in the Commentary this quarter includes a detailed look at the hospitality sector in Scotland. This sector, one of the hardest hit over the period of the pandemic, is a large employer in Scotland and the institute has been carrying out research with employers and employees into how pay and conditions in the sector can be improved.

See: [Scottish economy showing signs of apathy as many businesses choose to hold back investment - Scottish Business News](#)