



Business growth set to help more businesses

There is the possibility that the Government's Business Growth Fund, aimed at supporting fast-growing businesses that would otherwise struggle to find funding, may be extended to more firms than were included in its original remit.

SUPPORTED BY FIVE BANKS

The fund was launched in May and was intended to provide Government-backed investments of between £2 million and £10 million in businesses with an annual turnover of between £10 million and £100 million which is being run with the support of five major high street banks.

SIZE UNIMPORTANT

It now appears to monies may now be targeted at firms with a turnover of between £5 million and £50 million per year, the reason being that if a £10 million cut-off were to be rigidly applied, many businesses would be excluded. Undoubtedly the core market is where demand is the highest and that is between £5 million and £50 million. Certainly the size of the business must not be the only criteria but ambition and innovation must be allowed to play a major part in any decision making.

THE LOSERS

Unfortunately, smaller businesses with sales of around £1 million are highly unlikely to gain any backing from the fund.

The very first beneficiaries of the Business Growth Fund are set to be announced later this month.

Minimum rise in wages could be the death knell for many small businesses

The national minimum wage is due to increase on 1st October this year.

The adult rate will see an increase by 2.5 per cent, or 15p, to £6.08 an hour, while the rate for 18-20 year olds will rise by 6p to £4.98 an hour.

The Low Pay Commission has also decided that the rate for 16-17 year olds will reach £3.68 an hour, an increase of 4p with apprentices getting a 10p increase to £2.60 an hour.

The new rates were met with some very mixed reactions. The Government deems the increases entirely appropriate as a way of protecting the UK's lowest paid workers.

However, retailers have raised concerns by highlighting the importance of getting the priorities right which must be getting more people into work without producing an extra hurdle in staffing costs.

Many, of course will find the rises almost impossible to live with.

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