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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!

Named and Shamed: Employers Failing to Pay Minimum Wage

In its latest round of investigations, HM Revenue and Customs (HMRC) have named 518 employers who have failed to pay the National Living or National Minimum Wage correctly to their staff.

A total of £7.4 million will be paid by these employers to almost 60,000 workers. In addition, the employers face financial penalties of up to 200% of the amount they underpaid.

HMRC accepts that not all minimum wage underpayments are intentional, however it is clear that they will take enforcement action wherever they find employers are not paying staff correctly.

The government has provided a [resource for workers](#) to check what they are being paid and are encouraging them to use this. Support is also available from Acas.

What does this mean for employers?

Where you employ staff, it's key that you make sure that all your staff are at least paid the National Living or National Minimum Wage rate that applies to them.

This is not always straightforward as there can be several factors to consider. It's advisable to [check the guidance](#) each time you take on a new employee. Some common errors employers make include:

- Making a wage deduction for items or expenses that relate to the job.
- Making wage deductions that are for the employer's own use and benefit.
- Failing to pay for additional time added on to an employee's shift.
- Failing to pay for time spent travelling on business.
- Failing to pay an employee for time they spend training.
- Failing to apply the annual rate increase on 1 April

Rates for 2025/26

Beginning 1 April 2025, the National Living and National Minimum Wage rates are as follows:

	Rate per hour
National Living Wage (21 and over)	£12.21
18 to 20	£10.00
Under 18	£7.55
Apprentice	£7.55

If you need any help with paying your staff the correct amount or understanding how the Minimum Wage legislation applies, please get in touch at any time. We would be happy to help you!

See: <https://www.gov.uk/government/news/over-74-million-put-back-in-working-peoples-pockets-by-employers>

Emissions Cutting Trial to Benefit Hospitality Businesses

The government has published details of a new emissions cutting trial that could benefit UK pubs, cafes, restaurants and hotels.

The Zero Carbon Services Hospitality Trial will run from May 2025 until March 2026 and has been provided with £350,000 of funding. The trial will put hospitality business owners in direct contact with the expertise of trusted energy and sustainability advisers.

Could the trial be worthwhile?

It is estimated that the average pub loses £2,000 a year through energy waste. Making some gains in energy efficiency could have a real impact on the business' bottom line.

What will the trial involve?

A total of 615 small and medium-sized businesses will be offered support during the trial. Experts will help to show where energy is being wasted and how to fix it. For instance, the scheme will help businesses in making changes such as fixing insulation gaps, upgrading to low energy lighting, and tweaking heating settings.

Businesses will receive a tailored Carbon Reduction Plan as well as having a Carbon Coach. Businesses that take part will receive around seven hours of support each month over a 3-month period.

Register your interest

If you are in the hospitality sector and are interested in receiving this support, you can register your interest and apply on the [Zero Carbon Company's website](#).

See: <https://www.gov.uk/government/news/britains-hospitality-sector-to-save-3-million-under-new-scheme>

OECD Downgrades UK Growth Forecast, Citing Debt and Trade Barriers

The UK's economic growth is set to slow more than expected, according to the Organisation for Economic Co-operation and Development (OECD), which has downgraded its forecast for 2025 to 1.3%, down from 1.4% earlier this year.

The global think tank pointed to high government debt interest payments and new trade barriers - particularly from the US - as key reasons for the cut. It also warned that the UK's public finances leave little room for surprises, urging Chancellor Rachel Reeves to consider a mix of targeted spending cuts and tax reforms to shore up the economy.

While the OECD acknowledged that growth in early 2025 had been better than expected, it said business confidence is now weakening and predicted further slowing to 1% growth in 2026. The state of the UK's finances, it said, poses a real risk if fiscal rules are to be met.

Different to the IMF

To place their comments in context, the OECD's growth forecast is still higher than the 1.2% estimated by the International Monetary Fund (IMF) reported on last week. For the IMF, this was an uplift on their previous forecast.

What's next?

The timing of the OECD's warning comes just ahead of Reeves' upcoming Spending Review, where she'll be tasked with deciding how to allocate funds between government departments.

It's not just the UK

Due to trade tensions having a global effect, the OECD also downgraded growth forecasts for most major economies. It noted that the global economy is slowing and warned that "weakened economic prospects will be felt around the world, with almost no exception."

While national growth forecasts can influence general outlook, they don't have to define your business's future. If you're looking for practical ways to keep your business moving forward in uncertain times, get in touch - we're here to help you explore the options and make confident decisions.

See: <https://www.bbc.co.uk/news/articles/cq69j753egeo>

Cyber Security Culture Principles: Culture is Key to Resisting Attack

The National Cyber Security Centre (NCSC) has launched a new set of cyber security culture principles. These have been developed following considerable research and describe the kind of culture that can help businesses stay cyber secure.

Cyber security is about protecting computers, networks and data from theft, damage, or unauthorised access. It also helps to keep personal information, business systems and online services safe from cyber attacks.

The guidance talks about cybersecurity teams and much of it may be more suited to larger organisations, however in view of how vital technology now is in business and the increasing prevalence of cyber attacks, businesses of all sizes will find some benefit in it.

Here's a brief review of each principle.

Principle 1: Frame cyber security as an enabler, supporting the organisation to achieve its goals.

If not careful, cyber security could be seen as a barrier to getting the job done. For instance, an employee might see security procedures as wasting time that might mean losing a sale.

There may need to be an adjustment in thinking and goal-setting so that everyone sees security as something that helps the business achieve its goals – safely and with confidence. The guidance explores some ways you can achieve this.

Principle 2: Build the safety, trust and processes to encourage openness around security

If people feel there will be negative repercussions, they will be unlikely to speak up. They might cover up mistakes, not challenge others who break rules, or not volunteer ideas that could help improve security.

Therefore, it can be helpful to think about what processes you have in place to avoid this kind of thinking and help staff to feel safe.

Principle 3: Embrace change to manage new threats and use new opportunities to improve resilience

Sticking to the way things have always been done can leave a business vulnerable to new threats.

A security breach or online attack can reveal gaps in how you protect your systems or data, showing you what needs to be improved. By fixing these issues and updating your approach, your business can become more secure and be better prepared next time.

Principle 4: The organisation's social norms promote secure behaviours

This means that staff are expected to act safely online, and it becomes part of how things are done in the business. When good security habits are normal and encouraged, everyone is more likely to follow them.

Principle 5: Leaders take responsibility for the impact they have on security culture

Leaders in the business have a huge influence on staff behaviour, so it's important that security policies are supported by word and example from the top. Staff are likely to follow an example, which could mean ignoring a policy if their boss does.

Principle 6: Provide well-maintained cyber security rules and guidelines, which are accessible and easy to understand

The guidance helpfully mentions that rules that are too prescriptive become unwieldy and outdated which will eventually harm efforts to be secure. On the other hand, rules that are too vague or casual leave people stressed and unsure of what to do.

The guidance provides some ideas on how to strike the right balance.

What next?

Why not review the guidance to see how these principles could be applied in your business. The more cyber secure your business is, the more resilient it will be against threats and that can only help your business to keep growing!

See: <https://www.ncsc.gov.uk/collection/cyber-security-culture-principles>

No Border Checks for Fruit and Veg

The Department for Environment, Food & Rural Affairs has announced that incoming border checks on fruit and veg imported from the European Union will be scrapped.

The recent UK-EU trade deal included a Sanitary and Phytosanitary (SPS) agreement that will eliminate routine SPS border checks for food exports and imports between the UK and EU.

The agreement has not yet come into effect, however in an early move, the government have decided not to require checks on medium-risk fruit and vegetables that would otherwise have come into force this summer. Medium-risk fruit and vegetables include tomatoes, grapes, plums, cherries, peaches, and peppers.

This means that businesses will be able to carry on importing these items from the EU without being subject to fees or border checks.

The easement of checks, which would previously have ended on 1 July 2025, will now be extended to 31 January 2027. This extension should give time for the details of the new SPS deal to be negotiated and the deal enacted.

See: <https://www.gov.uk/government/news/fruit-and-veg-import-checks-scrapped-ahead-of-uk-eu-deal>

UK Beef Industry Boosted as BSE Risk Status Downgraded

The UK has received a major boost from the World Organisation for Animal Health (WOAH), which has officially recognised the country as having a negligible risk for Bovine Spongiform Encephalopathy (BSE) - the best possible status.

This change marks a significant moment for the UK's farming and food industries. Following the BSE crisis in the 1980s, British beef exports suffered long standing bans. However, decades of commitment to animal health and biosecurity have now paid off with this new recognition of the UK's improved risk status.

What the downgrade means

- **New trade opportunities:** More international markets are expected to open up to UK beef and bovine products.
- **Operational changes:** Abattoirs and meat processors will benefit from changes to control measures, lowering their operational burden and unlocking financial savings.
- **Added carcass value:** As an example, the ability to recover mesenteric fat could generate around £10 million per year, according to the British Meat Processors Association.

Welcome news

The announcement has been welcomed by industry leaders and government departments alike, who view it as recognition of the UK's world-leading standards in animal health, food safety, and disease prevention.

While the news is overwhelmingly positive, farmers and livestock keepers are reminded that BSE is still a notifiable disease. Any suspected cases must be reported immediately.

See: <https://www.gov.uk/government/news/uk-international-risk-status-for-bse-downgraded-in-huge-boost-to-farm-sector>

ICO is On the Move

The Information Commissioner's Office (ICO) has announced that it will be relocating its head office to Manchester in the autumn of 2026. Their new office will be in the Circle Square development on Oxford Road.

The ICO's head office has been in Wilmslow for the past 40 years, but with the current lease due to expire, ICO has been reviewing its options.

Moving to Manchester will put it nearer to universities and other organisations that work in data and could help with attracting new talent in the future.

See: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2025/06/ico-head-office-to-move-to-manchester/>

Continued Progress on Housing Bill

The Housing (Scotland) Bill has now completed Stage 2 scrutiny by a cross-party committee of MSPs.

The Bill was introduced to Parliament last year to strengthen tenant protections and introduce a range of duties designed to prevent homelessness.

Measures include giving social tenants greater protection against damp and mould, as well as setting out how rents can be capped in rent control areas.

Social Justice Secretary Shirley-Anne Somerville said she was pleased the Committee has completed its Stage 2 scrutiny and is looking forward to working on the next and final stage.

The Bill now enters the final Stage 3 process.

See: <https://www.gov.scot/news/committee-finishes-stage-2-scrutiny-of-housing-scotland-bill/>