

# Support for business extended – but it's complicated!

Earlier today, The Scottish Government announced more funding for business. While that is being welcomed by business organisations, it has thrown up some questions too.

We spoke to Garry Clark, Development Manager East of Scotland Federation of Small Businesses (FSB), asking him for his views on what is a fairly complex matter.

Mr Clark said that the FSB have been calling for some weeks now for some additional support and while they welcome the money, they are not absolutely sure which businesses will benefit from this new funding. Listen to our chat with him here:

There are two lots of government funding available and some of the complications arise from the way the funding is calculated based on rateable value (RV) of property owned.

Firstly, there is the **Small Business Support Grant** of £10,000 which is available to businesses who have properties with a RV of £18,000 or less. These businesses must already qualify for either the **Small Business Bonus Scheme** relief or Rural Relief. If it is the former, then the business will have either one property with a RV of £18,000 or less, or properties with a combined RV of £35,000 or less.

For these ratepayers there is a possibility of qualifying for a 100% grant on one property and a 75% grant on each additional eligible property. (And there are retail, hospitality and leisure properties within the £18001 – £50,000 rateable value band which will also meet the requirements for the separate £25,000 grant.)

The government said that the 'new package of measures includes £120 million to extend the **Small Business Grant scheme** (by which they mean the £10,000 **Small Business Support Grant**) to ensure that, in addition to a 100% grant on the first property, small business rate payers will be eligible to a 75% grant on all subsequent properties'.

The separate grant available to Retail, Hospitality or Leisure businesses is a one-off payment of £25,000 available to businesses with properties with a rateable value between £18,001 and £50,000. Both the Small Business Support Grant and the Retail, Hospitality and Leisure monies are extended by today's announcement to 100% for the first property owned by a ratepayer, and 75% for each subsequent property.

In addition, there is an extra £100 million for self-employed and small to medium sized business who are otherwise ineligible for Scottish Government or UK Government monies.

The new funding brings Scotland more into line with England than previously, and the government claims that it is actually offering more in the way of funding than the scheme south of the border. In Scotland, there is relief for properties up to a RV of £18,000, but in England the cut-off is at £12,000 with taper relief to £15,000. Some property with a RV of between £15-18,000 might not qualify for any financial help in England.

The £220 million package announced today includes specific help for the newly self-employed, smaller chains, businesses with acute short term cash-flow problems and for other firms

excluded from existing help.

The FSB wrote to The Scottish Government in recent days making the case for an extended package of measures for operators excluded from existing support initiatives, as well as those that believe the help insufficient and they think this will help plug some of those gaps. They believe it looks more flexible than previous schemes, and are pleased that their campaigning has brought a positive result.

A further £100 million fund is also being made available to protect self-employed people and viable micro and SME businesses in distress due to Covid-19. This fund will be channelled through local authorities and enterprise agencies to target newly self-employed people and businesses who are ineligible for other Scottish Government or UK Government schemes.

Applications for the £100 million fund will be open by the end of the month, and the new arrangements for the Small Business Support Grant will be in place to receive applications on 5 May.