UK Government

BUSINESS GROWTH SERVICE

Backing your Business: Small Business Plan One Year On

Foreword

The Government is backing you and small businesses all over the country, by boosting cashflow and saving time, so you are better protected from global economic shocks and can get on with the job.

Right across the country, there are countless business owners serving their communities and customers. Owners like Tina Warner-Keogh and Tom Warner, the husband-and-wife team behind Warner's Distillery, a spirits producer in Northamptonshire where government finance and export support has helped the business grow turnover by almost £4 million – supporting rural jobs, local tourism and sustainable manufacturing.

From family firms to sole traders and micro start-ups, you are the entrepreneurs that keep money flowing in our economy, creating jobs and opportunity.

We know you want to focus on starting, building and growing your businesses. That includes the two thirds of young people who have the entrepreneurial ambition to run their own business.

But global economic shocks are pushing up costs, disrupting supply chains and squeezing margins. The Government recognises volatility and increase to wholesale energy prices has caused concern among businesses and our firm expectation is that pricing remains fair, transparent and fully justifiable, reflecting genuine market conditions.

We are doing more to help you right now, because we have taken decisions in the national interest to prioritise stability in the public finances, to build a more resilient economy with better protection from those global shocks.

We must emerge from this crisis more resilient than before, so you can realise your full potential.

We want you to be able to crack on with what you do best: trading, employing and growing the British economy.

Government should make things easier, champion our brilliant businesses, and get the big decisions right, like staying out of the war in the Middle East to mitigate its impact.

We want to remove barriers that are in your way like unpaid invoices, endless paperwork and unnecessary costs.

To do this, we are backing small businesses across the board.

We are the first government since 1998 to introduce a Small Business Protections Bill to tackle late payments, to end those unpaid invoices that cause so much worry.

- Already small businesses like Duplikat, a print and publishing studio in Margate, have been paid the money owed to them from their suppliers through the intervention of the Government's Small Business Commissioner – where being paid on time is vital to managing cashflow and day-to-day costs. The Small Business Commissioner has recovered £1.5 million in unpaid invoices for businesses, more than the previous four years combined.

Boosting the British Business Bank's (BBB) financial capacity to £25.6 billion at Spending Review 2025 so that more small businesses can get the capital they need to grow.

- Northern Ireland manufacturer Velocity Pro Gear secured £900,000 in government-backed lending, enabling the company to scale production, improve delivery and target expansion into US and EU markets that will create jobs and new products.[1]

New cash incentives for hiring apprentices and young people.

- Brimstone Energy, a family-run renewable energy installer in Cambridgeshire, got advice and a £1,000 government cash incentive to take on its first 16-year-old apprentice – helping the company bring in new skills and invest in the future of the business.

Halving childcare costs so it's easier for working parents to juggle their business with their family life.

- Edis Media, a family-run creative agency, shows how government-funded childcare helps parents continue building their businesses. Managing Director Jess said that as a small business owner, accessing government childcare support during their startup phase was absolutely vital and made it possible to keep working. Without having those essential childcare costs covered, running and growing the business successfully alongside family life simply would not have been possible.

Doubling the Employment Allowance to £10,500, ensuring the increased National Insurance Contributions that have gotten our NHS back on its feet are not at the expense of the smallest firms.

- HAD & Co, a female-led architectural practice focused on delivering innovative design solutions while promoting gender diversity in the architecture industry, faced challenges in managing operational costs and retaining talent amidst increasing business expenses, which hindered their growth potential. The increase in the employment allowance from £5,000 to £10,500 in April 2025 allowed them to invest in employee training and improve workplace amenities, fostering a positive environment that enabled their team to thrive professionally. This resulted in a 20% increase in employee retention rates.

Extending the 5p fuel duty cut to the end of the year.

- Companies like Pass Logistics rely on fuel every day to keep goods moving. Keeping the 5p fuel duty cut in place helped smaller hauliers and logistics businesses like theirs to manage one of their biggest costs. Unlike some larger firms, smaller businesses often cannot buy fuel in bulk or protect themselves from sudden price rises, so changes at the pump are felt straight away. For Pass Logistics, this support means more stable costs,

[1] Velocity Pro Gear | British Business Bank

helping the business keep prices competitive, protect jobs and continue serving customers across the UK. Founder and CEO Adrian Sullivan stated the business was "extremely grateful for the Government's decision […] whilst all hauliers will benefit from this decision, its significance for SMEs cannot be overstated."

Doubling tax breaks for enterprise.

- Motorway, one of the UK's biggest online car selling platforms, has welcomed reforms to the Enterprise Management Incentive (EMI) scheme. By expanding company eligibility and extending the lifespan of share options, the changes give high-growth businesses greater flexibility to reward employees through equity ownership, helping them attract and retain the talent needed to scale. CEO and Co-Founder Tom Leathes said the reforms had an "immediate, tangible impact", enabling Motorway to offer its team a "far more favourable equity plan", and described them as "a critical tool in helping attract and retain the people who build a company."

And we are tackling the cost of living, putting more money in pockets to spend on high streets, from our cities and county towns to our rural and coastal areas.

- Businesses like Aquatrust in West Yorkshire show how government-backed support can help firms save customers money. After developing new ideas and strengthening its approach through the Help to Grow: Management service, Aquatrust went on to pitch and launch remote water monitoring that now saves customers around £1,615 a year on average — putting money back in people's pockets while helping the business grow.

These measures will boost consumer confidence, supporting bookings and footfall.

But we know the job is not done.

We cannot deliver economic growth without our country's 5.7m SMEs – the £2.8 trillion engine of the economy – firing on all cylinders. That is why we are backing your business to see you through the here and now, while building the conditions for your long-term success and growth alongside our Industrial Strategy.

I am pleased to provide this one-year-on update on our Plan for Small and Medium Sized Businesses, to demonstrate what we have achieved so far and set out key upcoming actions to build on these further.

Blair McDougall MP

Parliamentary Under-Secretary of State (Minister for Small Business and Economic Transformation)

Delivering the Plan – Highlights

The UK's entrepreneurial spirit and SME landscape remain resilient despite challenging economic conditions and global headwinds. The UK has a record number of people – one third of working age individuals – either engaged in entrepreneurial activity or intending to start a business within the next three years.[2] SMEs also remain ambitious and ready to seize the opportunities of the future, from new technologies to trade links. 71% of SME employers aim to grow sales over the next three years[3] and 27% say they are "ambitious risk takers" which means they want significantly bigger businesses. [4] This extends into export ambition. 51% of SME employers plan to increase exports over the next few years[5] and 20% of SMEs trading internationally predict "significant" growth.[6]

Through *Backing your business: our plan for small and medium-sized businesses*, we are delivering the most comprehensive package of support for small and medium-sized enterprises (SMEs) in a generation. Our approach combines actions that make life easier for every business to succeed – whether they are in towns, cities, coastal or rural areas – alongside targeted support for those with the ambition to grow.

Since last year, we have made significant progress on the nearly 200 commitments in the Plan – with 98% of those in-train and nearly half already complete. Below we recap some of our key delivery highlights, which are helping new and established small businesses with their cashflow and costs, time, and growth opportunities.

Fixing the Fundamentals

Case Studies

- **Brockmoor Foundry**, a UK manufacturer specialising in ductile iron castings, invested £430,000 in energy efficiency upgrades and solar PV installation. The business worked with Aston University and energy efficiency specialists Pro Enviro to conduct a detailed energy audit, funded through the Government-funded Business Energy Advisory Service. These **improvements reduced energy use by 780,000 kWh, saving £70,000 annually and cutting emissions by 174 tonnes CO_2e.** The project improved affordability, strengthened competitiveness and supported the company's transition to a low-carbon economy.

- **Knotweed Control Ltd**, a small South Wales business providing specialist knotweed control services, turned to the Office of the Small Business Commissioner after facing repeated late and non-payment of invoices by a larger contractor. With support from the Commissioner's team, who negotiated with the larger company on its behalf, **the business secured full payment of all outstanding invoices plus late payment interest.** The case shows why getting paid on time is crucial for small businesses: reliable cashflow helps firms cover day-to-day costs, plan ahead and keep delivering for their customers.

[2] GEM Global Entrepreneurship Monitor
[3] Longitudinal Small Business Survey 2024: SME employers (businesses with 1 to 249 employees) - GOV.UK
[4] SME Finance Monitor 3m to March 2026, pg 42
[5] Longitudinal Small Business Survey 2024: SME employers (businesses with 1 to 249 employees) - GOV.UK
[6] How SMEs are seizing global opportunity

Late Payment

- **Legislating to end the scourge of late payments which causes the closure of 38 businesses per day and costs the UK economy £11 billion per year.** The Small Business Protections Bill, introduced to Parliament in May 2026, will give the UK the strongest laws on late payments in the G7.[7] The legislation includes stricter maximum payment terms, mandatory interest upon late payments, increased board-level scrutiny of large company payment practices, and stronger powers for the Small Business Commissioner. In 2025-26, the Small Business Commissioner recovered over £1.5m in late payments for small businesses, a significant increase upon previous years.[8]

Regulation

- **Reducing the burden of regulation on businesses by 25%, by designing the system with SMEs**. This is supported by a new Small Business Regulation Taskforce, co-chaired by the Federation of Small Businesses, to develop practical, evidence-based recommendations to reduce regulatory and administrative burdens on SMEs. The Taskforce will run for 8 weeks, and Government will respond later this year.
- **Supporting innovation and reducing unnecessary regulatory barriers through new cross-economy sandboxing powers,** enabling businesses to test innovative products and technologies where legislation is acting as a barrier. Under controlled trials with appropriate safeguards, successful regulatory changes can be made permanent – helping businesses bring new ideas to market, scale faster and drive growth. We are engaging with industry to ensure the programme works in practice and supports real-world innovation.

Tax Administration

- **Simplifying tax administration through HMRC reform to reduce administrative burdens on small businesses** – helping them get tax right the first time, increasing certainty and allowing them time to focus on adding economic value.
- **As part of Tax Update 2026, the Government announced further reforms to simplify and modernise the tax and customs systems**, building on its commitment to reduce administrative burdens, improve certainty and strengthen fairness across the system.
- **Over 2 million businesses now use Making Tax Digital for VAT**, reducing errors, increasing confidence and potentially saving 26-40 hours per year on average. Building on the successful implementation of Making Tax Digital (MTD) for VAT, MTD for Income Tax has already been rolled out to those with qualifying income over £50,000 and will extend to those with income over £30,000 from April 2027 and over £20,000 from April 2028, supporting more timely and accurate tax reporting while reducing avoidable errors.
- **Reforms to business rates administration will also improve certainty**, with most challenges expected to be resolved within 12 months by the financial year 2027-28, supporting businesses to focus on growth and investment.

[7] Enterprise Research Centre describes the legislation as the most 'structurally coherent' attempt across major economies to address late payments. Late Payment: International Comparative Legal & Regulatory Framework - Enterprise Research Centre
[8] £1.5 Million Recovered for Small Businesses by Small Business Commissioner - Small Business Commissioner

- **The Government will require all VAT invoices to be issued in a specified electronic format from April 2029.** The Government will work with stakeholders to develop an implementation roadmap to be published at Budget 2026

Energy

- **Improving affordability in the energy market for small businesses** by addressing ongoing concerns on costs, billing complexity and complaints, alongside action to regulate intermediaries through the Energy Independence Bill. This includes an additional £2 million in funding via the Made Smarter Adoption Programme specifically to help SMEs lower their bills and become more energy efficient through investment in technology in areas like heating, insulation and solar power. SMEs can also access funding for low carbon technologies through schemes like the Boiler Upgrade Scheme There will be faster access to the Energy Ombudsman, with quicker decisions and strengthened enforcement powers to penalise suppliers that fail to deliver redress.

Low Carbon Economy

Supporting small businesses to access the benefits of the transition to low carbon economy, including reduced operational costs and new market opportunities, by acting on the recommendations of Willow Review. Productivity within net zero firms (over 96% of which are SMEs) is 48% above the UK average, with wages around 11% higher than the national average. We funded a refresh of the UK Business Climate Hub, which provides advice and guidance, and supported the launch of a Climate Action Planner which allows businesses to create free, tailored action plans that support growth objectives. We continue to work to ensure SMEs have access to the best support and to address common barriers like emissions reporting and barriers to innovation

Unlocking Access to Finance

Case Studies

- **School of Coding & AI**, founded by Manny Athwal in Wolverhampton in 2017, is helping more children, adults and schools gain the coding, cyber-security and AI skills needed for the future. With finance backed by the British Business Bank through the Midlands Engine Investment Fund, the business has been able to scale up while keeping its focus on accessible, high-quality digital education. This support helped School of Coding & AI open **a new £2.5 million, 12,000 square foot tech lab campus in Birmingham, expand internationally with a new campus in Dubai, invest in AI-enabled learning tools and create more than 100 new roles**.

- Army veteran Toby used a £25,000 Start Up Loan to buy his stock and build an ecommerce website for **UK Supreme Fitness**. The business has grown from selling gym equipment online to **installing gyms for customers including the military, special forces and fire brigades — including 25 fire station gyms for East Sussex Fire and Rescue.**

- **Fauna** founder Laurian Wright has built a design-led pet brand for dog owners who want products that look good, last well and are made responsibly. A £50,000 government-backed loan has allowed the business to **develop new products, reach more customers through marketing, and start building the team** needed for its next stage of growth, whilst continuing to work with UK manufacturers and keep quality and sustainability at the heart of the brand.

- Emma Heathcote-James founded **Little Soap Company** to make natural and organic soaps accessible amid the supermarket shop. From day one she always wanted to ensure her products were better for both people and the planet. A certified **BCorp with two Kings Awards for Enterprise,** the **£50,000 Women in Innovation Award from Innovate UK**, alongside local growth funding helped Emma invest in new product testing and research supporting the launch of the Eco Warrior Baby & Child bars which helped growth through channels including Ocado, Amazon and the company's own website.

British Business Bank

- **Boosting access to finance for SMEs to make finance markets work better for small businesses** by increasing the British Business Bank's (BBB) financial capacity by two-thirds (£10.3 billion) to **£25.6 billion** at Spending Review 2025[9].

Growth Guarantee Scheme

- **Expanding the Growth Guarantee Scheme** so it supports an additional £2 billion of SME lending per year by 2028-29, bringing total SME lending supported through the scheme to £3.35 billion per year. The expansion is expected to support an additional 12,000 businesses per year by 2028-29 bringing the total to 20,000, with maximum loan terms extended from six to 10 years for loans of up to £1.1 million and eligibility widened to businesses with annual turnover of up to £54 million. In the last financial year, the scheme supported 5334 businesses that would otherwise be unable to access the finance they need or would only be able to do so on worse terms.

Community Development Finance Institutions

- **Supporting underserved small businesses to access finance by scaling Community Development Finance Institutions** (CDFIs) through a new Community Finance Taskforce and increasing targeted lending to expand access for firms that do not meet mainstream lending criteria.
- **This includes nearly £120 million already allocated to seven accredited CDFIs so far through the British Business Bank's Community ENABLE Funding programme**. A second phase will open later this year with an ambition to grow the programme to at least £500 million over time. The Taskforce is already bearing fruit, and supporters, including

[9] Statement of strategic priorities to the British Business Bank - GOV.UK

JPMorganChase, have committed a total of £10 million of philanthropic funding alongside financial support from the US bank BNY to build operational capacity of the community finance sector.

- **The Taskforce will publish a roadmap in early 2027** setting out a clear plan to strengthen funding for community development financial institutions (CDFIs), their resources and capability, and signposting small businesses that have been turned down for credit to potential CDFI lenders. This forms part of a significant push to expand and develop the community finance sector across the UK.

Support for Intellectual Property-rich smaller businesses

- **The British Business Bank is making up to £500m of existing ENABLE Guarantee capacity available** over an initial 12-month period to support lending to IP-rich smaller businesses. This is expected to help increase the availability of finance for IP-rich businesses, enable more competitive pricing and develop stronger lender capability to assess IP-driven business models.

Nations and Regions Investment Fund

- **The Nations and Regions Investment Funds backed 525 businesses last financial year**, with new East of England and South East Funds, designed to support the growth of SMEs in these regions, launching in summer 2026.

Start Up Loan Programme

- **Expanding access to finance for new and growing businesses through the Start Up Loans Programme** which will deliver at least 85,000 loans over the next five years and broaden eligibility to include businesses trading for up to five years. Small businesses supported by the programme were found to be far more likely to survive their first five years (69%) than comparator businesses (43%). Between August 2025 and May 2026, the programme has made 9551 loans, of which 6887 were first loans. 39.5% of loans were made to women-led businesses, 21.3% to ethnic-minority led businesses and 5.3% to entrepreneurs who were previously unemployed.
- **Start Up Loans help people take their first step into business**, providing the confidence, support and skills needed to build a more secure future. For young people, particularly those struggling to find work, entrepreneurship can offer a pathway into self-employment and long-term economic opportunity. The King's Trust, an official Start Up Loans Business Support Partner, supports young entrepreneurs through its team of experienced advisers. Demand among Gen Z is growing – their share of Start Up loans increased from 7.7% five years ago to 17% in 2025, making them the only generation to increase their share of loans over that period[10].

Underrepresented Founders

- **Widening access to finance for underrepresented founders,** working with Lilac Review stakeholders to expand the Disability Finance Code for Enterprise and support disabled

[10] Press release - 29 January 2026 | Start Up Loans

and underrepresented entrepreneurs, while backing female founders and investors through the Invest in Women Taskforce, which raised £635 million to back women-led businesses. This includes £130 million from the British Business Bank and supporting a more diverse generation of investors through the £400 million Investor Pathways Capital Programme.

Backing the Everyday Economy

Case Studies

- **Barnsley's Pride in Place Programme** funding is supporting work with PubWatch to deliver training to hospitality staff and expanding the successful town centre Nightlife Marshals and the Nightlife Angels programmes, **creating safer spaces for everyone and making the town centre more attractive to the nighttime economy**.
- As part of **Bilston's Pride in Place Programme** funding, local leaders consulted with residents and reinstated Bilston Carnival, which took place on the 4th of July. The revival of the carnival honours the event's rich history with a 1960s theme, in a nod to the decade when it first took place. This marks the beginning of the local plan to use the funding over the next decade **to deliver improvements in community facilities, safer public spaces, upgraded high streets, revitalised parks and new opportunities for young people.**
- Pub is the Hub, supported by DBT's Hospitality Support Fund, has helped rural pubs to broaden their services. **The Butchers Arms in Carhampton near Minehead** has reinvented itself as a community hub with village store, cafe, library and community events space. The pub now **provides services, including talks, movie screenings and club gatherings for the whole community, from children and families to older residents.**
- Through the Home Office's **Safer Streets Summer Initiative**, the Office of the Police and Crime Commissioner supported the expansion of UK Partners Against Crime's (UKPAC) Business Crime Reduction Solution across Devon and Cornwall. More than 100 businesses have signed up to the scheme, which provides free access to an online portal for reporting and sharing intelligence on shoplifting, violence and antisocial behaviour. Between March 2025 and May 2026, businesses submitted 1,933 reports, contributing to significant enforcement outcomes, including custodial sentences and Criminal Behaviour Orders. The initiative demonstrates how **data-led partnership working can help tackle business crime and make high streets safer**.

Investing in high streets

- **Funding local growth with an extended Pride in Place programme, including the Impact Fund, to £5.8bn over 10 years to support 379 places.** Plans being delivered by the first wave of places include bringing empty and neglected buildings back into use (Eastbourne), supporting local businesses to invest in street safety and active travel

(Durham), and a new Enterprise Hub, which will give start-ups and growing businesses a base to thrive backed by investment in skills, heritage, town centre living (Greenock).
- **Further targeted funding through £30m of High Street and Growth Incubator funding to Greater Manchester, West Midlands and West Yorkshire Combined Authorities and the £301m High Street Innovation Partnerships Funding**. This includes support to rollout High Street Rental Auctions in more local authorities and a new £61m Community Right to Buy Fund that will hand people in deprived areas the money they need to step in and take over community assets at risk of closure.

Backing British Pubs

- **Enabling pubs and other licensed venues to open after midnight** for Home Nations' games in the later stages of this summer's Men's FIFA World Cup, meaning more time for fans at the pub while boosting takings behind the bar and supporting jobs in hospitality.
- **We will be introducing a consultation to allow pubs to open late for other big events** such as Eurovision.
- **Backing rural pubs with £440,000 of funding** to help them diversify and provide vital local services, including community cafés, village shops and family-friendly facilities. The funding, delivered through Pub is The Hub, will unlock more than 40 projects across the UK, supporting jobs and opportunities in local communities.

Business Rates

- **Introduced new permanently lower multipliers for eligible retail, hospitality and leisure properties**, worth nearly £1 billion per year and benefitting over 750,000 properties.
- **Extended the Small Business Rates Relief to support small businesses** to grow and expand, by giving them an additional two years of Small Business Rates Relief when they open a second premises
- **Set out the next phase of business rates reform**, publishing a Call for Evidence on how to remove barriers to investment.
- **Cut new business rates bills for pubs from April 2026**, followed by a two-year real-terms freeze, as well as a review into the method used to value them for business rates. This is on top of support announced at Budget.

Crime and Anti-Social Behaviour

- **Tackling crime on the high street** with a new standalone offence of assaulting a retail worker in our Crime and Policing Act and providing £7 million over a three-year period to support the police tackle retail crime. This includes continuing to fund a specialist policing team to better understand the tactics used by organised retail crime gangs and identify more offenders. Under this Government, charges for shop thefts have risen by 17% in one year alone (up to 116,641 charges).
- **Addressing criminal exploitation of the high street** by launching a new cross-government High Street Organised Crime Unit that will deliver long-term policy solutions to high street organised criminality, supporting both communities and legitimate businesses to prosper. This is supported by funding for annual multiagency crackdowns, increased

Trading Standards capacity and a targeted surge against tax evasion on the high street. The Home Office has also launched a consultation into increasing closure orders to give investigators more time to pursue prosecutions, while also preventing rogue operators from simply reopening and resuming illegal activity. In the past year, there has been a 73% reduction in retail organised crime offending by groups referred into Opal, the National Policy Intelligence team.

Future-Proofing Business Skills

Case Studies

- **Cambridge Kinetics**, a digital and AI business helping SMEs adopt AI in their operations, used government-backed support to bring new talent into the company through a six-week internship and an apprenticeship. Both individuals have continued with the business, **adding fresh ideas and additional capacity while helping Cambridge Kinetics strengthen its offer and create opportunities for young people entering the technology sector**.

- Recent King's Award winner **Lee Marley Brickwork** is helping tackle skills shortages in construction by opening up more routes into apprenticeships and skilled work. With Government support through apprenticeship funding and training, the business has expanded the number of apprentices it can support and become an approved Apprentice Provider (Apprenticeship Provider and Assessment Register). This is **helping more people build careers in construction, while giving the business and wider sector the skilled workforce needed to grow.**

- **WEFFAN**, is a manufacturing innovation lab advancing how clothes are made. Its proprietary 3D Weaving process merges fabric creation with garment construction, weaving garment shapes directly into fabric to cut waste and production time. Publicly backed R&D, including Innovate UK-funded Future Fashion Factory and REforMM, was part of the journey to commercial reality, culminating in **the world's first 3D woven suit** for Balenciaga's SS26 collection, positioned as a future-proof alternative for tailoring. Weffan works with brands and manufacturers to reduce waste and is now building software that predicts fabric waste at the design stage, built for 3D Weaving but applicable industry-wide.

- Family-run **Monty Miracle** has grown from selling its fast-acting outdoor cleaner online to building a UK-made brand with international ambitions. Support through Help to Grow: Management helped Peter and Georgia strengthen the way the business is run, while business mentoring and export advice helped them plan for new markets. The business has since **grown turnover tenfold, doubled export sales, and earned independent recognition from Which? and Good Housekeeping Institute** – helping turn a small idea into a fast-growing British business.

Apprenticeships

- **Making it simpler and easier for small businesses in England to take on apprentices** by simplifying the apprenticeship system, removing co-investment for non-levy paying employers taking on an apprentice aged 16-24, and introducing a £2000 payment for non-levy payers who recruit a new apprentice aged 16-24.
- **Businesses across the UK can now access the new Youth Jobs Grant which will pay £3000 for every eligible young person they hire** – helping up to 60,000 people aged 18-24 take their first steps into work over the next three years. This is in addition to the Job Guarantee offer which provides fully funded six month paid job to eligible 18-24-years olds who have been on Universal Credit and looking for work for 18 months.

King's Award

- **Celebrating the next generation of entrepreneurs** through a new King's Award for Enterprise Category – Young Founder Award – recognising businesses led by 18–30-year-old entrepreneurs. The Awards provide a highly valued Royal endorsement, with recipients able to use the emblem across their products and marketing for five years, helping them access new clients, markets and investment opportunities. In 2026,184 businesses were recognised across International Trade, Innovation, Sustainability and Promoting Opportunity (through Social Mobility) highlighting the breadth of UK business success.

SME representation to government

- **Ensuring small businesses are directly represented in government decision-making,** including by engaging around 300 SMEs through the Business Voices Panel and convening the Small Business Growth Forum. This has shaped the Business Growth Service, supported wider initiatives including high streets policy and our plan to Make Work Pay, and continues to inform the development of practical policy measures and future priorities such as Youth Entrepreneurship.

Digital Adoption

- **Boosting greater SME adoption of the latest digital technologies** by delivering the ten recommendations of the industry led SME Digital Adoption Taskforce. This includes working with industry partners to deliver a new series of roadshows on digital skills, providing direct support to SMEs across the UK over the summer. We are also running pilots in the West of England and West Yorkshire, testing innovative approaches to SME recruitment and skills delivery, and supporting over 806 businesses in Leeds and 223 applications on the recruitment trial in the West of England. These will help inform the new package of support which we will announce by the end of the year.
- **The Made Smarter Adoption (MSA) programme**, which focuses on digital adoption for manufacturing SMEs, has doubled its funding over the past year and expanded to cover all of England, effectively doubling its reach to SMEs.

- **Digital technology is advancing rapidly and investing in tools such as AI, which offer the potential to transform many businesses**. For instance, the productivity enhancing impact of AI could be worth as much as an additional £650 billion GVA to the UK[11].

Creative Industries

- **Supporting SMEs across the creative sector through targeted funding, export support and innovation programmes**, including the £28.5 million UK Games Growth Fund, the wider £75 million Screen Growth Package, and a new £100 million Creative Clusters Competition, launched in January 2026, which brings together universities and SMEs to accelerate innovation and leverage private investment.
- **The Northern Music Export Office, launched in June 2026, will support music SMEs to access international markets** through touring grants and export development support, while the Supporting Grassroots Music Fund provides grants of £1,000-£40,000 to strengthen the sustainability and resilience of grassroots music venues, studios and festivals.

Leadership and Management

- **Strengthening leadership and management capability in small businesses through Help to Grow: Management** which is delivering strong outcomes, including a connected SME leadership community and improved growth, innovation and productivity. The programme will further develop its curriculum with a focus on digital transformation and AI. As of March 2026, the programme has supported almost 12,000 business leaders, with over a 90% satisfaction rating and with 92% of participants reporting greater confidence in leading and managing their business as a result of the course.

Opening Up Opportunities

Case Studies

- Cousins Galahad and Asher Clark built **Vivobarefoot** around a simple idea – footwear that lets feet move naturally while encouraging the industry to be more sustainable. As overseas demand grew, the business needed more working capital to keep up with orders around the world. Over £16 million of government-backed export finance helped Vivobarefoot turn that demand into growth – **increasing sales from £49 million to £91 million over three years, while supporting more than 120 jobs across Bristol and London.**

- **UniSim, a UK-based advanced healthcare SME**, took part in the Government's Digital Trade Corridors (DTC) programme. Using Boex, a UK-built digital trade platform, UniSim reduced its reliance on paper-based trade processes, cutting paper documents by 90%, reducing administration time by four hours per shipment (50%), and saving around £100 per shipment in staff time. By **reducing errors and removing unnecessary paperwork**, the digital process made shipments more efficient and predictable,

[11] Made Smarter Review, 2017

demonstrating how digital trade solutions can help businesses **save time, reduce costs and trade more effectively across borders**.

- The **Defence Office for Small Business Growth (OfSBG)** supported **Telicent**, an innovative UK SME whose data integration technology underpins important Defence digital and intelligence capabilities. Acting as a visible champion for the business, OfSBG engaged with company leadership, highlighted Telicent's strategic importance, and convened stakeholders across Defence Digital, Defence Intelligence, commercial and policy teams. The Office also facilitated connections to senior leaders and support networks, helping the company explore wider opportunities for growth and investment. For Telicent, OfSBG provided a route into government, helped navigate complex Defence systems, and ensured the company's strategic importance was recognised. The intervention brought visibility to the challenges facing a key Defence SME, **helping to protect critical capability while supporting growth, innovation and resilience in the defence supply chain**.

Business Growth Service

- **Making it easier for businesses to access support by launching a national, digital-first service** that brings together national, local and export support. The service is being enhanced continuously with new functionalities including personalised guidance via business.gov.uk, leveraging AI and integrating a wider array of business support. Over 750,000 users have accessed business.gov.uk since launch. This is alongside setting multi-year budgets for Growth Hubs for the first time since they were established 10 years ago, with a total budget of £45m over three years.
- **Building capability in small businesses through the Business Academy, a national learning offer providing expert-led training and new on-demand content** to develop business knowledge and skills in areas including business planning, leadership, finance, marketing, digital adoption, exporting and many more. Over the last year, the Academy delivered 600 interactive webinars in partnership with subject matter experts to over 14,000 unique businesses.

Scale-Ups

- **Supporting high-growth businesses to scale and stay in the UK** through a bespoke concierge service, a new pipeline service, the appointment of Penny Verbe as Scale-up Adviser to DBT SoS and strengthened measures to attract and retain world-leading talent, helping to establish a world leading scale-up ecosystem.

Procurement

- **Ensuring SMEs are a national priority in Public Procurement** by setting three-year direct SME spending targets and SME Action Plans for government departments, increasing opportunities for local suppliers by allowing local authorities the flexibility to reserve certain competitions, and strengthening prompt payment requirements across government supply chains. As a result, small businesses are projected to receive over £7.4 billion annually by 2028.

Defence

- **Establishing the Defence Office for Small Business Growth** – reducing barriers with new SME commercial pathways, streamlined internal processes, and clearer security clearance guidance. It also recently held a Dragons' Den-style event connecting defence innovators with private investors.
- **Awarding thirteen new contracts to SMEs** to develop cutting-edge systems, worth up to £4 million, as part of a new Defence Unicorns scheme – with half the firms new to defence.
- **Committing to increase direct and indirect defence spending with SMEs by £2.5 billion to £7.5 billion by May 2028**. As set out in the Defence Investment Plan this is 50% increase of direct spend with SMEs. This is reinforced by wider measures across Defence, including £400 million per year for UK Defence Innovation projects.

UK Export Finance

- **Rapidly expanding access to export finance for small businesses through UK Export Finance**, with 20% year-on-year growth and a commitment of £11 billion of lending capacity from major banks to support smaller exporters. UKEF has also broadened its offer by onboarding non-bank lenders including White Oak, Nighthawk, Mercore and AIB, further increasing the reach and flexibility of support available to SMEs. This is supported by an expanded regional network of advisers, improved export insurance and online tools to help SMEs secure and fulfil contracts.
- **In the last two financial years, UKEF has provided over £1bn of direct support to SMEs**, through its General Export Facility, helping these firms to manage cash flow, enter new markets, and invest in growth. In 2025–26, UKEF supported 616 SMEs – more than in any year in the last three decades. These businesses span a wide range of sectors and regions, with 85% based outside London.
- **Launching a new UK Export Finance-British Business Bank scheme to help SMEs access the finance they need to grow exports.** The scheme will bring together the strengths of both organisations to widen access to finance for both established exporters and businesses looking to start exporting, helping more SMEs grow internationally and reach new markets.

Digital Trade

- **Delivered a series of SME pilot transactions through the UK Digital Trade Corridors programme** between the UK, France and Germany, demonstrating how digital trade processes can reduce the day-to-day operational burden for SMEs, with case studies showing an estimated 50% reduction in administrative time per shipment and up to 90% reduction in paper documentation. We have also launched our SME Capability research programme to explore SME awareness, understanding and use of Electronic Trade Documents (ETDs).

Monitoring our Delivery

To ensure the Government's policy initiatives and programmes are having an impact, we will continue to monitor delivery of the Plan and the wider health of the SME population. We will publish further delivery updates over the course of this Parliament and monitor a set of five key economic indicators that track SME performance: growth ambition, productivity, employment, turnover and the number of high-growth businesses[12].

Looking ahead[13]

- **Jun-Aug:** Digital Skills Roadshows in partnership with industry, helping SMEs unlock the benefits of digital technology.
- **August:** Non-levy paying employers (mainly SMEs) will not need to pay co-investment for the apprenticeship training for 16-24-year-olds, extending the current arrangement where 16-21-year-olds are fully funded.
- **August:** Publication of Small Business Regulatory Taskforce recommendations.
- **August:** Launch of Phase 2 of the Digital Trade Corridors programme, supporting businesses to modernise their import and export processes, saving time and reducing paperwork.
- **September:** Departments will publish their annual progress against SME procurement direct spend targets.
- **September:** Launch of the British Business Bank South East Investment Fund and East of England Investment Fund, totalling £350m in capital.
- **September:** Great British Pitch in partnership with Small Business Britain providing SMEs an opportunity to pitch live to US buyers and distributors.
- **September:** Publication of the Government response to the call for evidence on business support for co-operatives.
- **Autumn 2026:** Launch of the Scale-up Catalyst Pilot to test an intensive delivery model for accelerating 200 of the UK's highest-growth potential scale-ups.
- **October:** Introduction of £2,000 apprenticeship hiring payment for non-levy paying employers (mainly SMEs) for taking on 16-24-year-old apprentices as new employees.
- **October:** Start Up Loans Ambassadors Launch, highlighting diverse role models and improving access to finance by inspiring new entrepreneurs.
- **Oct-Nov**: Publication of e-invoicing roadmap setting out milestones to implementation in April 2029.
- **November:** Family Business Week, a programme of events celebrating family businesses as anchors driving local and place-based growth.
- **December:** Inaugural Business Growth Festival celebrating high-growth SMEs and demonstrating support to help them scale.
- **December:** Small Business Saturday, a national campaign encouraging people to shop local and championing SMEs' contribution to local economies and communities.
- **Early 2027 (estimated):** Royal Assent for Small Business Protections Bill.

[12] These will be monitored via official statistics. SME performance is determined by a broad range of external factors, many of which are outside of government's direct control. The data on SME performance is lagged, so the most recent statistics will not represent the potential impact of measures in the Small Business Plan.
[13] Activity and policy subject to change

- **2026-27**: Development of the SME Procurement Education Programme to build SME capability to access and engage in public procurement.

Find the right support for your business

The Business Growth Service exists to back your business to succeed. We are the UK's national business support service, helping businesses to find the advice, guidance, and opportunities they need to start and grow. It brings together government-backed support in one place, connected locally, making it easier and quicker for businesses to get the right help at the right time.

You can contact us by visiting business.gov.uk, calling the Business Support Service on 0800 998 1098 or dropping us a WhatsApp at 0333 004 7951.

business.gov.uk

Department for Business and Trade

The Department for Business and Trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the Industrial Strategy, Make Work Pay, the Trade Strategy and the Plan for Small Business.

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