

## Sunak fails again

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I remember budget day last 11 March. I listened to Sunak in the Radio 2 studio and went on air to tell Jeremy Vine that I thought Sunak had utterly misunderstood the spread of coronavirus and that the impact would cost much more than the £60 billion he had allocated to deal with the crisis. How right I was.

Today Sunak has announced £4.6 billion of support for businesses impacted by the latest lockdown. The [deal according to the Treasury](#) is:

- \* Chancellor announces one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring
- \* £594 million discretionary fund also made available to support other impacted businesses
- \* comes in addition to £1.1 billion further discretionary grant funding for Local Authorities, Local Restriction Support Grants worth up to £3,000 a month and extension of furlough scheme

The detail says:

- \* the one-off top-ups will be granted to closed businesses as follows:
- \* £4,000 for businesses with a rateable value of £15,000 or under
- \* £6,000 for businesses with a rateable value between £15,000 and £51,000
- \* £9,000 for businesses with a rateable value of over £51,000
- \* business support is a devolved policy and therefore the responsibility of the devolved administrations, which will receive additional funding as a result of these announcements in the usual manner:
- \* the Scottish Government will receive £375 million
- \* the Welsh Government will receive £227 million

\* the Northern Ireland Executive will receive £127 million.

So let's appraise that.

First, not all businesses impacted are in the retail, hospitality and leisure sectors. Many will be in their supply chains, for a start. For them there is nothing.

Second, all the old gaps - including many new self employments and contracting businesses - still fall through the cracks.

Third, the sums involved are for many impacted businesses quite tiny and inconsequential.

Fourth, there is nothing to alleviate cash flow strain when many of these grants will take considerable time to reach businesses but cash flow loss is immediate.

Fifth, there is no awareness of the other burdens government imposes - so for example the tax return deadline remains fixed despite this new crisis and all the problems it will impose.

Sixth, nothing in here suggests a policy and everything still suggests a sticking plaster.

Sticking plasters were fine last March - and Sunak eventually found them. But they are no longer fine. What we need is long term business support as part of a new industrial strategy now - and it's unforgivable that none has emerged as yet.