

Cashflow Remains Critical for UK Businesses

Although things are looking up as the world begins to reopen, many UK businesses are still struggling.

BIRMINGHAM, UNITED KINGDOM, August 25, 2021 /EINPresswire.com/ -- The [COVID-19 impact survey](#) conducted by the British Chambers of Commerce reveals businesses have seen a decrease in revenue and are facing the threat of running out of cash.

Many rely on the continuation of the various financial support programs that the government has offered throughout lockdown restrictions. It's those programs that have given businesses the funding and confidence to reopen and rebuild after a challenging year.

While [cashflow remains critical](#) for UK businesses, the British Chambers of Commerce suggest continued support and why it could be detrimental to pull their much-needed financial support before they're able to get back on their feet.

What Will Businesses Do if Support is Pulled Too Soon?

While reopening the economy is a positive sign, it's also creating stress for several businesses. Opening up once again could leave them facing unnecessary additional taxes, straining their finances even more. Plus, there's always the threat that the country could see another lockdown if the pandemic isn't handled properly. While cashflow remains critical for UK businesses, measures should be taken to prevent redundancies and business closures.

Here's what businesses would be facing, according to the COVID-19 impact survey:

* Employees Would be Made Redundant: Many businesses rely on the job retention program, which allows them to claim and cover wages for furloughed employees. When polled, 25% of



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businesses reported they would be forced to lay off employees should that program end.

* Staff Hours Could See a Reduction: 25% of businesses said they'd reduce staff hours to keep costs down. While this would allow employees to keep their jobs, they'd take a pay cut for working less.

* Investment or Recruitment Plans Would be Canceled or Reduced: Of the businesses polled, 19% said they would cancel or reduce their investment or recruitment plans, hurting them long-term.

21% of business-to-consumer (B2C) businesses, 39% of business-to-business (B2B) businesses, and 37% of manufacturers claim the end of financial support wouldn't impact their businesses. They are clearly in the minority, as this means that 79% of B2C firms, 61% of B2C firms, and 63% of manufacturers would have to change something about their product, customers, and employees.

4 Proposed Measures to Support Businesses

To get the country back on track, the British Chambers of Commerce are calling on the government to follow these four proposed measures they have outlined. Here's what they would like to see the government implement to [secure the future of businesses](#) around the country:

1. Create and Present a Clear Plan for Reopening

The first request is that the government be transparent regarding plans to reopen the economy. Not only would this be a light at the end of the tunnel for citizens, but it allows businesses to prepare accordingly. The Chamber would like the government to share the country's metrics to meet to move into lower lockdown restrictions.

They'd also like to see a sequenced list detailing when businesses will be allowed to reopen, providing various milestones to reach before the reopening of schools.

2. Protect the Jobs and Livelihoods of Citizens

The businesses of the UK are the ones that keep the country moving forward, so it's more important than ever to lend them the support they need during this time. It's requested that the government extend the job retention scheme until the country has fully reopened and at least until the end of July 2021. This program allows businesses to file a claim to cover wages for furloughed employees.

The Chamber would also like to extend the Self-Employment Income Support Scheme (SEISS) to cover not only company dividends but Pay As You Earn (PAYE) salary as well.

3. Promote Business' Cashflow to Keep Them Afloat

Businesses that have been hurt the most by COVID-19 lockdowns have been those in retail, hospitality, and leisure since they were forced to shut down for an extended time. For this, the

British Chambers of Commerce would like to see the business rates relief extended for another 12 months.

It's also being proposed that an offer of cash grant support of around £25,000 be made available immediately to businesses in need. The intention is that these grants and the extension of rate relief will provide these businesses with enough cashflow that they won't need to close their doors for good.

4. Keep the Economy Moving with Support Post-Lockdown

Because cashflow remains critical for UK businesses, the country cannot afford to see another lockdown. The British Chambers of Commerce wants to see the government accelerate the vaccine rollout to prevent future business closings. By working with businesses around the UK, vaccines can be made available to more people (and younger age groups) to stop the spread of the COVID-19 virus.

In addition, they're calling on the government to improve the Test, Trace and Isolate system that's in place to inform people when they may have been exposed to the virus, decreasing future outbreaks.

Getting on Track to Reopen the Economy

Ultimately, what the British Chambers of Commerce would like to see is a clear, strategic plan for reopening, while still providing financial assistance to those businesses in need. After all, it's these businesses that keep the economy moving in a positive direction. Their failure would only be a detriment to the economy overall. They hope these programs will continue so businesses can safely and confidently reopen and rebuild.

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