

Written by 15 December 2025

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!

Budget 2025: What Businesses Can Take from the OBR's Verdict on Growth

The latest Budget was packed with policy announcements, but according to the Office for Budget Responsibility (OBR), these policies will not really change the UK's growth outlook over the next five years.

Compared with the forecast it prepared in March 2025, the OBR has lifted its expectation for growth this year but then marks it down every year through to 2030. If you were hoping for a clearer sense of the economy's direction after the Budget, the message is mixed at best.

No Further NI Increase

One point of relief from the Budget was what didn't happen. After last year's significant rise in employers' National Insurance contributions, there were no major new tax costs for employers. However, meaningful pro-business measures were also limited and could leave you wondering where business growth is going to come from.

Even businesses in sectors that did receive some targeted help, including retail and hospitality, are warning that their overall cost base is still set to rise.

Two areas - business rates and wage costs - seem to be standing out.

Business Rates: Relief, But Maybe Still Higher Bills

Business rates remain a major pressure point for high street businesses, with many seeing their rateable value increase due to the 2026 revaluation.

Many shops, pubs and hospitality businesses will have their rates calculated using a lower percentage of their property value; however, taken in combination with higher valuations many businesses are braced for higher bills.

For cash flow planning, this is something to review sooner rather than later.

Wage Costs: Good for Workers, Harder for Employers

National minimum wage increases will help workers, particularly those who are younger, but it means further cost pressure on employers already managing tight margins.

This may impact your recruitment or staffing plans or mean you need to look at raising prices to cover the additional costs.

Salary Sacrifice Cap for Pensions

The £2,000 cap on pension salary sacrifice arrangements also attracted attention. Amounts that are contributed above the cap will become subject to employer and employee national insurance contributions, making these arrangements much less desirable.

Concerns have been raised about the impact this change could have on business investment and pension funding.

It is worth noting that these changes are not proposed to take effect until 6 April 2029. So, there is still time for employers and employees to take advantage of the current rules.

If you would like advice on how a salary sacrifice arrangement for pension contributions works, please get in touch and we would be happy to provide you with personalised advice.

Wider Access to Investment Incentives

One measure that may help some growing businesses over the longer term is the expansion of the Enterprise Investment Scheme (EIS).

EIS schemes provide tax incentives to investors who invest in smaller companies, and from April 2026, investment will be allowed into businesses that have grown beyond the previous size limits.

What to Consider Now

While the Budget's forecasts may not paint an especially bright picture for national growth, your own plans don't have to rise or fall with the wider numbers. Many businesses continue to expand by focusing on the areas they can influence day-to-day. You can do the same.

Some sensible steps to consider based on the Budget measures would include:

- Reviewing your business rates valuation and checking whether you are eligible for any transitional relief.
- Update your financial projections to factor in wage increases next April.
- Look again at any pension contribution salary sacrifice arrangements you have and make sure staff understand how the changes could affect them.
- If you are seeking investment for your company, it could be worth looking at the updated EIS rules to see whether they might open any new opportunities for you.

If you need help working through any of these changes - or simply want a second opinion on how they affect your plans - feel free to get in touch. We would be happy to help you!

Digital Assets Become Recognised Property

A legal landmark was reached last week as the Property (Digital Assets etc) Act received Royal Assent.

The new law confirms that certain digital assets - including cryptocurrency tokens and non-fungible tokens (NFTs) - can now be formally recognised as personal property in England, Wales and Northern Ireland. In Scotland, the Digital Assets (Scotland) Bill, which will recognise digital assets as property, is currently progressing through the parliamentary process.

This new legislation puts the UK among the first jurisdictions worldwide to give digital assets the same legal standing as traditional assets. For businesses and individuals making use of Bitcoin and other digital assets, the legislation provides much-needed certainty.

By recognising digital assets as personal property, the law strengthens the protections available to owners, including:

- Clearer legal rights if certain digital assets are stolen.
- Enabling cryptocurrency to be passed down through inheritance.
- Recognition of certain digital assets during insolvency allowing them to be recovered by creditors.

The law should now give businesses greater legal certainty over the status of any cryptocurrency they hold.

See: <https://www.gov.uk/government/news/uk-among-first-countries-to-recognise-cryptocurrency-as-personal-property>

Changes in Funding to Apprenticeships

The Government has announced a £725 million package of reforms aimed at increasing apprenticeship and training opportunities for young people. While much of the announcement centres on tackling youth unemployment, there could be benefits for small and medium-sized businesses.

Below is an overview of what's changing and how it could influence your workforce planning over the next few years.

Fully Funded Apprenticeships for Under-25s at SMEs

One of the headline changes is the removal of the 5% co-investment rate for apprentices under 25 at small and medium-sized employers.

This means training costs for eligible apprentices will be covered entirely by government funding.

If you have previously avoided apprenticeships due to the training and assessment costs, it may be worth reconsidering them as they may be a good way to fill entry-level vacancies and develop talent internally.

Potentially More Local Support in Finding Apprentices

The announced funding includes a £140 million pilot that will give Mayors the ability to connect young people with apprenticeship opportunities.

Of course, how effective this will be depends on how the scheme is implemented locally, but this should translate to more support for you in finding applicants.

Foundation Apprenticeships and Short Courses

Additional foundation apprenticeships are due to be rolled out in sectors such as retail and hospitality.

Foundation apprenticeships were first introduced in May 2025 and are designed to bridge the gap between formal learning in school or college and the workplace helping make young people work-ready. These may be useful if you find you currently have to invest substantial time in early training.

Beginning in April 2026, the possibility of short courses will be introduced to apprenticeships allowing more flexible training options that better suit you. A new Level 4 apprenticeship in AI will also be introduced, which could help you develop skills in your workforce.

In review

Clearly, it will take time for these changes to have a meaningful effect, but it could be well worth reviewing whether fully funded under-25 apprenticeships could support your recruitment needs.

There could be further news on apprenticeships over the coming months as the government has said that the Department for Work & Pensions and Skills England will be working with businesses on the right balance to further boost apprenticeship starts for young people while delivering the right flexibilities for businesses.

See: <https://www.gov.uk/government/news/50000-more-young-people-to-benefit-from-apprenticeships-as-government-unveils-new-skills-reforms-to-get-britain-working>

Self Assessment: A Reminder That You Can Spread Your Tax Payments

With the festive season underway and household budgets feeling the pressure, it may be useful to know that if you are worried about paying your tax bill in one lump sum, you may be able to spread the cost.

Although the deadline to file your tax return and pay any tax isn't until 31 January 2026, acting early can make the process far smoother - especially if you need extra time to pay.

HM Revenue & Customs (HMRC) Time to Pay service allows Self Assessment taxpayers to set up a monthly instalment plan once their tax return has been filed.

Since 6 April 2025, almost 18,000 people have already arranged a payment plan, making use of the flexibility to manage their tax bill without falling into late-payment penalties.

Here are some key points to be aware of:

- If you owe £30,000 or less, a plan can be set up online without calling HMRC.
- Your tax return must be filed before you can apply.
- The amount you pay is specific to your financial circumstances.
- You will still pay interest on the outstanding amounts, so the quicker you can pay, the better.

If it's needed, HMRC's Time to Tap can offer some welcome breathing space.

If you're unsure about how this could apply to you, how to plan for your January tax bill, or what the Time to Pay option might look like in practice, feel free to get in touch. We can help you review your position early, so you have time to make the right decisions for your business.

See: <https://www.gov.uk/government/news/hmrc-offers-time-to-help-pay-your-tax-bill>

Should You Use a Password Manager?

For many, using a password manager is now a common way to look after the myriad of login details and passwords needed for all their frequently used websites. Are you using a password manager, or do you worry about how safe they are?

The National Cyber Security Centre (NCSC) provides some guidance on how password managers and passkeys can simplify your digital life without compromising your online security.

The guidance covers what a password manager is and why they can be trusted. There are also some pointers on what you should watch out for when using one.

A number of websites now offer passkeys as an alternative to passwords. If you have seen these and wonder what they are, the NSCS guide explains why they can be more secure than passwords.

To review the guide in full, please see: <https://www.ncsc.gov.uk/blog-post/trust-the-tech-using-password-managers-passkeys-to-help-you-stay-secure-online>

ICO Reports Good Progress on Website Cookie Compliance

In its latest update, the Information Commissioner's Office (ICO) has announced that more than 95% of the UK's top 1,000 websites now meet the rules on how they use cookies.

What are cookies?

Cookies are small files saved on a user's device when they visit a website. Some are essential to make a site work properly, but others - particularly advertising cookies - track browsing habits so that you can be shown personalised adverts. A marketing practice that makes many people uncomfortable.

These tracking cookies can only be used if a user has given clear permission. One of the ICO's tasks is to ensure people genuinely get that choice - and that websites respect the law by waiting for consent before placing any non-essential cookies.

What the ICO Found

The regulator assessed the 1,000 most-visited websites in the UK, looking at three straightforward points:

1. Were advertising cookies being placed before users had a chance to say yes or no?
2. Was rejecting tracking cookies just as easy as accepting them?
3. Were any tracking cookies used even when the user had refused consent?

The results show clear progress:

- 979 out of 1,000 websites now meet the basic compliance checks.
- 415 sites were already compliant when tested, while 564 improved their practices after the ICO contacted them.
- Only 21 websites are still failing, and the ICO is continuing to take action on these sites.

The ICO has said it will continue periodic checks so that websites don't slip back into old habits.

The ICO has also mentioned that they continue to work with stakeholders on how privacy-friendly online advertising can be used where users have not granted consent but the risk to privacy is low.

See: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2025/12/ico-action-secures-increased-cookie-compliance/>

Gaelic Initiative Targets Jobs and Local Growth in Scotland

A new initiative supporting Gaelic in Scotland has been launched. designed to create jobs and strengthen economic growth in areas where the language is traditionally spoken.

Public bodies, local authorities and business leaders will be brought together by an action group called Tog. Tog means “to raise” in Gaelic, and the group will ensure that real economic benefits are felt as a result of the initiative.

Tog will help businesses incorporate Gaelic into their operations, support entrepreneurs, and focus investment on boosting local employment and opportunities.

Under the Scottish Languages Act 2025, local authorities can designate Areas of Linguistic Significance in areas where Gaelic is traditionally spoken. Once designated, targeted support can be provided. Recent census figures show that 130,161 people in Scotland had some Gaelic skills in 2022, and increase of 43,105 since 2011.

The initiative may bring to mind how you could use Gaelic in your business. Using Gaelic in your marketing and branding can help to differentiate your business from the competition.

For instance, customers who value cultural heritage may favour a business that uses Gaelic, even if they cannot speak Gaelic themselves.

Using Gaelic can also demonstrate community support and help build loyalty amongst customers in your local area.

While Tog is a government initiative, it could signal that there are opportunities available for growing your business. Why not consider whether Gaelic could play a practical role in your growth plans?

See: <https://www.gov.scot/news/driving-economic-growth-in-gaelic-areas/>