

Written evidence submitted by Keith Webb (Director at Aiden Associates Ltd)

My name is Keith Webb, I am a co-director of Aiden Associates Limited. The business was set up to provide Consultancy services to start-ups, micro-businesses and SME's. My background is PLC, having floated my last business onto the AIM in 2013 and having worked for various large FMCG companies in my corporate career.

The business was incorporated as a Limited Company as various Public Sector projects required their service provider to be so. It was not a TMI, indeed for most such incorporation is made to accommodate the realities of small business income generation. Below the £50K SEISS scheme profit cap there is no financial benefit to being so incorporated. As a consequence I have not been able to access any Government financial support over the last 8 months as The Chancellor's policy is not to provide support to such businesses. As a 'shielder' I lost all my contracts, most of which were in hospitality, in late March and, at the time of writing, am isolating at home again. I cannot work, I get no support as a home-based operator other than the option to take on debt.

To survive financially I have taken a large lump sum out of my pension which will help keep us going in the short term. We appreciate that this will damage our retirement, but we have no option. We are also trying to sell our house to downsize. Again, we don't want to but have no option. I appreciate that my wife and I are fortunate in having the assets to draw on, however reluctantly. Within the community of small business people I work within I am aware of over 40 suicides due to the Governments policy not to support this particular sector – which puts things into perspective.

Q. To what extent do Government measures protect viable jobs in the future and reduce the risk of long-term unemployment?

A. There is no doubt that the monies flooded into the economy will have protected some jobs. However, there were 7.5 million jobs created by the 2 million small business directors denied support. These are often conflated with 'the self-employed' and I note that the FSB has recently reported a fall of 500,000 in self-employment since the pandemic began. They have also conflated small company directors with the narrowly defined 'self-employed' of course. This is no surprise as even Government agencies do so. So that 500,000 will include the business owners/directors giving up.

Q. To what extent are Government measures value for money for the taxpayer?

A. It was, strategically, the right thing to flood money out in the first instance. However, as time has gone by it is clear that many £billions have been taken by businesses that did not need it (some has been returned of course) and the weak controls left some schemes wide open to organised crime. For those small company directors denied support this is heartbreaking to see. So, I have to comment that the schemes were badly thought out, untargeted and, by omission, will unnecessarily drive unemployment into the very small business sector that could be a cog in the engine of economic recovery but, unless policy

changes, but a cog in the financial drain on the treasury as businesses close and employees are made redundant.

Q. How effective is the Government support to businesses and individuals across different regions and sectors? Does the effectiveness of the Government support vary across different regions?

A. Whether it be my business, or the businesses I served, there has been very little Government support available. Some have, reluctantly, taken Bounce back Loans are using that money to live on.

Q. How large a problem is Corporate Indebtedness? How effectively did the financial sector give assistance to businesses.

A. Massive. Those who have taken on debt in the sector I work in have done it as a last resort – and in reality it's been mostly used to put food on the table. Unless there is a swift return to something approaching 'normal' there will be a mass business extinction event in the small business community over the next year or two. But this seems to be what the Chancellor and Treasury actually want, so they clearly feel this is a price worth paying.

Q. What are the productivity challenges in the wake of the Coronavirus crisis?

A. Productivity versus our competitors is recognised as a challenge. The one bright light is usually recognised as being the small business sector. It is an engine of innovation and job-creation and has been the driving force of the 'jobs miracle' of recent years where the UK's unemployment rate has been so much lower than other countries. The Chancellor and Treasury's policy to cull this very sector is referred to as "economically perverse" by commentators. Driving the nimble and agile out of their business nursery activities into jobs, which many are fundamentally unsuited to, can only harm our performance as a country.

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