

Written evidence submitted anonymously

My current situation is at a limited company director of a small firm. Our business stands at 20% of the normal historic turnover with only small pieces of work now being done with a handful of clients from a home office base. Our normal activity involved the auditing of client premises so with access to Client sites restricted, we are not able to undertake this work.

It is not possible to fully close as this would mean no work being done with the remaining loyal clients as it would mean losing them and letting my business go under as there would be no income.

Financially, I am running on a monthly deficit in my finances since last March and have had to use savings to cover the normal family out-goings of food, heat, light, power, etc. The pressure of this has caused a great deal of anxiety and a strain on the entire family's mental health and our relationship.

To clarify regarding Government support in my situation: -

SEISS - HMRC do not class Ltd Company directors as self-employed, I am unable to use the SEISS scheme.

CJRS - As with most Directors I follow the HMRC rules and pay myself a small basic salary. When the company is profitable, I take a dividend.

Furlough can only be claimed on the small PAYE element and is therefore based on a far lower figure than my real income.

I have had to work to keep the company moving through lockdown even though sales are over 80% down on last.

Universal Credit - After contacting UC I was told I was ineligible so once again I fall outside the support for this.

Grants – Harborough Council has turned down our grant applications on the basis that we have not been forced to shut. It is true that we remain open for business but our business does not take place on our premises, it takes place on our customer's premises who, due to Covid guidelines, have been forced to prevent us from providing our service on their sites. I understand the need for these restrictions but unlike my employed counterparts who have been compensated by the government for their loss of the ability to earn a living, I have been left with no alternative but to use my savings and pension (which are now depleted) to support my family and to pay our mortgage and household commitments.

Therefore I, and hundreds of thousands of Directors like me, need DISS, or something like it, as it offers a level of support that would enable me to pay my bills and to ensure that there will be a company for furloughed employees to return to. As I am sure you are aware, it addresses fraud concerns and is actually more auditable than the SEISS scheme. It also removes the issue of the split between salary and dividends, which is key. As you will be aware, this was the reason quoted by the Treasury for not introducing a scheme sooner and therefore give help / a lifeline to the army of small and micro-businesses. So, I urge the Committee to implement a scheme at the earliest opportunity. I am happy for this evidence to be published.

Many thanks for your consideration. I look forward to hearing from you.

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