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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!

Starting 2026 with a Clear Plan for Your Business and Yourself

The start of a new year is a natural moment to take stock of your business. You probably have ambitions for your business, but you also want it to help you reach your personal goals.

Many business owners take out to periodically set priorities for their business to support their wider life objectives. This kind of strategic planning involves stepping back from day-to-day work so you can consider the bigger picture. It is about deciding where you want your business to be and how to get there.

How to do it

A practical approach to strategic planning often involves:

- Reviewing your aspirations: What do you want to achieve both in the business and in your personal life? Where would you like to be in 12 months, five years, ten years? What will it take to get you there?
- Reviewing the previous year: What went well and what didn't? Which of your products or services performed best? Which customers were the most profitable, or perhaps nicest to work with? Which staff showed potential to take on more responsibility? Questions like these can help you identify what might be possible in the year ahead.
- Setting objectives: This involves setting some clear and measurable goals for the next 12-24 months. These might relate to sales and revenue, reducing certain costs, new product launches, training, or investment.
- Identifying key actions: Each goal needs to be broken down into concrete steps. You can then assign responsibilities and set timelines for those steps.
- Monitoring progress: Over the year, you can then review how the business is doing against those actions and adjust as you need to.

Keep your personal goals to the fore

As you work through these steps, it can be helpful to keep your personal goals clearly in mind. Otherwise, you may work hard to achieve a business objective but find it has negatively impacted your life outside of work.

For example, while looking at where you want your business to be financially in the next 12 months, consider how the profits could support your personal plans, such as saving for a home, investing in a pension, or taking more time off.

Alternatively, a new product launch might increase revenue, but it could also require long hours. So, how will this fit with your personal priorities, like time with your family or maintaining your health?

How to start

Strategic planning is difficult to do while dealing with the day-to-day demands of your business. The best way to start is often to block out some dedicated time where you are free to think about your aspirations and objectives.

You might also want to involve key team members as you review 2025 and consider what is possible for 2026.

Using an external adviser can also help provide a neutral, objective view that helps you to work smarter, not harder.

If you would like a hand, we can help you in setting priorities, modelling potential scenarios, considering the financial and tax impact of decisions and turning your objectives into actionable steps. Get in touch and we would be happy to help you build a roadmap that supports both your business and personal goals in 2026.

Self Assessment: January Deadline Fast Approaching

HM Revenue & Customs (HMRC) reports that more than 6.36 million people have already submitted their Self Assessment tax return for the 2024/25 tax year. However, they say around 5.65 million taxpayers still need to file, with the statutory deadline of 31 January 2026 now close.

While filing remains possible right up to the deadline, leaving matters late can limit your options if you suddenly find information is missing or if the amount of tax you need to pay is more than you expected.

Filing and payment are separate steps

It is worth being aware that submitting your tax return does not mean that you must immediately pay any tax due.

Tax due for 2024/25 must be paid by 31 January; however your return can be filed at any time before that date. This allows you to confirm the amount you owe and gives you time to arrange payment.

Penalties for late filing and late payment

There are automatic penalties that HMRC will charge if the return is not filed by the 31 January deadline.

- An initial £100 late filing penalty is charged even if you do not owe any tax.
- If the return has still not been filed after another three months, daily penalties of £10 per day (up to £900) can be charged.
- After six months, a further penalty of £300 or 5% of the tax due is charged.
- After 12 months, another £300 or 5% is charged.

Penalties are also charged for late payment of tax. Five per cent of the unpaid tax is charged at 30 days, six months and 12 months after the deadline, alongside interest on the overdue amount.

If you have not yet filed your return and would like help, please get in touch as soon as possible to make sure you do not miss the deadline.

See: <https://www.gov.uk/government/news/565-million-still-to-file-as-the-self-assessment-deadline-looms>

Chancellor Increases Agricultural and Business Property Relief Allowance to £2.5 Million

In a surprise move, the government announced a major change to the agricultural property relief (APR) and business property relief (BPR) reforms that will take effect from 6 April 2026.

The full 100% relief from inheritance tax will now apply to the first £2.5 million of qualifying assets, up from the previously announced £1 million.

This means that a couple can now pass on up to £5 million of agricultural or business assets between them tax-free, in addition to the standard inheritance tax allowances that apply.

The proposed reforms to inheritance tax on agricultural and business assets were first announced as part of the 2024 Autumn Budget, and this is now the second amendment to the original proposals. The first amendment was included in the 2025 Autumn Budget and allows the new allowance to be transferred between spouses or civil partners.

HM Treasury has said that the increase in allowance will halve the number of estates that will be affected by the reforms, and that around 85% of estates will pay no more inheritance tax than they would have done without the reforms.

If you would like personalised advice on how these inheritance tax reforms and the new increase in allowances will affect your estate, please get in touch. We would be happy to help you!

See: <https://www.gov.uk/government/news/inheritance-tax-reliefs-threshold-to-rise-to-25m-for-farmers-and-businesses>

Spring Forecast Scheduled for 3 March 2026

The Chancellor, Rachel Reeves, has requested the Office for Budget Responsibility (OBR) to publish an economic and fiscal forecast on 3 March 2026. This will be accompanied by a statement to Parliament.

As set out in the Budget, the Spring forecast will provide an interim update on the economy and public finances, rather than assessing the government's performance against the fiscal mandate.

This means the forecast is unlikely to result in changes to tax policy, however, the full details will only be completely clear once the forecast is published and the Chancellor has responded. We will, of course, keep you updated once the forecast is published.

See: <https://www.gov.uk/government/news/chancellor-announces-date-of-spring-forecast>

Auto-Enrolment Pension Thresholds to Stay the Same in 2026/27

The Department of Work and Pensions (DWP) has confirmed that all key auto-enrolment pension thresholds will remain unchanged for 2026/27.

This means:

- The auto-enrolment earnings trigger stays at £10,000 - the annual pay above which employees must be automatically enrolled.
- The lower earnings limit remains at £6,240.
- The upper earnings limit remains at £50,270.

These thresholds determine which employees are eligible for automatic enrolment and the portion of earnings in respect of which contributions need to be made.

Employees who earn less than the earnings trigger can still opt in to their employer's workplace pension. It's important to remember that if they earn between the lower earnings limit and enrol, the earnings trigger a mandatory employer contribution.

With thresholds unchanged, this should mean there is no need to adjust your payroll systems or processes in the coming year.

If you would like support with your payroll system and auto-enrolment, please give us a call. We would be happy to help you!

See: <https://www.gov.uk/government/publications/review-of-the-automatic-enrolment-earnings-trigger-and-qualifying-earnings-band-for-202627/review-of-the-automatic-enrolment-earnings-trigger-and-qualifying-earnings-band-for-202627>

Next Raises Profit Forecast but Warns of Slower Growth Ahead

Fashion retailer Next has increased its annual profit forecast after sales over the Christmas period turned out to be stronger than it had anticipated. The retailer now expects annual profits of £1.15 billion and this is the fifth profit upgrade they have made in the past year.

Next reported that full-price sales in the nine weeks to 27 December 2025 rose by 10.6% when compared with a year ago. Breaking this down, UK full-price sales over the Christmas period only climbed by 5.9%, whereas Next's international revenues jumped by 38.3%.

Despite the upbeat news, Next have cautioned that UK sales growth is likely to slow down in 2026/27. It said this is partly due to "pressures on employment" that will, in turn, put pressure on consumer spending. As a result, Next have forecast UK sales growth of just 1.6% for the coming financial year.

Next noted that its 2025 performance will have been boosted by unusually favourable summer weather and the disruptions that Marks & Spencer faced that temporarily diverted shoppers.

While Next had a good Christmas, this does not seem to have been the case for all retailers. Last week, the parent company of Claire's and The Original Factory Shop announced plans to enter administration, putting 2,500 jobs at risk.

Analysts suggest that Next's understanding of its customers helps it to continue performing well. Next also benefits from being able to offer customers the ability to "trade up" to higher quality or premium items, capitalising on a trend among better-off shoppers to focus on fewer, high-value items.

These high street stories suggest that rising unemployment, weaker consumer confidence and continuing changes in the way people shop mean that retail businesses will need to remain agile in the year ahead.

See: <https://www.bbc.co.uk/news/articles/cre27x179zpo>

Agentic AI: The Future of Shopping?

The Information Commissioner's Office (ICO) has published a new report on the ways agentic artificial intelligence (AI) could soon be used as digital personal assistants or shopping agents.

The development of AI means that, perhaps within the next five years, it could be used to make purchases, look out for sales, source financing agreements and negotiate prices with sellers.

As users train their personal AI-powered agent, it could begin to make decisions and take independent actions, anticipating needs and even making proactive purchases. These 'AI-gents' would check personal bank accounts, assess how a purchase fits with other spending plans, and schedule purchases for sales events.

The report indicates that some consider that agentic AI could be the cash cow that provides the pay-off for the investment that's been made in generative AI in recent years. Some are predicting that AI and agentic AI could have a bigger impact on the world economy and finance than the internet. Others express a more cautious view and feel that agentic AI's potential and capabilities are being exaggerated.

The ICO, naturally, is concerned about the challenges agentic AI would raise in relation to privacy and data protection. Its report also highlights the potential for using agentic AI to support data protection, privacy and information rights.

The report does not create new guidance or formal regulation but shows the ICO's early thinking and understanding of these technological developments.

If it is able to deliver as promised and gains the trust of users, Agentic AI could make significant changes to the business environment. To read the report in full, it is available on the ICO's website [here](#).

See: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2026/01/ai-ll-get-that/>

Visitor Levy Amendment Bill Now Published

Following the publication of a new Bill, councils are likely to be given more choice in how they apply a visitor levy.

Currently, councils can apply a charge based on a percentage of accommodation costs. However, the Visitor Amendment Bill proposes to allow councils to use a fixed amount model.

Under the fixed amount model, the levy could be applied on a per-person, per-night basis or a per-night basis. A range of fixed amounts could be set, perhaps meaning different rates depending on geographical location, the time of year or the type of accommodation.

The Bill also clarifies how accommodation providers report to councils and how the levies apply when the sale is made through a travel agent or other third party.

Parliament will need to pass the Bill before it takes effect, and this seems likely to happen in the current session.

See: <https://www.gov.scot/news/visitor-levy-amendment-bill-published/>