

‘Crunch week’ looms for small companies’ emergency grants scheme

[James Hurley](#), Enterprise Editor
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A message is written in a closed shop window in an empty Victoria Square in Belfast, as the UK continues in lockdown to help to curb the spread of coronavirus



Businesses are still waiting for emergency grants worth about £10 billion as the government faces a “crunch week” for its coronavirus support package for small companies.

Local authorities and banks are under pressure to speed up the provision of cash to hundreds of thousands of businesses that are fighting for their survival.

Figures from the Local Government Association show that councils in England have paid out more than £1 billion to about 100,000 small businesses, with some local authorities having redeployed staff to make sure that money can be distributed quickly.

However, billions more is yet to be paid, with experts warning that employers are facing a “postcode lottery”.

As part of the government’s help for companies whose trade has been disrupted by the Covid-19 crisis, any business in the retail, leisure or hospitality industry whose property is valued at less than £15,000 for business rates purposes is eligible for a £10,000 grant. Retail, hospitality and leisure businesses whose rateable value is between £15,000 and £51,000 can get a £25,000 grant. Local authorities are responsible for distributing the grants through the business rates system.

[Richard Watts](#), chairman of the LGA's resources board, said that councils were "working fast" to get money to eligible companies.

Alok Sharma, the business secretary, admitted yesterday that "more money needs to go out faster" to applicants, while the British Chambers of Commerce expressed concern that local authorities were "adopting very different approaches" to deploying grants.

[Craig Beaumont](#), of the Federation of Small Businesses, said that thousands of companies would need funds in the next few days. He said that this would be a "crunch week" for the grants.

The Treasury is said to be considering doubling the amount that mid-sized companies can borrow from a separate government loan scheme. A planned programme to allow companies with turnover of between £45 million and £500 million to borrow up to £25 million could be expanded to offer debt of up to £50 million, and the turnover cap may be removed.