

Small businesses call for help amid soaring bills

Small businesses are now looking to next week's expected mini budget for help with soaring bills despite the slight easing in inflation.


Some firms said on Wednesday that their energy bills had more than doubled in the past three months alone.

Lesley So, founder of Derby-based eco-friendly drinks manufacturer So Good Kombucha, said the price of raw materials such as glass bottles has increased by 50% over the past year.

She said: "We can't afford to raise our prices as we compete against mass-produced drinks that are a lot cheaper to make and so we have no choice but to continue to take massive hits on our margins.

This is going to significantly impact our ability to fulfil the whole point of the business, which was to create jobs for refugees and others who are marginalised in our communities

Read More

- [Lack of hard shoulder contributed to woman's smart motorway death, coroner says](#)
- [Smart motorway system 'dangerous and flawed', inquest told](#)
- [Foo Fighters drummer Taylor Hawkins was 'last of a dying breed', says friend](#)
-  [BRANDPOST | PAID CONTENTHow Uber drivers are sparking the electric car revolution](#)

"I'm afraid that this will get worse through the winter as

demand for cold drinks drops and our bills continue to soar.

“This is going to significantly impact our ability to fulfil the whole point of the business, which was to create jobs for refugees and others who are marginalised in our communities. If this continues, many small businesses around the country like ours will really struggle to survive. To us, it doesn’t feel like the economy is growing.”

Sara Hall, founder of The Silk Purse Guild, said the energy bill crisis was “piercing the very heart of UK small businesses”.

She said: “I work with countless small independent makers and many are struggling to buy their raw materials and fire up their kilns.

“My small handmade marketplace has stalled, mid-launch, as no-one in the creative community has the courage to take chances or the motivation to start something new.

“The tone in the community remains grim as the cost-of-living crisis deepens, with no clear relief in sight. It is a constant battle to keep spirits up, and my mental health has absolutely been impacted, as the news seems to worsen by the day.”

We are a family of five and these are really worrying times. We are preparing ourselves for a recession, as the UK economy is currently facing a perfect storm

Olga Sipcenoka, founder of Hertfordshire-based restaurant Per Tutti, said: “Suppliers call every week with new price increases, which is really stressful. For now, we haven’t increased our prices as we have to be in line with our local competitors including some very big chains, and our current dilemma is how long we will be able to swallow the extra costs without passing them on to the customer.

“We are a family of five and these are really worrying times. We are preparing ourselves for a recession, as the UK economy is currently facing a perfect storm.”

Amy Sabin, of Wareham-based personal training firm Future Fit Training, said: “It doesn’t feel like there’s much urgency to address the current economic crisis, much like the mental health crisis that will almost certainly follow.”

Maryann Penfold, owner of Worthing-based artisan hot chilli sauce maker Boom Sauce, said inflation was “destroying” small businesses by the day.

“I am genuinely worried about the future of my own business as customers are spending much less. I cannot increase my prices as that risks losing customers and equally I cannot reduce them as the cost of ingredients has shot up. Many small artisan producers like me are in a catch-22 situation. Lowering prices when raw material costs are skyrocketing just isn’t viable.”

Chris Maslin, director at Tunbridge Wells-based employee ownership specialists Go Eo, said workers wanted pay rises to match the rocketing cost of living, which was putting real pressure on businesses.

“Growing their own food and installing solar panels isn’t viable for most people, so they have no choice but to pay the rising prices for food and utilities. They’ll be hoping for wage increases to cope but already stretched businesses will struggle to afford these.”

The energy price cap announced last week was a start but you get the feeling something more dramatic will be needed by Christmas

Ollie Hayes, a former professional rugby player, personal trainer and founder of So Fit Bath, said: “The cost to keep the gym warm during the winter months is already sending a

cold shiver down my spine. [Energy bills](#) are going through the roof and any small business with a physical premises will be feeling the squeeze right now.

“The energy price cap announced last week was a start but you get the feeling something more dramatic will be needed by Christmas. Let’s hope that something radical is announced in next week’s mini budget.”

Dave Kelly, co-founder of Bristol-based butcher Ruby & White, said: “Inflation may have dipped slightly but it won’t feel like that to millions of small businesses, especially those with an office or shop to heat and power.”

Real estate adviser Altus Group said businesses were urging the Chancellor to use the emergency mini budget to scrap a rise in the business rates tax next April that is pegged to September’s headline rate of inflation.

If August’s 9.9% CPI inflation rate is repeated in September, non-domestic buildings in England such as shops, pubs, restaurants, factories and offices face a £2.66 billion business rates hike during the 2023/24 financial year, it was estimated.