

# Support schemes are failing to help ‘vast majority’ of small businesses

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Dentists are among those said to be falling through the gaps of coronavirus support provided by the government



Hundreds of thousands of people have “fallen through the gaps” of government coronavirus support and are “frightened and bewildered” about how they will make ends meet, an employers’ group has warned.

The Federation of Small Businesses is due to send hundreds of case studies to the government to illustrate the kind of hardships being felt by people overlooked by state support schemes.

[Mike Cherry](#), national chairman of the FSB, said those who are not being helped include “hard-working people who have built up successful businesses and paid taxes all their lives”.

Self-employed people are due to be able to claim up to £2,500 a month for three months to help them cope with the Covid-19 pandemic. However, the recently self-employed, those who work for themselves with annual earnings of more than £50,000 a year and directors of limited companies are among the groups who have no, or severely limited, access to support.

The FSB’s case studies include hair salon owners, childcare providers, [dentists](#), pet-sitters and people in the creative industries, Mr Cherry said. He said many are “far from being high earners” and were providing important services.

“We call on the authorities to look urgently at what help can be provided to those who miss out on the income support for self-employed.”

At a minimum, the FSB is asking for leniency from HM Revenue & Customs towards those whose incomes have collapsed and are not eligible for support beyond the benefits system.

[Sadiq Khan](#), the mayor of London, wrote to Rishi Sunak, the chancellor, and Alok Sharma, the business secretary, on Monday to express similar concerns and asking for support packages to be reviewed because people were at risk of “falling through the gaps”. He estimated that between a quarter and a third of self-employed Londoners may not be eligible for the income support scheme. He said owners of small limited companies were among those worried “that support will not be enough to meet their basic needs”.

Mr Khan said the higher cost of living in the capital meant the £50,000 earnings limit for accessing self-employment support meant people there were more likely to struggle.

There is also concern that some who are eligible for support cannot access it. Billions of pounds worth of grants for small businesses is yet to be distributed by local authorities and companies are reporting severe difficulties in securing state-backed emergency loans.

The British Independent Retailers Association, which represents more than 6,000 companies, said lenders were not “rising to the challenge” of distributing the government’s coronavirus business interruption loans, in which the state underwrites the risk. With the latest figures on the scheme due to be published today, the association has added its voice to complaints that only a fraction of businesses that need the money have been offered credit.

Unflattering comparisons are being made with a Swiss support scheme, which is providing companies with money in hours. In Britain even those who are accepted for a loan are facing a wait of weeks to secure the money.

Andrew Goodacre, the association’s chief executive, said: “None of the support schemes are helping the vast majority of businesses as yet, and with no cash coming into the business, these businesses will fold and not reopen.”