

# Back small businesses to make the most of a fairer, greener economy



# Green Party

**2 December 2023**

The Green Party of England and Wales is calling on government to offer a Small Business Saturday support package to help firms thrive in their green transition.

Co-leader Carla Denyer said:

“I visit independent businesses and social enterprises up and down the country, and so many say that they want to make a success of greening their operations.

“But they need government to get behind them and offer the right support.

“Analysis by the British Business Bank found that small and medium size enterprises (SMEs) account for almost one third of all UK carbon emissions and around half of total UK business emissions, but the Net Zero Review highlighted the challenges SMEs face in making the change to meet net zero.

“We need a competitively fair transition to net zero that benefits rather than hinders the small and independent businesses that bring so much benefit to our local communities.

“That’s why, this Small Business Saturday, we are calling for government to act and help small businesses thrive in their green transition.

“The Green Party’s alternative Autumn Statement identified £30 billion that could be raised by making the super-rich pay a little more tax [1]. Just £3 billion of that could be used to double funding for Green Transition Grants – to help small businesses prepare for and make the most of the opportunities of greening the economy.

“From assisting small businesses to decarbonise their transport needs, to reforming VAT and suspending Covid repayments, there is much more the government should be doing.

“Small and independent businesses and enterprises are the heart of local communities. The Green Party has long been the party of small business,

and we want to see them thrive.”

This Small Business Saturday the Green Party are calling for:

1. An additional £3 billion in Green Transition Grants for small businesses to help them prepare for and take advantage of the opportunities offered by greening the economy [2].
2. Assistance for small businesses to decarbonise their transport needs. Independent traders and tradespeople need access to electric vans and other low carbon transport solutions on the same terms as large companies. [3]
3. Support for small businesses to improve employee wellbeing. Measures should include exempting all childcare providers in England from business rates.
4. Reform of VAT to support small businesses and suspension of Covid repayments. The government must reform our VAT system so that it differentially supports smaller shops and businesses compared to larger and online businesses. Likewise, there should be an immediate suspension of Covid loan repayments to provide much needed relief for businesses.

## NOTES

[1] Full details of the Green Party’s alternative Autumn Statement available here:

<https://www.greenparty.org.uk/news/2023/11/21/autumn-statement-greens-offer-10-point-plan-of-distinctive-tax-and-spend-policies-to-create-a-fairer,-greener-country/>

[2] This would include investing an additional £3 billion in Green Transition Grants for small businesses to help them prepare for and take advantage of the opportunities offered by greening the economy. Analysis by the British Business Bank found that SMEs account for almost one third of all UK emissions and around half of total UK business emissions. The Government is currently providing very little financial support for small business in the transition to Net Zero. Despite Chris Skidmore’s Net Zero Review highlighting the challenges faced by SMEs, small sums from the UK’s Shared Prosperity Fund have been channelled via local authorities. We need a competitively fair transition to Net Zero that benefits rather than hinders SMEs.

[3] SMEs face greater barriers to decarbonising their transport than do large businesses. For instance, they are impacted by market shortages of second-hand, low emissions vehicles which has meant larger businesses have been able to obtain suitable vehicles while smaller businesses have not. Greens want to see government offering information, advice and market interventions such as grants so that SMEs are able to obtain suitable vehicles and have the right

incentives to overcome these and other barriers.

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