

Written by 7 April 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!

### **UK Government requests views to shape response to US tariffs**

The UK Government is currently considering its response to the 'reciprocal tariffs' announced by the US President Donald Trump on 2 April.

Under the plans, a range of products exported from the UK to the USA would be subject to 10% tariffs. This is in addition to a 25% global tariff on cars, steel and aluminium imported into the USA. On Thursday last week, Business and Trade Secretary Jonathan Reynolds told Parliament that the UK is disappointed with the US tariffs and will continue constructive discussions with the US on a wider deal.

UK companies are being invited to give their views on what any future UK response should look like by providing feedback to questions asking them the average value of their US imports, the impact of any possible UK tariffs and how they would adjust to them.

The Government has also published an indicative list of the goods imported from the US that may be considered in a future UK response. The list does not include products in the wider public interest issues, such as medical supplies and military equipment.

The Business and Trade Secretary said "Our cool-headed, pragmatic approach means that talks with the US will continue to reflect our mandate to deliver economic stability, as we press the case for a trading relationship that supports businesses on both sides of the Atlantic, and reflects our Plan for Change and the best interests of the UK public."

Ministers will continue to meet a broad range of businesses in the coming days to provide support and set out the Government's priority of defending the interests of UK industry.

The four-week Request for Input will be open until Thursday 1 May and can be viewed here: <https://www.gov.uk/government/publications/request-for-input-on-potential-uk-measures-in-response-to-us-tariffs>

## **Leadership Lessons for Growing Your Business**

Growing a small business is exciting, but it comes with challenges—especially when it comes to keeping your team aligned and maintaining your company's culture.

The Institute of Chartered Accountants in England and Wales (ICAEW) recently published an insight article on Five Leadership Lessons for a Growth Mindset.

The article features advice from Rachel Nutt, a senior partner at MHA, on some of the leadership lessons she has learned from the growth that has taken place in her own business.

While MHA is now a £200m business, the key lessons discussed are useful to businesses of all sizes. Here are some key lessons for business owners looking to scale without losing what makes their business special.

### Live Your Business Values

Many businesses define their core values, but as they grow, those values can get lost. New hires bring different experiences, and over time, people may start working in ways that don't quite match your original vision.

To keep the business on track, you need to ensure that values are more than just words - they should guide decision-making at every level.

For example, if a high-performing employee is good at bringing in sales but doesn't collaborate well with the team, it's important to address that. Focusing only on financial success can weaken company culture. Instead, you should look to reward employees who not only achieve results but also contribute positively to the work environment.

### Make Big Goals Feel Achievable

Having ambitious targets is important, but if they feel too far out of reach, they can discourage rather than motivate. Breaking big goals into smaller, clear steps makes it easier for your employees to see progress and stay engaged.

For example, rather than announcing a long-term revenue target that seems unrealistic, you could highlight past successes and show how each milestone brings the business closer to the larger goal. This approach helps employees stay motivated and invested in the growth of the business.

### Create a Culture Where Mistakes Are Learning Opportunities

Fear of failure can hold a business back. When employees are afraid to take risks, innovation slows down. When leaders in the business acknowledge their own mistakes and treat failures as learning experiences this sets the tone for a more adaptable and resilient business.

Encouraging employees to take calculated risks—and supporting them even when things don't go as planned—helps build a culture of problem-solving and creativity. When employees feel safe to try new things, your business is more likely to develop innovative solutions and stay competitive.

### Recognise When It's Time to Let Go

Not everyone will be the right fit for a growing business. Some employees will thrive with change, while others may struggle. It's important to recognise when someone is no longer aligned with the direction of your business.

Difficult conversations about performance and expectations are necessary to maintain a strong team. While it's never easy to part ways with an employee, keeping someone in a role that no longer suits them can create long-term problems for both the individual and your business. If you can make these decisions with fairness and clarity it will help ensure that your teams remain strong and focused.

### Lead with Authenticity

Successful leaders don't try to fit into a mould—they bring their own strengths and personalities into their leadership style. Employees respond best to leaders who are genuine, approachable, and clear about their vision.

Rather than focusing on what a leader “should” look like, you should embrace your own approach and encourage a workplace culture that values individuality. A diverse and inclusive leadership style can strengthen a business by bringing different perspectives and ideas into decision-making.

### Final Thoughts

As your business grows, maintaining a strong culture and clear leadership approach becomes even more important. By reinforcing company values, setting realistic goals, creating a supportive environment for learning, making tough but necessary staffing decisions, and leading with authenticity, you can navigate growth successfully while keeping your team engaged and motivated.

As experienced business advisers we have helped many of our clients successfully grow their business. Why not ask us for our “57 Ways to Grow Your Business” guide designed to help you maintain profitability and strengthen your position in the market.

See: <https://www.icaew.com/insights/viewpoints-on-the-news/2025/mar-2025/five-leadership-lessons-for-a-growth-mindset>

## **Workplace Communication: Survey Reveals Employee Frustrations**

A new survey by workplace expert Acas has revealed that nearly a third (31%) of employees dislike using video calls at work, with other communication methods also causing frustration among workers.

The survey asked employees which methods of workplace communication they found most irritating. The results showed:

- 31% of employees dislike video calls.
- 25% find messaging apps such as Teams and Zoom irritating.
- 21% dislike phone calls.
- 11% even find face-to-face conversations frustrating.

While most employees are comfortable with various communication methods, these findings highlight that preferences vary significantly in the workplace.

## Finding the Right Balance

Acas Interim Chief Executive Dan Ellis commented on the findings:

"The way we communicate at work can impact us all. Our survey reveals that most employees are fine with different types of communication, but it is clear that for some people a particular method is better.

"We know good communication is really important to business success. The key for bosses is talking to staff to find out what works for them as well as the business, and finding solutions that encourage people to talk to each other most effectively."

## The Importance of Communication Flexibility

The survey results suggest that you should be mindful of how communication methods in your business' workplace affect productivity and employee satisfaction. Relying too heavily on one form of communication, particularly video calls or instant messaging, could lead to frustration among your staff.

You can take proactive steps to ensure workplace communication remains effective by:

- Offering a mix of communication options to suit different preferences.
- Encouraging teams to agree on preferred methods for different types of discussions.
- Being mindful of "video call fatigue" and not overusing virtual meetings.
- Ensuring that communication remains clear, concise, and purposeful.

By taking these considerations into account, you can create a more efficient and comfortable working environment that supports employee engagement and productivity.

See: <https://www.acas.org.uk/video-calls-most-irritating-form-of-workplace-communication>

## **Child Benefit Increases from 7 April: What Employers Need to Know**

From 7 April 2025, families receiving Child Benefit will see an increase in their payments. HM Revenue and Customs (HMRC) has announced that the weekly rate will rise to £26.05 for the eldest or only child and £17.25 for each additional child. This means an annual payment of £1,354.60 for the first child and £897 for each subsequent child. These payments, usually made every four weeks, are automatically into claimants' bank accounts.

One way parents can manage their Child Benefit is via the HMRC app, which allows them to make and adjust claims and update their details.

## What This Means for Employers

While Child Benefit is a personal entitlement for families, there are several ways this update can be relevant to businesses and employers:

- **Supporting Employees' Financial Wellbeing:** This increase in Child Benefit can provide a small but valuable financial boost to employees with children. Encouraging staff to check their eligibility and claim what they are entitled to can help reduce financial stress and improve overall wellbeing.
- **Payroll Considerations and High-Income Employees:** Employees earning between £60,000 and £80,000 may be subject to the High Income Child Benefit Charge (HICBC). From summer 2025, affected employees will be able to opt to have this charge deducted via their PAYE tax code, reducing the need to file a Self Assessment tax return. Employers may need to provide guidance on this option and ensure payroll systems are updated if and when new tax codes are received from HMRC.
- **Maternity and Parental Leave Advice:** Employees taking maternity or parental leave should be reminded to claim Child Benefit as soon as possible after their child's birth. Claims can only be backdated up to three months, so prompt action is crucial.
- **National Insurance Credits Awareness:** Claiming Child Benefit also provides National Insurance (NI) credits, which contribute to an individual's State Pension entitlement. Employees who choose to opt out of receiving payments (to avoid HICBC) should still make a claim to secure these NI credits.

## Key Actions for Employers

- Inform staff about the Child Benefit increase and encourage eligible employees to claim.
- Educate high-income employees about the upcoming PAYE tax code option for HICBC.
- Ensure payroll teams are aware of the changes, particularly around HICBC deductions.
- Remind new parents of the importance of claiming Child Benefit promptly to secure payments and NI credits.

By keeping employees informed about these changes, businesses can contribute to their financial wellbeing and support parents in managing their family finances.

If you or your employees would like any further information or help, please feel free to contact us. We would be happy to help!

See: <https://www.gov.uk/government/news/child-benefit-boost-for-millions-of-families>

## **Car Manufacturers Fined £77 Million for Illegal Collusion**

The Competition and Markets Authority (CMA) has fined 10 car manufacturers and two trade bodies a total of £77.7 million after uncovering illegal agreements that distorted competition in the UK market.

The investigation revealed two major breaches of competition law: restricting advertising claims about vehicle recyclability and colluding on the cost of recycling end-of-life vehicles (ELVs).

Here are some key findings from the investigation

### 1. Restricting Sustainability Advertising

Car manufacturers are legally required to provide information about the recyclability of their vehicles. However, the CMA found that:

- Manufacturers agreed not to advertise if their vehicles exceeded the minimum recyclability requirement of 85%, even when the actual percentage was higher.
- With the exception of Renault, they also agreed not to disclose the percentage of recycled material used in vehicle production.
- The agreement, active between May 2002 and September 2017, was documented in the 'ELV Charta' - sometimes referred to as a "gentleman's agreement" – and had the intention of avoiding a competitive race among manufacturers in relation to recyclability advertising.

This prevented consumers from making fully informed choices about a vehicle's sustainability and may have discouraged innovation in eco-friendly technologies.

### 2. Buyers' Cartel on Recycling Costs

Vehicle manufacturers are required to provide a free recycling service for customers' old or written-off cars. This service is often outsourced to third parties. However, the CMA found that:

- Eight manufacturers - BMW, Ford, Mercedes-Benz, Peugeot Citroen, Renault, Toyota, Vauxhall, and Volkswagen - agreed not to pay companies for ELV recycling services.
- Additional companies and trade bodies, including Nissan, Mitsubishi, Jaguar Land Rover, ACEA (European Automobile Manufacturers' Association), and SMMT (Society of Motor Manufacturers & Traders), later joined the agreement.
- The agreement, which lasted from April 2004 to May 2018, prevented recycling service providers from negotiating fair pricing.

This anti-competitive practice discouraged investment in greener recycling solutions and potentially increased costs for recycling firms.

### Consequences and Fines

All involved companies, except Mercedes-Benz, which received immunity for reporting the cartel, have agreed to settle and pay fines.

Some companies, including Stellantis (Peugeot Citroen, Vauxhall, and Opel), Mitsubishi, and SMMT, cooperated with the CMA early and received reductions in their fines under the leniency policy.

The largest fines include:

- Ford: £18.5 million
- Volkswagen: £14.8 million
- BMW: £11.1 million
- Nissan & Renault: £9.98 million (shared fine, plus an additional £2.8 million for Nissan)

The fines must be paid by 2 June 2025.

See: <https://www.gov.uk/government/news/car-industry-settles-competition-law-case>

## **Supporting Pub Tenants: New Minimum Standards for Short Agreements**

Pub companies often use a tenancy at will or short agreement to allow a tenant to begin running a pub while a longer-term agreement is negotiated. This can be a valuable opportunity for both parties to assess the business relationship and can serve as a stepping stone for new operators entering the trade.

However, for this arrangement to be successful, it is essential that the operator gets off to the right start. To support tenants on short agreements, pub companies regulated under the Pubs Code have collaborated with the Pubs Code Adjudicator (PCA) to establish a consistent set of minimum standards. These standards aim to provide clarity and fairness to tenants while ensuring best practices are upheld by pub companies.

### Key Considerations for Tenants on Short Agreements

Most rights under the Pubs Code do not apply to tenants on short agreements. However, tenants entering into such an agreement are entitled to certain protections, including:

- Rights to certain information from their pub company.
- Advice recommending that they complete pubs entry training, unless they already have relevant business experience.
- A clear understanding that investing personal funds into the pub is not advisable, as these agreements can be terminated at short notice.

A short agreement under the Pubs Code is defined as a tied agreement (where the tenant is required to buy products from the pub company) that entitles the tenant to occupy the pub for less than 12 months.

### Why These Standards Matter

Fiona Dickie, the Pubs Code Adjudicator, emphasised the importance of fairness for tenants on short agreements, stating: "Everyone wants tied tenants to do well, and getting off to a strong start is essential. Those on tenancies at will and other short agreements are entitled to be treated fairly. It is particularly important that they should be advised not to invest their own money in the pub when on agreements which can be terminated at short notice. I'm pleased that the regulated pub companies have agreed to a consistent set of minimum standards to reflect their business practices over and above what the Pubs Code requires them to do. This should help tied tenants to understand what they can expect from their relationship with them."

The newly established minimum standards provide greater transparency and fairness for tenants entering into short agreements. By clearly outlining expectations and reinforcing best practices, these measures help to create a more supportive environment for pub tenants and strengthen their business prospects.

### Where to Find More Information

The full [Short Agreements - Minimum Standards \(March 2025\)](#) document is available on the GOV.UK website. Tenants considering a short agreement are encouraged to review these standards to better understand their rights and responsibilities in their business relationship with pub companies.

By implementing these standards, the industry takes an important step toward fostering fairness, sustainability, and long-term success for tenants in the pub sector.

See: <https://www.gov.uk/government/news/pub-owning-businesses-agree-minimum-standards-for-tenants-on-short-agreements>

## **UK Further Tightens Import Restrictions Amid Foot and Mouth Disease Concerns**

The UK government has further strengthened measures to prevent the spread of foot and mouth disease (FMD) following another confirmed case in Hungary, near the Austrian border.

As a precaution, the UK has suspended the commercial import of cattle, pigs, sheep, goats, wild ruminants, and their untreated products - including fresh meat and dairy - from Austria. This extends existing restrictions already placed on imports from Slovakia, Hungary, and Germany.

Travellers are also now banned from bringing meat, dairy, and animal by-products from Austria into Great Britain, in line with restrictions previously imposed on Germany, Hungary, and Slovakia.

UK Chief Veterinary Officer Christine Middlemiss urged livestock keepers to remain vigilant, stressing the importance of scrupulous biosecurity and immediate reporting of any suspected cases. Farming Minister Daniel Zeichner confirmed that further restrictions would be introduced if necessary.

Although FMD poses no risk to human health, it is a highly contagious disease affecting cloven-hoofed animals, with severe economic consequences. Livestock keepers are advised to monitor for clinical signs, such as sores, blisters, lameness, and fever.

See: <https://www.gov.uk/government/news/import-ban-of-cattle-pigs-sheep-and-deer-from-austria-to-protect-farmers>

## **Eight Games Companies Showcasing in Japan**

Eight of the leading Scottish games companies are visiting Japan for two weeks in a bid to showcase their products and expertise.

Japan is one of the world's biggest and most influential games markets, so these Scottish companies will have the opportunity to meet potential new investors, customers and commercial contacts.

The visit has been organised as part of the Scottish government's Techscaler programme, and will include showcasing products at an event focused on gaming at the 2025 World Expo in Osaka. Over 28 million people from all over the world are expected to attend.

Richard Lochhead, Business Minister, said: "Japan is synonymous with gaming technology and, with a market valued at around \$50 billion, it offers phenomenal economic opportunities."

See: <https://www.gov.scot/news/championing-gaming-start-ups/>