

Rt Hon John Healey MP
Chancellor of the Exchequer
HM Treasury
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Dear Chancellor of the Exchequer,

Every quarter, [Enterprise Nation](#) asks its community what is holding them back. This submission carries their answer. We write on behalf of over one million founders who use our platform each year and 180,000 active members, ahead of the Autumn Budget on 28 October.

Their priorities are clear, and there are three of them.

1. The cost of doing business. Three in four owners (76%) now pay themselves under £20,000 a year, up from 63% in 2025, according to our [Small Business Barometer Q2 2026](#). Seven in ten (69%) have delayed or cancelled a plan to grow to cover costs, and more than a quarter (27%) have considered closing, our [Growth on Hold](#) report finds.

Their first ask is the simplest. Do not add to the burden. Any measure that raises a small business's costs or paperwork should wait, and any measure that cuts a cost or a form should go ahead.

Relief comes first because a business spending its margin on VAT, rates and energy has nothing left for the software, the training or the hire that would make it productive. Two productivity priorities follow from it.

2. AI adoption. Only one in five small businesses (21%) uses AI regularly and only 6% use it every day, our [Digital and AI Adoption](#) research finds. The smallest firms are furthest behind, with 34% of one-person firms using AI at all against 68% of firms with 50 to 249 staff. Closing that gap is the productivity measure that matters most to small firms.

Only 22% turn to government for technology advice, so the answer must run through the advisers they already trust.

3. Youth entrepreneurship. Our [StartUp Ambition Report 2026](#) finds 62% of 25 to 30 year olds are considering starting a business, and 66% do not know government support exists. Six in ten founders under 25 started as a side hustle.

Many in this generation already see enterprise as their route into work, and the Budget can make that route cheaper and clearer. That starts with keeping side hustle tax voluntary rather than taking it from wages.

Part one of this submission sets out the measures that serve those three priorities, with our evidence beside each. Part two contains our further representations across markets,

technology, finance, talent and space, each kept current against government policy and carrying domestic or international precedent.

We will help deliver all of it, as we do today. We would welcome a meeting on the three priorities, and we can convene founders for Budget roundtables at short notice.

Yours sincerely,

Aaron Asadi
CEO of Enterprise Nation

Part one: our community's priorities

Each measure below comes from research Enterprise Nation has published, carries a cost where one arises and rests on a working precedent. Where we offer delivery, the means already exist.

Priority 1: Cut the cost of doing business

Our [Growth on Hold](#) survey with Square and EDF Small Business asked 526 small businesses about their costs. VAT was the heaviest, with six in ten placing it in their top three pressures. Energy price rises had cut net margins by at least a tenth in six months for 45%.

Our [Small Business Barometer Q2 2026](#) adds the cash flow picture. Two in five (42%) were paid late in the past year, nearly double the 2023 to 2024 average.

Decide on hospitality VAT at this Budget

The ask. Decide now and say so, because even a no with reasons lets a business plan. The Prime Minister [backed](#) a 10% hospitality rate before taking office and the Treasury has [said](#) any cut must be fully funded. If government cuts the rate, it should state which outcome the cut is meant to buy and publish an assessment within a year.

The evidence.

- In our [Growth on Hold](#) survey, 37% of small businesses said a cut in the standard rate would help most. On the high street, where 80% of respondents were VAT-registered, 54% put a VAT cut first.
- Asked what they would do with a hospitality cut, 46% would absorb other rising costs, 44% would invest, 29% would hire and 23% would lower prices. A cut steadies margins and funds investment, and lower prices would come later, if at all.

The precedent. Independent [analysis](#) of the pandemic cut found only 20% to 50% reached prices at its peak, fading within two months. Ireland's temporary 9% rate ran for eight years. Its Department of Finance found the rate cost €490 million in 2017 with significant deadweight, and the Finance Minister [told](#) the Dáil it would return to 13.5%.

We will deliver. We can track what businesses do with any cut through the Barometer and our hospitality members, giving the Treasury an evaluation baseline from day one.

Pay the next round of cost support as flat grants through councils

The ask. A delivery rule rather than a new scheme. Whenever government next funds direct cost support, pay it as flat grants through councils using the business rates list, with registration replacing the application form. Businesses without premises would be paid through HMRC or the Business Growth Service.

The evidence.

- Grants were the top ask in our [Growth on Hold](#) survey among businesses a VAT cut cannot help. Away from the high street 33% chose grants first, rising to 40% of sole traders, while the [Small Business Plan](#) offers loans and guarantees.

- The channel is proven. Councils distributed £22.6 billion through 4.5 million pandemic grant payments, and the National Audit Office [found](#) it worked when eligibility was checked before payment.

The precedent. Ireland [tied](#) a €257 million grant to the rates bill with registration instead of applications. Its money moved fast but [reached](#) only around half the businesses it was built for, so awareness must be planned alongside the grant. Our [StartUp Ambition Report 2026](#) finds 66% of would-be founders are unaware of government-backed support.

We will deliver. We can carry awareness to a million founders a year so the money reaches the businesses it is for.

Raise Small Business Rate Relief thresholds and pilot payments to landlords who re-let empty shops

The ask. Raise the full-relief threshold from £12,000 to £18,000 of rateable value and the taper from £15,000 to £21,000, the design [proposed](#) in July. Pilot council payments to landlords who sign leases with independent businesses below market rent, recovered if the unit falls empty within a year.

The evidence.

- In our [Growth on Hold](#) survey, 67% of high street businesses paid rates against 21% elsewhere, and 77% had shelved a plan to grow.
- Almost half (48%) of high street respondents already receive Small Business Rate Relief or a similar discount. Raising the thresholds protects the businesses closest to losing the relief they have. Government has [promised](#) to return to the relief at this Budget, and analysis by Ryan [puts](#) the cost at around £880 million a year.
- 69% said landlord incentives would make a meaningful difference, and government [guidance](#) records around one in seven shops empty nationally. When Broxtowe council [served](#) the first rental auction notice, the landlord refurbished the unit and let it before any auction was needed.

The precedent. Scotland's Fresh Start relief, which the Scottish Government [funds](#), gives a new occupier of a long-empty unit 100% relief for a year. A landlord payment gives England a tool aimed at the other party to the lease.

The Commons Library [records](#) the £301 million High Street Innovation Partnerships fund as not yet allocated. This pilot and the tenant support programme in Part two would both draw on it.

We will deliver. We can supply small businesses ready to take re-let units and track survival at 6 and 12 months through the Barometer.

Fund enforcement of the late payment law and name the businesses that break it

The ask. Back the Commercial Payments Bill in full. Fund the Small Business Commissioner to open investigations, with penalty revenue paying for enforcement. Publish every sanction, and state now what would trigger the move from a 60-day cap to 45 that government [said](#) it intends within five years.

The evidence.

- Late payment [costs](#) the economy almost £11 billion a year and closes 38 businesses every day, on government's own figures. The [research](#) behind them puts £26 billion overdue at any one time and 86 hours a year spent chasing payment by each affected business.
- Our [Small Business Barometer Q2 2026](#) finds 42% of small businesses were paid late in the past 12 months. The Bill [caps](#) terms at 60 days and gives the Commissioner power to fine, and it [completed](#) its Lords committee stage on 21 July with its core provisions intact.

The precedent. France requires publication by law and [inspected](#) 766 businesses in 2023, issuing more than €58 million in fines, and Japan's reformed subcontracting law [names](#) violators. The EU proposed a 30-day cap and its member states have [blocked](#) it. A 60-day cap the UK enforces will do more than a 30-day cap the EU cannot pass.

We will deliver. We can carry payment-practice guidance to a million founders a year through [Supply Connect](#), and our Barometer tracks late payment every year as an evaluation baseline.

Roll out the Business Energy Advice Service across England

The ask. Fund a national rollout of the audit and grant service through the Business Growth Service, with participants supplying meter data and auditors working to one accredited standard. The Department for Energy Security and Net Zero (DESNZ) and the Department for Business, Innovation, Science and Trade (BIST) would run it jointly. Confirm the smart meter condition DESNZ [consulted](#) on for new fixed-term business contracts from January 2027.

The evidence.

- In our [Growth on Hold](#) survey, 45% said energy price rises had cut net margins by at least a tenth in six months. Only 25% knew of grants or reliefs for efficiency upgrades, and only 24% had ever had expert guidance on managing energy costs.
- Ofgem [reports](#) that electricity prices for medium-sized businesses ran 92% above the EU median in the second half of 2024, the highest in Europe. The [VAT cut](#) on household electricity does nothing for a shop or café on a business tariff.

The precedent. Government's own West Midlands pilot cost £40.0 million and returned £46.9 million in modelled benefits, its [evaluation](#) found, with 54% of businesses implementing recommendations. Ireland's [SEAI](#) and [Business Energy Scotland](#) already run this model as permanent national services.

We will deliver. Our [Powering Local Businesses](#) programme with EDF Small Business already reaches small businesses with energy advice. We can carry a national service to the businesses the pilot missed.

Priority 2: Close the AI adoption gap

Our [Digital and AI Adoption](#) research with Strand Partners finds 21% of small businesses use AI regularly and only 6% use it every day. The smallest firms are furthest behind, with 34% of one-person firms using AI at all against 68% of firms with 50 to 249 staff.

Only 22% turn to government for technology advice, while 64% ask their accountant, 46% want free one-to-one advice and 40% want tax incentives. Adoption support has to run through trusted intermediaries, and the cost barrier needs a targeted incentive.

Fund the national digital and AI adoption service, delivered through trusted intermediaries

The ask. Fund at national scale the support package government promised in its [one year on](#) report for the end of the year.

It should be an advice-led CTO-as-a-Service model integrated with the Business Growth Service and delivered through the intermediaries small businesses already trust. Support should move from AI-powered diagnostics to one-to-one advice as a business matures. Our modelling puts the scheme at about £13.75 million a year, or £53.35 million over four years.

The evidence.

- Government [backed](#) all ten recommendations of the SME Digital Adoption Taskforce, whose final [report](#) called for a scalable online CTO service. Pilots are live, with 223 applications in the West of England and more than 806 businesses supported in Leeds.
- Help to Grow: Digital shows the alternative. It offered vouchers without advice, and its [evaluation](#) records 830 vouchers redeemed against a 100,000 target.

The precedent. Singapore's [CTO-as-a-Service](#) and New Zealand's Digital Boost, described in the Taskforce's interim [report](#), run this model at national scale.

We will deliver. Our [Tech Hub](#), built with Google, Sage, Dell Technologies and Square and approaching 90,000 users, is the closest existing UK analogue. Government [named](#) us a strategic partner to AI Skills Boost in June 2026. From January our next AI adoption programme supports 157,000 businesses, with 70% of intensive places reserved for women-led and underserved founders.

Offer a targeted tax incentive for adopting AI and productivity technology

The ask. An enhanced 140% deduction on the first £50,000 of expenditure on productivity-enhancing digital services, claimed through an additional box on the tax return. Eligibility would cover firms under 250 employees, against an HMRC-defined qualifying list. Modelling for our Tech Hub programme puts the cost at £300 million to £350 million for a year-long incentive.

The evidence.

- Our [Time is money](#) research found that software licence cost, perceived or actual, stops the smallest firms adopting tools that would raise productivity. Expensed software sits outside the capital allowances system, and the main writing-down allowance fell from 18% to 14% in April 2026, as HMRC's [policy paper](#) sets out.
- At 25% corporation tax the extra deduction is worth 10% of purchase cost, enough to shift an investment decision. Tax incentives rank among the most wanted forms of adoption support at 40% in our [Digital and AI Adoption](#) research.

The precedent. Australia's [Small Business Technology Investment Boost](#) allowed a 120% deduction capped at AUD 100,000 for one year, with a published qualifying list. Independent evaluation is not available, so a time-limited UK design with evaluation built in improves on it.

We will deliver. We can define and test the qualifying-expenditure boundary with our Tech Hub vendor and accountant network, and track uptake through the Digital and AI Adoption research series.

Priority 3: Back the next generation of founders

Our [StartUp Ambition Report 2026](#) finds 62% of 25 to 30 year olds are considering starting a business and 66% do not know government support exists. It also finds 56% of people planning a business this year will start part-time. Our [Small Business Barometer Q2 2026](#) shows 60% of founders under 25 started as a side hustle, and four measures make that route cheaper and clearer.

Make unspent Growth and Skills Levy funds flow automatically to small firms hiring under-25s

The ask. Add a default-on, opt-out auto-match to the levy [pledge](#) function, directing uncommitted transferable funds to approved SMEs in the levy payer's supply chain or local area before they expire. Employers keep control through preference settings and quality is gated through approved-provider status. It is cost-neutral, because it redirects funds employers have already paid and would otherwise lose.

The evidence.

- The reforms that [take effect](#) from 1 August 2026 cut fund expiry from 24 months to 12, so unspent balances now lapse twice as fast. Without an auto-match the alternative is a quiet windfall to the Exchequer at the cost of SME training.
- Small firms already gain full funding for apprentices under 25 and a £2,000 hiring payment from 1 October, the government's [factsheet](#) confirms. The missing piece is money reaching them by default rather than by broker.

The precedent. France has pooled training funds for firms with fewer than 50 employees by law since 2018, and France compétences [records](#) 4.55 million courses funded that way in 2024. The change can be piloted quickly with mayoral strategic authorities.

We will deliver. We can broker supply-chain and place-based matches through [Supply Connect](#) and wrap mentoring around SMEs taking transferred funds through our [Help to Grow: Management](#) network.

Raise the trading allowance to £3,000

The ask. Match the allowance to the new £3,000 Self Assessment reporting threshold government has [confirmed](#), with a start date of April 2027 at the latest. One clear number replaces two that diverge. Under the current plan a trader earning £2,500 will no longer file a return but will still owe tax through a separate service.

The evidence.

- Our [Small Business Barometer Q2 2026](#) finds 42% of founders began as a side hustle. Side hustles are the most accessible route back into activity for the 9.19 million people the [Office for National Statistics](#) recorded as economically inactive in mid-2025.
- A £3,000 allowance is worth up to £400 a year to a basic-rate taxpayer whose other income already uses their personal allowance. That is a small incentive at the entry point where behaviour changes. Implementation needs one Finance Bill clause.

The precedent. The allowance has sat at £1,000 [unchanged](#) since April 2017 while the reporting threshold moves to £3,000. Raising it completes a reform government has already begun.

We will deliver. We can promote the new thresholds to side-hustlers nationwide and track formalisation into registered businesses through the Barometer.

Keep side hustle tax voluntary and scrap plans to deduct it from wages

The ask. Take the compulsion out of HMRC's plan to estimate the tax an employee owes on self-employed income and take it from their wages through their tax code from April 2029.

The [consultation](#) puts 2.1 million people in scope and expects to bring forward £925 million over three years. That is existing tax collected earlier from the households least able to lend it. It is the first test of the principle that this Budget should not add to the burden.

The evidence.

- Today an employee with a side business chooses whether to pay through their tax code or in a lump sum. The proposal replaces that choice with an estimate based on the last filed return, and side hustle income is rarely steady.
- Paula Tomlinson, a chartered accountant and Enterprise Nation adviser, set out the problem when we [reported](#) the change. Correcting a wrong deduction means knowing your profits mid-year, understanding your tax code and getting HMRC to change it. Her firm sees incorrect codes constantly.
- Our [StartUp Ambition Report 2026](#) finds 56% of prospective founders plan to start part-time alongside a job and 36% are starting to keep pace with rising costs. The average side hustler expects £7,034 in their first year. Their wage funds that year, and the proposal takes a slice of it before the founder knows whether there is a profit.
- Three harms go unaddressed. A changed tax code tells an employer that an employee has outside income, and deductions from take-home pay change the net earnings Universal Credit is assessed on. The consultation's own case study shows a three-person employer pushed from quarterly to monthly HMRC payments because an employee's business tax flows through its payroll.
- The timing is wrong twice over. The same taxpayers are absorbing Making Tax Digital, which reaches the £20,000 tier in [April 2028](#). In the transition year they would pay the old year's bill alongside the new deductions. The Business and Trade Committee [found](#) in February that small firms face pressures as severe as the pandemic and that HMRC still leaves millions of business calls unanswered each year.
- The measure pulls against government's own [commitment](#) to take 300,000 low-income traders out of Self Assessment. One arm of policy is simplifying life for the smallest traders while another would complicate it.

The precedent. The policy aim can be met without compulsion. Taxpayers can already choose to pay through their tax code, and Budget Payment Plans already allow weekly or monthly payment in advance. Promoting those tools through trusted advisers and platforms would raise timely payment, with any mandatory step reserved for repeat late payers.

If government proceeds regardless, our [response](#) to the consultation sets out five safeguards:

- a standing annual choice between payslip deduction and direct debit, so a side business is never disclosed through a tax code;
- an exemption for the first two years of trading;
- self-serve forecast revision with automatic in-year refunds where deductions outrun liability;
- a lower default than the 50% cap, with Universal Credit recipients at the lowest tier; and

- a start date after Making Tax Digital has bedded in, with the transition year's liability spread over twelve months by default.

We will deliver. Comments on our platform already show capable business owners unsure whether the change applies to them. Whatever is decided, we will carry plain-English guidance to a million founders a year, as we do for other government programmes.

Write enterprise education into the new curriculum frameworks

The ask. A defined, assessable strand delivered through existing subjects in the revised national curriculum. The government's [response](#) to the Curriculum and Assessment Review commits to publish that curriculum in spring 2027 for first teaching in September 2028. The Budget hook is delivery funding for accredited professional development in enterprise teaching and modest grants for enterprise labs partnered with local employers.

The evidence.

- The window is open now. The response made financial literacy statutory in primary schools and strengthened applied skills, and enterprise education is not a named strand. Decisions shaping a generation's exposure to enterprise are being made in the coming months.
- Enterprise projects deliver the applied skills the Review endorsed, in problem-solving, initiative and collaboration, so the marginal curriculum cost is near zero. They complement the strengthened careers [guidance](#) framework without duplicating it.

The precedent. The evidence is mixed. Alumni surveys of Young Enterprise and Junior Achievement report higher rates of business ownership. A controlled Dutch [study](#) of a mini-company programme found no gain in skills and a fall in intentions.

Each phase therefore needs longitudinal tracking of progression, work readiness and business formation.

We will deliver. We can support delivery through founder-in-classroom programmes and teacher-facing content, and convene employers for the enterprise-lab partnerships.

Part two: further representations

Our remaining representations follow under our five access pillars. Each has been updated this month against current government policy and carries domestic or international precedent. Each draws on research we have published or proposals we have shared with government departments.

Access to markets

Resource UK Export Finance to meet its target of supporting 1,000 SMEs a year by 2029

UK Export Finance (UKEF) has committed to supporting 1,000 SMEs a year by 2029, a target set in its [business plan](#). Government has made progress. The Small Export Builder launched in June 2025, and the [Small Business Plan](#) expanded the agency's financing capacity to £80 billion.

The SME gap remains. UKEF's [Annual Report and Accounts 2024/25](#) show it supported 496 SMEs, halfway to the annual target, within a record £14.5 billion of support across 667 firms. Exposure remains concentrated among large exporters, while SMEs account for [99.9% of UK businesses](#).

The United States shows what a published target does. The Export-Import Bank's charter sets a minimum share of its financing for small businesses, and its [annual report](#) records the result each year. In 2020 small businesses took 38.6% of authorisations against a 25% floor, and UKEF's 1,000-SME target should carry the same public test.

New products do not fix the awareness gap. The Department for Business and Trade's 2023 national [survey](#) found only 31% of exporters knew about government export and trade support. Our [Small Business Barometer Q2 2026](#) finds 17% of small businesses export today and 26% export or want to export more.

We welcome the [joint UKEF and British Business Bank guarantee scheme](#) for smaller export lending, announced on 12 July 2026 for launch in spring 2027. Capital capacity alone will not deliver the 1,000-SME goal. To close the gap, government should:

- **Ring-fence administrative and outreach budgets** within UKEF for SME marketing, regional Export Finance Managers and product development;
- **Publish annual SME progress data**, including regional breakdowns, the diversity of business leadership and the value of deals supported; and
- **Fund SME awareness activity for the spring 2027 scheme launch**, so the new route reaches first-time exporters rather than existing applicants.

This ask is cost-neutral at departmental level. UKEF operates at no net cost to the taxpayer, and its [Annual Report and Accounts](#) record £146 million returned to the Exchequer in 2024/25. The request is a reprioritisation towards reach, with published data as the accountability mechanism.

Enterprise Nation can run first-export awareness campaigns to its million-founder audience and host Export Finance Managers across its events programme. Our Barometer data can target regions where export appetite outruns finance awareness.

Confirm the extension of online marketplace VAT liability to UK sellers, with a threshold that protects micro-sellers

The UK's online marketplace [rules](#), introduced in 2021, make platforms liable for VAT on goods sold to UK consumers by overseas sellers. UK-established sellers remain outside scope and account for VAT themselves. Some overseas traders misrepresent themselves as UK-based to avoid the rules.

HMRC's [guidance](#) on the checks platforms must make shows the cost of hinging liability on where a seller is based rather than on the transaction. The Public Accounts Committee [concluded](#) in February 2025 that HMRC has under-estimated VAT evasion in online retail.

Enterprise Nation asked for this change in our [Autumn Budget 2025 submission](#). Government has since moved. On 23 June 2026 HMRC and the Treasury opened a [consultation](#) on extending marketplace liability to UK-based sellers, which closed on 18 August.

The consultation proposes a minimum platform threshold at £90,000 of sales per platform, so sellers below it stay outside the rules. It earmarks the revenue for improvements to business rates for high streets, as the [Chartered Institute of Taxation's response](#) records. Both design choices match what we asked for last year.

We ask the Budget to confirm the extension and set an implementation date. The threshold should track the VAT registration threshold, so no seller is caught on a marketplace who would not be registered elsewhere. Platforms should collect and remit automatically once a seller crosses it.

The change protects compliant UK small businesses from under-priced competitors who evade VAT. It raises revenue at low administrative cost by concentrating collection in a small number of platforms. Marketplaces are now core trading routes for small firms, and our [Small Business Barometer Q2 2026](#) records more than 200,000 UK small and medium-sized businesses selling through TikTok Shop alone.

International practice supports the move. Switzerland has [treated](#) online marketplaces as deemed suppliers for goods since 1 January 2025. The EU's VAT in the Digital Age package [embeds](#) platform liability in accommodation and passenger transport.

In Northern Ireland, where VAT on goods tracks EU rules under the Windsor Framework, the design needs a compatibility check. Enterprise Nation can convene marketplace sellers for HMRC design workshops and test the threshold with micro-sellers before implementation.

Champion small business exports through visible leadership and coordinated promotion

Exporting remains one of the most powerful growth routes for small firms, yet many founders see it as the preserve of large corporates. The barrier is rarely ambition or product quality. The Social Market Foundation has [shown](#) that export support works best when practical advice is paired with visible promotion and peer networks.

The [Trade Strategy](#) commits to align export promotion with SME growth and has delivered the Small Export Builder. Our [Small Business Barometer Q2 2026](#) shows the audience is there, with 26% of small businesses exporting or wanting to export more. Sustained, visible promotion that reaches them is missing.

We propose two low-cost measures within existing promotion budgets. First, a Small Business Export Champions programme run jointly by UKEF and the Department for Business, Innovation, Science and Trade (BIST). Selected SME exporters would receive communications training and a role in national campaigns, so first-time founders see people like themselves in the trade story.

Second, a First-Export Campaign combining founder storytelling, peer webinars led by experienced exporters and starter support for translation, market testing and trade fair attendance. It should start in sectors where UK SMEs are globally competitive.

Australia's SME Export Hubs show what visible, regional promotion can achieve, [providing](#) matched grants of up to AUD 1.5 million for local export capacity. Independent evaluation of the Hubs is not yet available, so the UK should build evaluation in from the outset. Each measure should carry a target for new first-time exporters each year, published annually alongside the Budget.

Enterprise Nation can deliver the campaign format directly. We run founder storytelling, showcase events and peer webinars at national scale, and our [Access all Areas: Markets](#) research with The Entrepreneurs Network sets out what small exporters need. That gives BIST a delivery partner with reach rather than a request for new structures.

Bring back a UK tradeshow programme built on the designs that work in the United States and Germany

Small exporters lack a systematic way to offset the high fixed costs of exhibiting overseas. The Tradeshow Access Programme was [withdrawn](#) in 2021 and [replaced](#) by a UK Tradeshow Programme pilot. That pilot ended in March 2023, with the government [conceding](#) it "did not yield the successes we might have hoped".

Other countries run this kind of support nationally and can show results. The United States funds small firms to exhibit abroad through its State Trade Expansion Program, delivered by state trade agencies with a 25% state match. A Congressional Research Service [briefing](#) records that trade show exhibitions were the largest use of the grants and generated almost \$2 billion of export sales between 2014 and 2018.

Germany's federal [foreign trade fair programme](#) has run since 1949. It funds shared "Made in Germany" pavilions at selected fairs, and 85% of the firms that use it are SMEs. The joint pavilion cuts the cost and organisational burden that keep small firms away.

The UK's past schemes failed on design and reach, so the new programme should borrow the two features that make the American and German models work. First, deliver it through accredited trade organisations, sector bodies and Enterprise Nation, which already manage show participation and hold the export-curious audience. Second, fund shared UK pavilions in priority sectors such as climate tech, so a small firm can exhibit for a fraction of a standalone stand.

Eligibility should run from £50,000 to £10 million in turnover, weighted towards underrepresented regions and under-exporting sectors. Support should cover exhibition space, stand design, travel and promotional material, wrapped in pre- and post-show training on negotiation and lead conversion, with embassy matchmaking in market. An attendee track with modest travel support would let new exporters learn a show before committing to exhibit.

The programme should launch in phases with performance-linked budgets, post-event export tracking, a public performance dashboard and an independent evaluation after two to three years. A single digital application portal and outreach through chambers, growth hubs and devolved governments would fix the low uptake that undermined past pilots. The cost is small and controllable, and the design ties spend to measured export performance.

Enterprise Nation can act as a delivery partner for outreach, applicant readiness and post-show follow-up. Our Barometer and Access all Areas: Markets research identify the export-curious audience previous schemes failed to reach.

Access to technology

Fund SME transition support in the e-invoicing implementation roadmap

Enterprise Nation asked for a phased e-invoicing mandate in our [Autumn Budget 2025 submission](#), and government delivered it. The consultation [response](#) published at Autumn Budget 2025 confirmed mandatory e-invoicing for all business-to-business and business-to-government VAT invoices from April 2029. On 23 June 2026 HMRC [confirmed](#) Peppol as the core network, and the implementation roadmap is due at this Budget.

We welcome that decisiveness. What matters now is whether the smallest firms can make the transition. Late payment [costs](#) the economy almost £11 billion a year, and our [Small Business Barometer Q2 2026](#) finds 42% of small businesses were paid late in the past 12 months.

The Small Business Commissioner's [research](#) puts £26 billion in overdue invoices at any one time. Structured e-invoicing shortens payment cycles and cuts errors, and [Italy's](#) experience associates mandation with a marked fall in the VAT gap.

The roadmap should carry four commitments for small businesses. First, funded transition support for the smallest firms, designed in from the start. Second, free or low-cost compliant software routes, so no viable business is priced out of the mandate.

Third, a phased timetable that protects businesses below the VAT threshold from pressure to adopt before they are ready. Fourth, a formal evaluation of impacts on payment times, SME burden and VAT compliance.

Belgium shows the pairing that works, with a mandate that started on 1 January 2026. SMEs and the self-employed get a 120% tax deduction on e-invoicing software and advice for 2024 to 2027, as Forvis Mazars [sets out](#). The UK roadmap should carry support of equivalent weight.

The [evaluation](#) of Help to Grow: Digital shows why support design matters. The scheme set out to reach 100,000 businesses and redeemed 830 vouchers before it closed, and those interviewed told the evaluators that small firms needed one-to-one advice from the outset. The mandate raises revenue for HMRC by closing part of the VAT gap, so a modest, time-limited support cost protects a reform that pays for itself.

Enterprise Nation's [Tech Hub](#) can deliver diagnostics and readiness guidance to every business that needs them, and our accountant and software partners can carry implementation content. Our Barometer tracking of payment times offers an evaluation baseline, and we ask to convene the SME testing panel for the roadmap.

Build a Unique Business Identifier and reusable verified credentials so businesses tell government once

A small business gives government the same details again and again. It is a tax reference to HMRC, a registration number to Companies House and a licensing record to its council, and none of those systems talks to the others. [The Master Key](#), our policy paper with Xero and The Entrepreneurs Network published in February 2026, sets out how to end that.

The paper proposes two building blocks. A Unique Business Identifier links the numbers a business already holds, so a change made once propagates across government. Singapore,

Australia and New Zealand already run single business identifiers, as [The Master Key](#) sets out, and the paper draws its design from them.

Reusable verified credentials then let a business share proof of its status with a bank, a supplier or a department without repeating checks. They also let an owner delegate access to an accountant without handing over a password.

The prize is large and the legal tools now exist. The City of London Corporation [estimates](#) that scaling digital verification could add £4.8 billion to the economy by 2030 through lower fraud losses and faster digital services.

As [The Master Key](#) records, the Data (Use and Access) Act 2025 created the trust framework for digital verification services. Companies House identity verification became mandatory in November 2025, and GOV.UK One Login now fronts Companies House filing.

The cost of inaction is visible. During the pandemic, the inability to verify businesses instantly meant checks were relaxed for speed, and fraud and error in business support [The Master Key](#) puts at £10.9 billion. A verified identifier would also make invoice fraud harder, because an e-invoice signed against the wrong identifier would be rejected.

Industry has done the design work. The Centre for Finance, Innovation and Technology's Digital Company ID coalition [delivered](#) a route to a working prototype that links across systems in March 2026. It came with a trust framework and priority use cases in lending and supplier verification.

Its proof of concept [found](#) that a Digital Company ID could cut the time to verify and onboard a business for a bank account by 60%.

We ask the Budget to fund two things before the 2029 e-invoicing mandate arrives. First, a federated index across HMRC and Companies House under the Data (Use and Access) Act, so a business updates its details once. Second, business delegation in GOV.UK One Login, so an owner can issue time-limited permissions to staff and advisers rather than share credentials.

Government should also legislate for attribute exchange standards so the credentials work with banks and supply chains. An SME council should co-design a transition that overlays existing identifiers rather than replacing them. Existing businesses would move across at their own pace, driven by the usefulness of the system.

Enterprise Nation, Xero and The Entrepreneurs Network have offered to co-design the transition with government. We can test delegation and credential designs with our million-founder audience and our accountant network, who carry the burden of shared logins today.

Access to finance

Fund financial readiness support to unlock £5 billion of small business lending

The small business finance gap is now a demand-side problem more than a supply-side one. Our [Small Business Barometer Q2 2026](#) finds only 40% of small businesses plan to seek external funding, the lowest reading since the Barometer began in 2023. The amounts requested are shrinking too, with 40% of those seeking funding wanting under £10,000, up from 27% a year ago.

Founders are not short of products. They stall before applying, unsure what lenders require or how to become fundable.

The Centre for Finance, Innovation and Technology (CFIT) quantified the fix in its April 2026 report, [Improving SME Access to Finance](#). It analysed around 100,000 declined SME applications and found 65% were rejected for addressable reasons rather than fundamental ineligibility.

The Bank Referral Scheme shows the scale of the drop-off. HM Treasury's [statistics](#) show more than 130,000 rejected businesses referred since 2016, of which nearly 7,000 secured funding. CFIT estimates that structured readiness support, delivered through financial health tools, could unlock £5 billion of additional lending to small businesses each year.

We ask the Budget to fund financial readiness support for small businesses, delivered through trusted intermediaries alongside lenders. The commitment should act on the CFIT coalition's blueprint and embed readiness tools before application and after decline.

The timing fits. In May 2026 the government's [response](#) to its Bank Referral Scheme consultation asked the finance sector for industry-led proposals to improve referrals by 18 December 2026. Readiness support should be written into those proposals, so a rejection becomes a route to remediation, and the support cost is small against £5 billion of annual lending.

Government's own Start Up Loans programme, which pairs each loan with pre-application support and mentoring, shows what advice adds. The British Business Bank's [evaluation](#) finds higher survival and stronger growth than comparable businesses, and £5.50 to £5.60 of value added for every £1 spent. Two-thirds of recipients could not have raised the money elsewhere, so the support, not the loan alone, is what turns them into fundable businesses.

Enterprise Nation is ready to deliver. Our [Make A Plan](#) diagnostic, built with Mastercard, already assesses founders' readiness and routes them to action. We can carry readiness tools to a million founders a year and track outcomes through the Barometer, giving Treasury the evidence base as the programme scales.

Back more small business lending through non-bank and community lenders

Readiness fixes the demand side. Where businesses do apply, the supply side still turns too many away.

CFIT's [Improving SME Access to Finance](#) report puts bank loan applications at around 130,000 small businesses a year. Roughly half are declined, and a further 130,000 are put off applying at all.

Our [Growth on Hold](#) report finds access to capital tied with energy and overheads as the single biggest barrier to growth, at 29% each. Our [Small Business Barometer Q2 2026](#) shows where founders are turning instead. Alternative lending's share has fallen to 20% from a peak of 31% in 2024, and credit card use has nearly doubled since 2025, from 4.5% to 8.7%.

Government has expanded the guarantee. The British Business Bank [welcomed](#) a £6.5 billion uplift to the Growth Guarantee Scheme in July 2026, alongside new support for community

lending. The scheme has delivered £3.7 billion through 70 accredited partners, and which lenders carry the new capacity is the open question.

We propose three steps. First, the British Business Bank should set and publish a rising share of Growth Guarantee lending that flows through non-bank, community and fintech lenders. Those lenders already serve many of the businesses the big banks turn down.

Second, government should deliver the commercial credit data sharing reforms set out in its May 2026 [response](#). A lender could then assess a small business on its trading record rather than its collateral, and a card-taking business generates that record every day.

Third, the industry proposals due on 18 December should give every business turned down by one lender a working route to others, promoted through the Business Growth Service.

The UK's community lenders already do this work. Responsible Finance's 2026 [impact report](#) records £181 million lent to start-ups and small businesses in 2025, up 28% in a year, starting 5,741 new businesses. Almost every business they lend to has been [declined](#) by another lender first, so a rising guarantee share for these lenders reaches the businesses banks turn away.

Enterprise Nation can promote the referral route and the alternative lending market to founders who never reach a bank application. We can test which messages move them through our member panel and Barometer.

Open a supported route into Making Tax Digital for businesses under £20,000

Making Tax Digital (MTD) for Income Tax is [live](#). Sole traders and landlords with qualifying income over £50,000 joined in April 2026, the £30,000 tier follows in April 2027 and the £20,000 tier in April 2028. Our members are inside the first wave now.

For the roughly four million taxpayers below £20,000, the government's [technical note](#) says only that it will explore how to bring them the benefits of digitalisation. Plans for Corporation Tax remain shelved, leaving more than a million micro-companies outside any digital reporting regime.

The smallest businesses stand to gain the most. [Research](#) by Enterprise Nation, The Entrepreneurs' Network and Intuit found more than half of businesses with turnover below £20,000 said digital accounting software encouraged them to adopt other productivity-boosting technology.

Digital records also cut error. HMRC's [2026 tax gap estimates](#) attribute 35% of the gap to failure to take reasonable care and 16% to error, with small businesses the largest share. HMRC [expects](#) MTD for Income Tax to raise £1.95 billion by 2029/30 by reducing errors, so support that widens adoption pays for itself.

HMRC is landing the 2026 to 2028 waves now, and its [consultation](#) on timely payments adds a second change for the same taxpayers from 2029. We do not ask for early mandation. We ask for two commitments.

First, a voluntary, supported route into MTD for the sub-£20,000 population, with free software options, plain guidance and tailored help for the digitally excluded. Mandation should be reviewed only after the 2028 wave beds in.

HMRC's own record shows a voluntary route can work. Around a third of VAT-registered businesses below the threshold [joined](#) Making Tax Digital for VAT before they had to. HMRC's final [evaluation](#) found those businesses saved 26 to 40 hours a year and paid around £19 more VAT a quarter through fewer errors.

Second, a roadmap for bringing incorporated micro-companies into digital reporting, restoring direction on Corporation Tax.

Enterprise Nation can deliver readiness content and campaigns for each wave through its platform and accountant partners. Accountants are the first port of call for 64% of small firms in our [Digital and AI Adoption](#) research. We responded to HMRC's timely payments consultation and can evidence the voluntary route through Barometer and Pulse tracking.

Access to talent

Improve support programmes to help older workers move from unemployment into self-employment

Economic inactivity among older workers remains high. Official [data](#) show 26.1% of 50 to 64 year olds were economically inactive in 2025, around 3.6 million people and some 300,000 more than before the pandemic.

Only about one in ten out-of-work people in this group [engage](#) with government back-to-work programmes. Since the New Enterprise Allowance closed, no dedicated route supports the move from unemployment into self-employment, and the standing over-50s offer is built around employment.

The appetite is there. Enterprise Nation's report [Access all areas: Older workers](#) found 67% of entrepreneurs over 50 believe now is a good time to start a business.

Our [Small Business Barometer Q2 2026](#) shows over-50 founders are motivated most by work-life balance, at 36%, and 32% started as a side hustle. What they lack is a support system they can find their way through.

We propose four changes within existing frameworks. First, protect and promote self-employed eligibility within Access to Work as the scheme is reformed through the Pathways to Work agenda. Older founders with health conditions should not be squeezed out.

Second, extend Work Adjustment Passports to over-50s, formalising the flexibility they need.

Third, unify application gateways across the Department for Work and Pensions, BIST and regional growth services into a single path. Fourth, fund targeted outreach and specialist mentoring for older cohorts within existing schemes such as Growth Hubs and Start Up Loans.

The New Enterprise Allowance's [evaluation](#) found effective support for people using self-employment to re-enter work, alongside questions about business sustainability. That mixed record argues for outcome-tied pilots that track survival, income stability and demographic reach. Each move from inactivity into self-employment cuts benefit spend while adding receipts.

Germany runs the model at national scale. Its start-up subsidy for unemployed people, the Gründungszuschuss, pays around €1,250 a month for six months alongside advice. Evaluations [summarised](#) by IZA World of Labor find 60% to 70% of subsidised businesses still trading after four and a half years.

Participants were 15 to 22 percentage points more likely to be in work than unemployed people who did not start a business. The evaluators stress that screening business plans at the outset is what makes the scheme work, which supports the outcome-tied pilot design we propose.

Enterprise Nation can deliver the specialist mentoring strand through its volunteer mentor network and Help to Grow: Management infrastructure, and target outreach using its older-founder evidence base.

Review targeted tax incentives to support small business upskilling

Small firms struggle to fund the skills they need. The levy reforms fund apprenticeships and units for firms below the £3 million payroll threshold that pays the levy, as the government's [factsheet](#) sets out, and the gaps sit elsewhere. Sole traders generally cannot deduct retraining into new fields, and firms below the threshold face cash constraints that deductibility does not solve.

Our [Talent Hub](#) research finds 57% of companies plan to invest in youth skills training but need support to make it happen. Micro and small firms fall through the cracks of existing schemes on eligibility and awareness. Tax incentives are among the most wanted forms of support in our [Digital and AI Adoption](#) research, at 40%.

We ask for a feasibility review, not a new relief on day one. The review should examine training tax credits as the complement to the reformed levy for firms below its threshold. Three designs merit testing: targeted tax-free training grants for high-priority skills, investment tax credits for firms partnering with colleges and training providers, and matched co-funding for certified upskilling.

Singapore's [SkillsFuture Enterprise Credit](#) gives each eligible employer a one-off S\$10,000 credit covering 90% of the out-of-pocket cost of approved training. The redesigned version due in the second half of 2026 loads the credit into an online wallet, so firms pay nothing up front. The government [made](#) that change to ease cash flow, and the review should test the design against the UK's.

It should also address sole traders' retraining costs and the interaction with devolved skills systems. A review costs nothing, which is why it fits a constrained Budget, and it gives any eventual relief a defensible boundary before it scores. The work would sit with the Treasury and HMRC, drawing on Skills England's sector assessments now under the Department for Work and Pensions, with BIST carrying the business interest.

The [Business Population Estimates](#) confirm SMEs account for around 60% of private sector employment, so a gap in their training support is a gap in the workforce. Enterprise Nation can supply the review's small business evidence base through Talent Hub and the Barometer, and test incentive designs with its member panel.

Access to space

Business rates reform is in motion. The two lower multipliers for retail, hospitality and leisure properties below £500,000 rateable value took effect on 1 April 2026, as the Commons Library [briefing](#) on the revaluation records. A higher rate on the largest properties funds them.

The direction was set in [Transforming Business Rates](#) and confirmed at Autumn Budget 2025.

On 31 July the Prime Minister [announced](#) that mayors will retain a greater share of business rates from spring 2027, with a roadmap at this Budget. While structural reform progresses, three further measures would strengthen local resilience and correct distortions that are accelerating commercial decline.

Introduce a commercial conversion charge as a local fiscal lever

The imbalance between business rates and council tax encourages landlords to convert commercial premises to residential use even where commercial demand remains strong. The expansion of [Class MA permitted development rights](#) in March 2024, which removed the floorspace cap and vacancy requirement, tilted incentives further towards conversion. Communities risk losing viable commercial space with no local fiscal tool to respond.

A commercial conversion charge would correct the distortion, and this devolution Budget is the time to create it as a tool mayors and councils hold rather than a national tax. The charge would apply only in designated high street and town centre zones where commercial demand is evidenced. It would reclaim a portion of the tax advantage realised on conversion over three to five years.

Derelict properties and affordable housing schemes would be excluded, so no viable home is blocked, and the measure should run first as a time-limited pilot. Revenue would be retained locally and reinvested in high street renewal, including rental auctions, grants for meanwhile use and pop-up enterprises, and refurbishment and rent incentives for small occupiers.

This complements the rental auction powers in force since December 2024 under the [Levelling-up and Regeneration Act 2023](#) and the government's [non-statutory guidance](#). The design is novel to the UK, which is why the pilot generates the evidence. Nationally the measure is fiscally neutral, since revenue is raised and spent locally.

Enterprise Nation's National Blended Model for High Street Growth and High Street Incubator, proposals we have shared with government departments, give councils a ready delivery framework for the reinvested revenue.

Empower local authorities and mayors to tailor business rates reliefs and exemptions

This ask aligns with the direction government has set. The devolution roadmap at this Budget will set out how mayors retain more business rates from spring 2027. Retaining revenue with no say over reliefs gives mayors half the power, so the roadmap should include funded discretionary relief capacity for small businesses, co-working spaces and community assets.

Local authorities are best placed to identify where a targeted reduction saves a cornerstone business, sustains shared workspace or keeps a charity delivering essential services. The legal

power already exists under [Section 47](#) of the Local Government Finance Act 1988. The binding constraint is funding, because discretionary relief costs fall on local budgets.

The honest design is a capped, funded discretionary pot inside the retention settlement, nationally modest and locally decisive. Fragmentation is the standard objection, and the answer is national parameters, capped budgets and a national evaluation framework to identify which models deliver. Scotland already runs its own [Small Business Bonus Scheme](#) and Wales its own relief regime, so place-sensitive rates policy already operates in the UK.

Enterprise Nation can evidence where targeted relief matters most, through a data capability that scores business health down to local authority level. We can supply mayoral authorities and the Ministry of Housing, Communities and Local Government (MHCLG) with analysis to target relief where it saves viable firms. The community evidence in our [Growth on Hold](#) report sits alongside it.

Fund tenant support to make high street rental auctions work for small businesses

High Street Rental Auctions (HSRAs) are live and government is backing the rollout. The Small Business Plan [one year on](#) report records that the £301 million High Street Innovation Partnerships Funding includes support to roll out HSRAs in more local authorities. It sits alongside a new £61 million Community Right to Buy Fund.

The rollout funding addresses council capacity. The tenant side has no equivalent support, and auctions will succeed or fail there. Without practical help for prospective tenants, especially micro and small firms taking their first physical unit, auctions risk filling units that would have let anyway, or producing short-lived lets.

The statutory instrument's own explanatory [memorandum](#) records the administrative burden auctions place on councils, which makes stretched authorities unlikely to build tenant support themselves. Our [Growth on Hold](#) survey found 41% of small businesses put local vacancy between a tenth and a quarter of units, and 22% put it higher.

We ask that a defined share of the £301 million funds a national tenant support programme, commissioned by MHCLG as a framework that councils running HSRAs can draw on. Funding then follows use rather than formula. It would close three gaps:

- **Readiness and compliance:** hands-on support before bidding on premises law, insurance, licensing, safety checks, rates and utilities set-up, and light-touch fit-out planning, delivered through accredited local partners;
- **Brokerage and matching:** helping councils and agents find credible small business tenants for eligible units, with light due diligence on trading models and cash flow; and
- **Aftercare to sustain lets:** three to six months of post-handover mentoring on cash flow, merchandising, staffing and local marketing. [Evidence](#) from Help to Grow: Management shows structured mentoring improves management capability and early performance, cutting the risk of units falling vacant again.

Eligibility should stay focused on micro and small firms taking HSRA units, with modest per-tenant caps. Evaluation should track conversion to successful lets, survival at 6 and 12 months, and effects on neighbouring businesses. No legislative change is required.

Enterprise Nation is the natural delivery partner. The High Street Incubator and National Blended Model for High Street Growth, proposals we have shared with government departments, supply the programme design.

Help to Grow: Management mentoring infrastructure supplies the aftercare. Our convening reach is evidenced by the Small Business Commissioner's participation in our SME Supply Chain Forum.

About Enterprise Nation

[Enterprise Nation](#) is a business support platform and provider delivering support to more than 1,000,000 small businesses every year. Its aim is to help people turn their good ideas into great businesses, through expert advice, events, acceleration support and networking.

We connect entrepreneurs with practical support through expert advice, events and tailored programmes delivered in partnership with government and industry. Enterprise Nation provides the tools, connections and insight small businesses need to succeed.

Our mission is to make starting and running a business easier, better supported and more rewarding for everyone with an idea and the drive to build it.