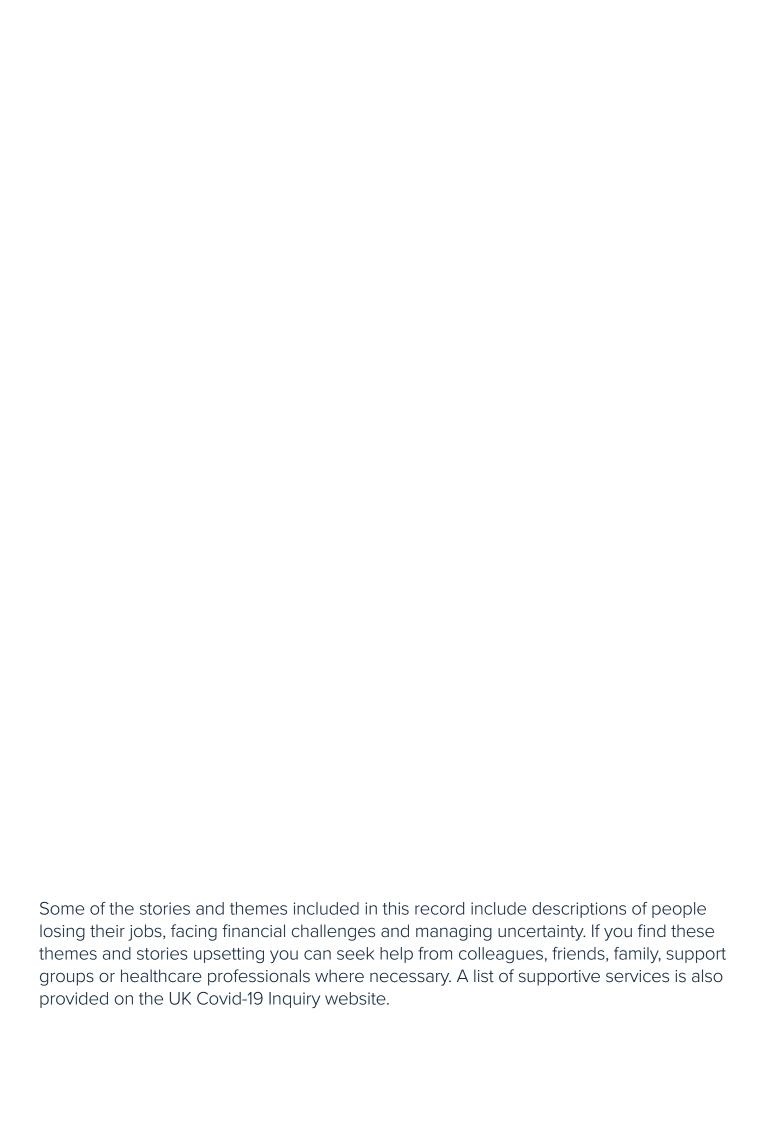


# **Every Story Matters**Economic Response October 2025





Foreword	3
Overview	4
Full record	13
01 Economic impact of the pandemic	23
02 Accessibility of government economic	
support schemes	<b>57</b>
03 Effectiveness of government economic	
support schemes	89
04 Suggested improvements for the future	119
05 <b>Appendix</b>	128

### **Foreword**

This is the sixth Every Story Matters record for the UK Covid-19 Inquiry.

The Covid-19 pandemic brought unprecedented economic challenges to the UK. This record brings together thousands of experiences of people affected by the attempts of the four governments to support the economy through this challenging period.

It includes the experiences of those who continued in employment and those who did not, those who received financial support and those who did not and those who were in decision-making roles for their organisations or had decisions made for them.

Incomes changed overnight, causing stress and uncertainty. Access to some goods and services stopped abruptly while, for others, new business opportunities opened up. Service providers working in charities had to pivot their model to ensure they could keep providing for people in need. Business owners with responsibility for employees were uncertain about what the next week would bring. People were put on furlough, which represented a safety net for some; for others it denied a sense of purpose. Some people are still feeling the impact of the economic response to this day.

We are grateful to everyone who has taken the time to share their story with the UK Covid-19 Inquiry and their suggestions for what could be done differently in the future.



### **Overview**

This short summary provides a high-level overview of the themes from the many stories we heard in relation to the government's economic response to the pandemic.

### How stories were analysed

Every story shared with the Inquiry is analysed and will contribute to one or more themed documents called records. These records are submitted from Every Story Matters to the Inquiry as evidence. This means the Inquiry's findings and recommendations will be informed by the experiences of those most affected by the pandemic.

In this record, contributors describe their experience in relation to the economic response to the pandemic. The Inquiry team and researchers have:

- Analysed 54,809 stories shared online with the Inquiry, using a mix of natural language processing (more detail can be found on p.14) and researchers reviewing and cataloguing what people have shared.
- Drawn together themes from 273 research interviews with individuals, business owners and managers and leaders of Voluntary, Community and Social Enterprises (VCSEs)<sup>1</sup>.
- Drawn together themes from Every Story Matters Listening Events with the public and community groups in towns and cities across England, Scotland, Wales and Northern Ireland.

More details about how people's stories were brought together and analysed in this record are included in the Introduction and in the Appendix. The document reflects different experiences without trying to reconcile them, as we recognise that everyone's experience is unique.

<sup>1</sup> VCSE stands for Voluntary, Community, and Social Enterprise. It refers to organisations such as charities, community groups, social enterprises, Charitable Incorporated Organisations (CIOs), and Community Interest Companies (CICs) that exist to support people and communities. These organisations are independent of government and operate on a not-for-profit basis.

Throughout the record, we have referred to people who shared their stories with Every Story Matters as 'individuals', 'business owners and managers', 'VCSE leaders' and, if all three groups are being referred to, 'contributors'. They have had an important role in adding to the Inquiry's evidence and to the official record of the pandemic. Where appropriate, we have also described more about them (for example, which sector a business was in) or the reason why they shared their story (for example, an individual who went on furlough).

Some stories are explored in more depth through quotes and case illustrations. These have been selected to highlight specific experiences and the impact they had on people. The quotes and case illustrations help ground the record in peoples' own words. Contributions have been anonymised. We have used pseudonyms for case illustrations drawn from the research interviews. Experiences shared by other methods do not have pseudonyms.

### **Economic impact of the pandemic**

#### **Immediate impact**

When lockdown restrictions were announced, business owners and managers, VCSE leaders and individuals found the news shocking and felt very uncertain about the future of their work and finances. They faced often immediate disruption to their work and income, followed by longer term effects resulting from ongoing lockdowns and economic uncertainty.

Business owners and managers and VCSE leaders told us about the immediate impacts the pandemic had on their organisations:

- Many had to close premises immediately when lockdown was announced, leading to uncertainty about finances and worry about how long the restrictions would last.
- Some adapted quickly by shifting to remote work or moving online, while others relying on in-person activities could not continue to operate and saw income drop rapidly.
- Those delivering essential services in person (such as VCSE organisations delivering public health-related or crisis support services) needed to adapt rapidly to implement safety measures for staff and customers.
- Business owners and managers described the emotional toll of having to make staff redundant.

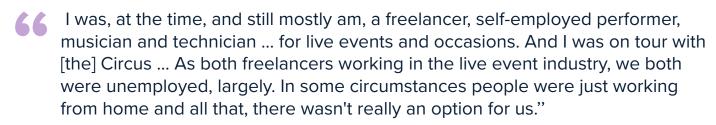


One awful day, I had to call 80% of my staff and tell them that we had to make them redundant because there was no job for them anymore. And I cried, I didn't sleep all night, I was so, so, upset. I had people that had worked for me for seven, eight years, that I had to say, 'I'm so sorry, I literally can't afford to pay you anymore because we've got no business."

- Owner of a small consumer retail business, England

Individuals also shared the immediate impacts on them of lockdown:

- Many were worried about what would happen to their jobs and finances.
- Those in public-facing roles deemed non-essential often saw work stop right away. They felt fear and uncertainty.
- Some of those made redundant immediately were not optimistic about finding other work and felt deeply unsettled.
- Many living in economically vulnerable circumstances early in the pandemic had no permanent jobs and no savings or were already struggling financially or in debt.
- Individuals whose income remained consistent during the pandemic, such as pensioners, told us they did not feel much of a financial impact but they did experience isolation.
- Those who were working in events and entertainment were significantly impacted as in-person gatherings could not happen.



- Self-employed person, Wales

### Long term impact

Businesses owners and managers and VCSE leaders told us about longer term impacts after the initial disruption of lockdown. They talked about the challenges of operating in an unpredictable environment which impacted their abilities to plan.

- Many business owners and managers faced ongoing reduced revenues and rising costs as consumer patterns shifted over the course of the pandemic.
- Business owners and managers tried to adapt to stay afloat investing in

supporting remote working, diversifying their businesses and working to keep costs to a minimum. This often included reducing staff hours or headcount.

- Do we need to make everybody remote? If we do, we've got to get rid of the office and then buy everyone a laptop, and VPNs for home,' it's just-, there was a lot to think about."
  - Owner of a small consumer retail business, England
- Covid has hit in more ways that we can maybe be able to recover from in two years. You know, the consumer's buying differently, they're buying lower cost items. We've now had to change, you know, our whole stance as to what price brackets we're now selling to each customer at etc. So, everything has changed."
  - Manager of a medium manufacturing business, England
- We lost about £100,000 and that was even with making redundancies, and we are where we are now. It's just never recovered."
  - Manager of a small consumer retail business, England

Individuals described longer term impacts on their work and finances as the pandemic affected the job market, resulting in job losses and limited opportunities. Many individuals also described struggling financially as initial disruptions to income and expenses continued.

- Many individuals had their hours reduced or lost their jobs as the pandemic continued. Those looking for work described a quiet and competitive job market with very limited opportunities and often extended periods of time in unemployment.
- Those who received employment support found the shift to receiving it online, rather than face-to-face, less helpful and felt frustration regarding the limited job opportunities available.
- Younger people leaving full-time education found it especially hard to find work due to lack of experience and felt that the pandemic had longer term impacts on their career prospects.
- Many individuals described facing severe financial hardship, including those who
  were already financially vulnerable and those who were relatively stable at the
  beginning of the pandemic. Often individuals struggled to afford essentials and
  relied on food banks, charities and borrowing from friends or family to get by.

Groups like single parents, disabled people and people with pre-existing health conditions were hit especially hard according to the stories that were shared.



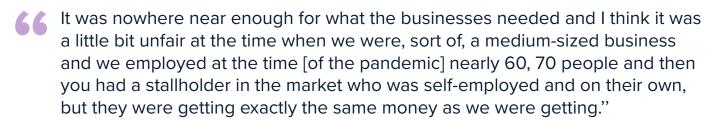
My income dropped dramatically and I was stressed and anxious about paying bills or ending up with debt I couldn't pay back."

- Every Story Matters contributor, England

# Accessibility of government economic support schemes

Contributors described mixed experiences of seeking information and considering whether to apply for financial support such as Covid loans and furlough. There was frustration among some contributors who felt that eligibility criteria were often unfair, leaving those who needed support without it. Some contributors who accessed support, however, found the process sufficiently straightforward.

- Contributors found out about financial support in many ways, with financial advisers, employers, government sources and professional networks all playing key roles in distributing information.
- Understanding and experiences of eligibility criteria for financial support were mixed, with some finding these straightforward while others struggled with complexity, inconsistency or gaps in provision.
- Some business owners and managers were frustrated because they thought similar businesses were not always treated fairly when it came to accessing financial support.
- Individuals who were in insecure financial positions were not eligible for support when they felt they should have been.
- For some, applications for support were largely straightforward, although many struggled with lengthy application processes and would have liked more help to complete applications.
- The main reasons for applying for support focused on financial necessity, while those who did not apply did not do so because of a lack of awareness, uncertainty about eligibility or a reluctance to take on debt.
- Some contributors were happy with the timing of support and surprised how quickly they received it while others, including those who were self-employed or employed on zero-hours contracts, experienced delays.



- Owner of a small travel and hospitality business, Wales
- I've got a limited company and I just take a very small salary out of that. I try and keep most of the money in the company. So, really the furlough that I got was obviously based on the wages I took but wasn't a reflection of my income."
  - Self-employed person, Scotland

# Effectiveness of government economic support schemes

There was a range of government support schemes referenced. Businesses owners and managers and VCSEs leaders most commonly mentioned furlough, 'bounce back' loans and grants for businesses. For individuals, furlough was also one of the most frequently mentioned support mechanisms, alongside the Self-Employed Income Support Scheme (SEISS)<sup>2</sup> and the £20 uplift to Universal Credit.

For some, the financial support they received was helpful to address urgent needs as a result of the pandemic. However, others felt the support available was not sufficient to address their economic needs.

- Some contributors found the support reflected their needs and played a vital role in helping them to stay afloat, with furlough helping avoid redundancies.
- Many contributors said the support helped reduce stress and anxiety by providing a sense of financial security.
- Some contributors found financial support helpful but not enough to cover all
  costs for their business or household.
- Others said the support fell far short, meaning they had to take emergency financial measures like taking on debt or using personal savings to support themselves or their business.

Beyond addressing their immediate needs, some business owners and managers and VCSE leaders used the financial support in different ways:

<sup>2</sup> SEISS is a grant which supports self-employed individuals with 80% of their three months' average trading profits.

- Some organisations used it to adapt, upskill and innovate.
- VCSE leaders gave examples of using support to continue helping communities.
- Support was also used as a contingency or to pay off debts.

As the pandemic went on, the government made some changes to financial support. These changes included extended furlough and expanded eligibility for schemes like SEISS and top-up options for loans. The reaction to these changes was mixed. There were contributors who benefitted from these changes and welcomed the additional support. There were also contributors who found the changes disruptive and confusing, with people losing access to support they relied on.

Contributors also told us about their experiences of support ending:

- Business owners and managers and VCSE leaders said that most support had fixed end dates, allowing them to plan ahead.
- Furlough was gradually tapered and some individuals received advance notice to prepare. However, others said they received little or no notice, creating uncertainty and anxiety.
- Some businesses struggled or became insolvent after support ended, and the end of furlough led to job losses for some individuals.
- My husband lost his job in the build up to when the furlough scheme was due to end. It then got extended but he'd already been let go."
  - Every Story Matters contributor, Northern Ireland<sup>3</sup>

## Suggested improvements for the future

Reflecting on how financial support was organised during the pandemic, contributors made a number of suggestions about how things could be improved in the future. Contributors suggested building on what worked well from the pandemic as well as suggestions based on less positive experiences:

 Learning from success stories during the pandemic, including how the support was often timely and adequate to meet contributors' needs.

<sup>3</sup> In September 2020, the Government announced that the Coronavirus Job Retention Scheme (CJRS), also known as Furlough, would end on 31 October 2020 and be replaced with a Job Support Scheme that would require employers to make larger financial contributions than under the CJRS. However, on 31 October the Government announced a second national lockdown and extended the CJRS.



- Every Story Matters contributor, England
- Planning for future pandemics to include details about how financial support would work and allow equitable and fair access to those who need it.
- Having clear communication about financial support shared actively by the government using direct channels like email, post, telephone and the media.
- I think better communication about what's available, more direct communication about what is available."
  - Director of a small consumer and retail business, England
- Improving accessibility by creating a centralised platform for information and guidance using simpler language.
- For smaller businesses, was there a website where you could go and look, and sign up to receive information or help? I don't know. That, to me, would seem like a one-stop shop of where you could go to find all these things ... that would be probably the nirvana going forward."
  - Director of a medium sized professional scientific and technical activities business, England
- The self-employment grants did help me, but the systems were difficult to navigate."
  - Every Story Matters contributor, Wales
- Moving away from employers having responsibility for sharing information about support to employees.
- Providing better help for self-employed individuals who felt that they often fell through gaps in financial support offered to businesses and individuals.
- I think a fairer system of self-employment support that was not a cliff edge would have dramatically reduced the worry and upset to me."
  - Every Story Matters contributor, England

- Implementing support more quickly, flexibly and for longer to avoid negative financial impacts such as debts and business closures.
- I did eventually manage to claim Universal Credit, but most of that money went on paying the outgoings of the two businesses, so I quickly got into personal debt."
  - Every Story Matters contributor, England and Wales
- Gradually reducing financial support to allow an easier transition back to normal operations, rather than an abrupt ending.
- So, if it happens again, they need a system, they need to learn lessons from this. And they need to implement things quickly. If they're cutting off our ability to earn income, they need it in place right away."
  - Managing Director of a small construction business, Northern Ireland
- That transitional step, even if it was then a tailored reduction of 50% over the first 3-6 months or something ... just something that gets you back into it, rather than from a standing start."
  - VCSE leader of a Community Interest Company, England
- Tailoring financial support for businesses so that eligibility criteria consider factors such as business size, type, location, turnovers, profit level and trading history.
- Anything that's means-tested ... how many staff you've got, what their salaries are, what your monthly business expenses are ... to see how much money you actually need for the next six months or next ten months ... because it's a blanket, one-size-fits-all and its not, life is never like that."
  - Owner of a small consumer and retail business, England
- Creating more flexible support that could help contributors in different financial situations and allow more flexibility in repayment options for loans.
- At the time you take the loans on, you've no idea what the rest of the picture is going to look like in terms of planning out what feels like a sensible repayment period ... so, obviously there was a lot of support at the time, but then afterwards, maybe some help."
  - Managing director of a small logistics business, England



# **Full record**

### Introduction

This document presents people's stories related to the government's economic response to the pandemic.

### **Background and aims**

Every Story Matters was an opportunity for people across the UK to share their experience of the pandemic with the UK Covid-19 Inquiry. Every story shared has been analysed and the insights derived have been turned into themed documents for relevant modules. These records are submitted to the Inquiry as evidence. In doing so, the Inquiry's findings and recommendations will be informed by the experiences of those impacted by the pandemic.

This record brings together what contributors told us about their experiences as a result of the government's economic interventions.

The UK Covid-19 Inquiry is considering different aspects of the pandemic and how it impacted people. This means that some topics will be covered in other module records. Therefore, not all experiences shared with Every Story Matters are included in this document. You can learn more about Every Story Matters and read previous records at the website: https://covid19.public-inquiry.uk/every-story-matters

### How people shared their experiences

There are several different ways we collected people's stories for Module 9. This includes:

Members of the public were invited to complete an online form via the Inquiry's
website (paper forms were also offered to contributors and included in the
analysis). This asked them to answer three broad, open-ended questions about

their pandemic experience. The form asked other questions to collect background information about them (such as their age, gender and ethnicity). This allowed us to hear from a very large number of people about their pandemic experiences. The responses to the online form were submitted anonymously. For Module 9, we analysed 54,809 stories. This included 45,481 stories from England, 4,391 from Scotland, 4,352 from Wales and 2,120 from Northern Ireland (contributors were able to select more than one UK nation in the online form, so the total will be higher than the number of responses received). The responses were analysed through 'natural language processing' (NLP), which helps organise people's stories in a meaningful way. Through algorithmic analysis, the information gathered is organised into 'topics' based on terms or phrases. These topics were then reviewed by researchers to explore the stories further (see Appendix for further details). These topics and stories have been used in the preparation of this record.

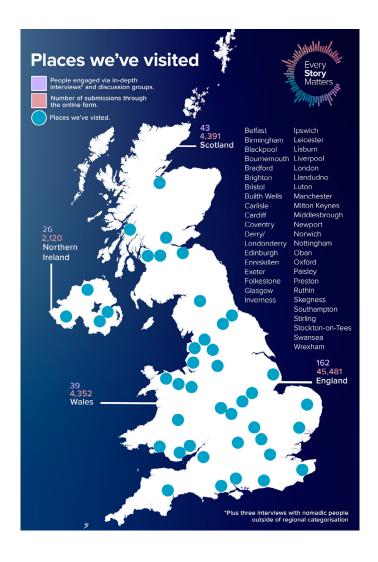
- The Every Story Matters team went to 43 towns and cities across England, Scotland, Wales and Northern Ireland to give people the opportunity to share their pandemic experience in person in their local communities. Virtual listening sessions were also held online, if that approach was preferred. We worked with many charities and grassroots community groups to speak to those impacted by the pandemic in specific ways. Short summary reports for each event were written, shared with event participants and used to inform this document. For this record about the government's economic response, contributions from a small number of experiences shared relevant to this module are included.
- A consortium of social research and community experts were commissioned by Every Story Matters to conduct in-depth interviews and discussion groups to gather experiences of specific groups, based on what the module legal team wanted to understand. Interviews were carried out with business owners and managers, Voluntary, Community and Social Enterprise (VCSE) leaders and individuals, which included:
  - Business owners and managers and VCSE leaders from a mix of organisations of different sizes and from different sectors
  - Business owners and managers and VCSE leaders from organisations that experienced financial hardship
  - Business owners and managers and VCSE leaders from organisations that became insolvent (during the pandemic or once support has ceased)
  - Individuals with different employment experiences during the pandemic
  - Individuals with different incomes, occupations and housing situations

 Individuals who were living in economically vulnerable circumstances and groups who were of particular interest. This included disabled people, those with health conditions, those for whom English is a second language and people who are digitally excluded.

These interviews focused on the Key Lines of Enquiry (KLOEs) for Module 9. The provisional scope of this module can be found here. In total, 273 people across England, Scotland, Wales and Northern Ireland contributed in this way between December 2024 and April 2025. All in-depth interviews and discussion groups were recorded, transcribed, coded and analysed to identify key themes relevant to the Module 9 KLOEs. More information on these interviews can be found in the Appendix.

The number of people who shared their stories in each UK nation through the online form, listening events and research interviews is shown below:

Figure 1: Every Story Matters engagement across the UK



# The presentation and interpretation of stories

It is important to note that the stories collected through Every Story Matters are not representative of all experiences of the government's economic response to the pandemic and we were likely to have heard from people who have a particular experience to share with the Inquiry, especially on the webform and at Listening Events. The pandemic affected everyone in the UK in different ways and while general themes and viewpoints emerge from the stories, we recognise the importance of everyone's unique experience of what happened. This record aims to reflect the different experiences shared with us, without attempting to reconcile the differing accounts. There were also certain groups who were targeted for the indepth interviews and discussion groups whose voices it was important for the inquiry to hear through Every Story Matters.

As part of a listening exercise, the findings in this record are illustrative rather than representative. The businesses that we spoke to broadly reflect the wider UK business population in terms of size, where micro, small and medium-sized enterprises (SMEs) make up the majority of firms. While large businesses are included, there are fewer, to reflect their proportion within the overall business landscape.

We have tried to reflect the range of stories we heard, which may mean some stories presented here differ from what other, or even many other, people in the UK experienced. Where possible, we have used quotes to help ground the record in what people shared in their own words.

Some stories are explored in more depth through case illustrations within the main chapters. These have been selected to highlight the different types of experiences we heard about and the impact these had on people. Case illustration contributions have been anonymised by using pseudonyms (rather than the person's real name).

Throughout the record, we refer to people who shared their stories with Every Story Matters based on the capacity in which we spoke to them. We therefore refer to 'business owners and managers', 'VCSE leaders' and 'individuals' throughout. Where we refer to all three groups, we use the term 'contributors'. Where appropriate, we have also described more about them (for example, whether they were individuals who were self-employed or receiving benefits) to help explain the context and relevance of their experience. We have also included the nation in the UK that the contributor is from (where it is known). This is not intended to provide a representative view of what happened in each country, but to show the diverse experiences across the UK of the Covid-19 pandemic. Stories were collected from 2022-2025 and analysed in 2025, meaning that experiences are being remembered some time after they happened.

### Structure of the record

This document is structured to help readers to understand the impact of receiving or not receiving support for business owners and managers, VCSE leaders and individuals. The record is arranged thematically with the experience of support captured across all chapters:

- Chapter 1: Economic impact of the pandemic
- Chapter 2: Accessibility of government economic support schemes
- Chapter 3: Effectiveness of government economic support schemes
- Chapter 4: Suggested improvements for the future

### Terminology used in the record

The following table includes a list of terms and phrases used throughout the record to refer to key groups.

Table 1: Terminology used for individuals

Term	Definition
Individual who is a full-time employee	This is used where the person is in full-time employment working for an employer.
Individual who is a part-time employee	This is used where the person is in part-time employment working for an employer.
Fixed-term contract worker	This is used where the person speaking had a role as a fixed-term contract worker for a specific period.
Zero-hours worker	This is used where the person has a role as a zero-hours worker, meaning they are an employee who doesn't have a guaranteed number of hours of work each week. Their employer isn't obligated to offer them any work, and they're not obligated to accept any work offered to them.

Term	Definition
Self-employed (including freelance)	This is used for an individual who works independently.
Gig economy worker	A gig economy worker is an independent contractor or freelancer who earns income by taking on short-term jobs or "gigs" offered through online platforms or apps.
Economically inactive	This is used when a person is not currently employed or actively seeking employment, meaning they are not considered part of the labour force.
Carer	A person who provides unpaid support and assistance to a family member, friend, or neighbour who is ill, disabled or elderly.
Pensioner	A person who receives a regular payment from a government or a former employer during retirement.
Private sector employer	Private sector employers are businesses or organisations owned and operated by individuals or groups, rather than by the government.
Charity/third sector employee	Employees of non-profit organisations that work to benefit the public good, often focusing on social causes, rather than making a profit for private individuals or shareholders.
Public sector employee	Employees of government departments or organisations funded and controlled by the government.
Welfare benefit recipients	Welfare benefit recipients are individuals or households who receive financial assistance from the government, typically based on need, to help cover basic living expenses like food, housing, and healthcare.

Term	Definition
Sole trader	Sole traders are self-employed individuals who are the sole owners of their businesses.
Micro business	A business with 1 to 9 employees.
Small business	A business with 10 to 49 employees
Medium sized business	A business with between 50 and 249 employees.
Large business	A business with more than 250 employees.
Limited company	A legal entity separate from its owners, meaning it has its own legal rights and responsibilities. The liability of the shareholders is limited to the amount they invested.
Charity	A non-profit organisation with the purpose of benefiting the public good, typically registered with a government agency responsible for charities.
CIC	Community Interest Company is a type of limited company that operates for the benefit of the community rather than private shareholders.
VCSE	Organisations in the Voluntary, Community, and Social Enterprise sector.

Table 2: Terminology used for businesses

Term	Definition
Bounce Back Loan	The Bounce Back loan scheme helped small and medium-sized businesses to borrow between £2,000 and £50,000 during the pandemic at a 2.5% interest rate. The government guaranteed 100% of the finance to the lender and paid interest on the loan for the first 12 months.
Business rates	Business rates are charged on most non-domestic properties like shops, offices, pubs, warehouses, factories, holiday rental homes or guest houses.
Coronavirus Business Interruption Loan Scheme (CBILS)	The scheme helped small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The government guaranteed 80% of the finance to the lender and paid interest and any fees for the first 12 months.
Covid Small Business Grant	Small businesses in England that pay little or no business rates were entitled to a one-off cash grant of £10,000 from their local council.
Dividends	A dividend is a payment a company can make to shareholders if it has made a profit.
Employment Support Allowance (ESA)	A government benefit paid to individuals with a disability or health condition that affects how much they can work.
Eat Out to Help Out	Eat Out to Help Out was a UK government scheme that operated during August 2020 to support the hospitality sector during the pandemic. It offered 50% off food and non-alcoholic drinks (up to £10 per person) for on-premises dining, Monday to Wednesday, with the government reimbursing participating businesses.

Table 3: Terminology used throughout

Term	Definition
Furlough	Also known as the Coronavirus Job Retention Scheme, it was a scheme where the government paid 80% of the wages of employees. Employees were initially unable to carry out any work while on furlough, but more flexible arrangements were introduced from July 2020. The amount covered by the government was reduced over time.
Jobcentre Plus	An agency of the Department for Work and Pensions that helps people find employment and manage benefits.
Micro-business Hardship Fund (Northern Ireland)	A grant scheme targeted at businesses with one to nine employees that faced immediate cash flow difficulties due to the pandemic. It included eligible social enterprises.
Mortgage holiday	During Covid, the government agreed with mortgage providers to provide support for those struggling to pay their mortgages, allowing some people to take breaks from mortgage payments.
Pay As you Earn (PAYE)	A form of income tax paid on certain kinds of income.
Personal Independence Payment (PIP)	A government benefit paid to individuals with long term physical or mental health conditions or disabilities who have difficulty doing certain everyday tasks or getting around because of their condition.
Self-Employed Income Support Scheme (SEISS)	A grant which supported self-employed individuals with 80% of their three months' average trading profits. In total, five phases of grants were available between May 2020 and September 2021.

Term	Definition
Universal Credit	A government payment to help individuals and families with living costs, typically for those on low income or those who are out of work or unable to work. During the pandemic, those receiving Universal Credit received a weekly £20 uplift to their payments.
Work Coach	A professional who works within the Jobcentre Plus to provide support and guidance to individuals seeking employment or career advancement.



# 1 Economic impact of the pandemic

This chapter outlines the economic impact of the pandemic based on stories shared by contributors. It explores the immediate economic impact of lockdown before financial support was put in place, followed by contributors' experiences of the economic disruption as the pandemic progressed.

### Immediate impact of lockdown

#### Feelings of uncertainty

Contributors shared how news of the lockdown restrictions left them feeling shocked and worried about the impact on their work and finances.

There was a range of responses to the news of the pandemic. We heard how some businesses and organisations from the Voluntary, Community and Social Enterprises (VCSEs) sector had already seen the potential for Covid-19 disruption and restrictions at work and started preparing before the national lockdown began. For some, this meant closing their business, while others put infection control measures in place to be able to stay open. One hospitality business told us they were asked by their local council to close and a healthcare assistant shared how their workplace introduced Covid-19 measures ahead of government restrictions.

- Before lockdown, Scarborough Borough Council contacted all holiday accommodation premises, pubs and clubs giving us the order to close immediately, due to the local hospital becoming overwhelmed with Covid admissions."
  - Every Story Matters contributor, England
- As a Healthcare Assistant, my workplace went into 'lockdown' before any national rules were put in place. It was all advisory. We cared for vulnerable people and it seemed like a sensible idea and something that other similar establishments were doing."
  - Every Story Matters contributor, England

# For many, there was little warning to prepare for and adjust to substantial changes to their working lives or business operations once restrictions started.

Contributors told us that they found the announcement of the national lockdown deeply unsettling. Apart from essential services such as supermarkets, pharmacies and banks, all businesses and VCSEs had to close their premises or offices as soon as restrictions began. For business owners and managers and VCSE leaders, there was uncertainty about what impact the restrictions would have on their finances and how long the lockdown might continue. They sent employees home from work without knowing when they would return, with those employees often starting to work from home quite quickly. This time was consistently described as one filled with anxiety, fear and confusion.

- As a small business owner, I was worried about how I would survive and had no idea how long my business would be forced to close."
  - Every Story Matters contributor, England
- It stopped our operations straight away. And that was the very early days of the lockdown we were not sure where and how we were going to survive and that caused a lot of concern for, not only me, but for all our directors, as to what was going to happen to our staff, our ability to pay our staff."
  - VCSE leader of a charity, England
- They said, 'Right, as of Friday,' or whatever it was, I think 20th March, 'Everything's got to shut down,' and it was just a really scary time."
  - Director of a small travel and hospitality business, England

### Immediate impact on businesses and VCSEs

When the first lockdown was announced, many businesses and VCSEs had to shut their doors with little or no warning.

**Some businesses and VCSEs found ways to adapt very quickly.** For example, we heard from organisations that had been based in offices or physical premises and responded by shifting to remote working within days. They used cloud-based tools such as video messaging to collaborate and stay connected across their teams. For

<sup>4 &#</sup>x27;Restrictions' refer to the first national lockdown announced 23 March 2020. This mandated that all businesses apart from restaurants, cafes, work canteens, supermarkets and market stalls, "health shops" (e.g. pharmacies), petrol stations, garages, car rental businesses, bicycle shops, home and hardware shops, laundrettes, pet shops, corner shops, newsagents, post offices and banks were to close.

some, this was daunting, especially given the scale and how unfamiliar it was for the organisations involved.



I work for part of the NHS. Within the space of 2 days, we had to completely restructure our business model, get over 6,000 people equipment so that they could work from home, and effectively prepare for the unknown."

- Every Story Matters contributor, England

Some retailers that had been selling non-essential items (such as clothes, homewares, toys and electronics) from physical stores had to close their premises. However, some were able to continue trading by moving their businesses online. This often meant having to build or upgrade websites so they could process orders and dispatch products directly to customers.



We didn't do anything online, apart from a little bit of Facebook. But no online selling until the pandemic."

Owner of a small consumer and retail business. Wales

We also heard from VCSEs that had been providing face-to-face support in their local communities (such as counselling and drop-in services) who also moved online. Where service users were not confident with technology or did not have access to it, support was offered over the telephone. This kind of flexibility helped ensure services could continue.



Some clients didn't have the IT, they didn't have the tech, they didn't have the confidence to work online, but obviously we offered them telephone counselling and most of them took that up."

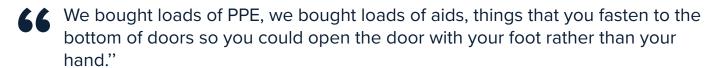
VCSE leader of a charity, Scotland

Organisations that were delivering essential services in person (such as VCSEs delivering public health-related or crisis support services) had to act quickly to implement safety measures such as installing screens, introducing Personal Protective Equipment (PPE), increasing cleaning and implementing social distancing protocols to protect staff and service users.



We had all sorts of restrictions in the office in terms of hand washing and sanitisers and ...having to be two metres away from each other... And we had to stagger who worked on what days so that we didn't have too many people in rooms and things like that."

VCSE leader of a charity, Scotland



- VCSE leader of a social enterprise, England

**However, many businesses and VSCEs could not adapt.** This included those in travel and hospitality, events and the entertainment and recreation sectors. These sectors relied on people gathering, travelling or interacting in person, and many were unable to continue operating because of pandemic restrictions. These organisations were often unable to move online or come up with other alternatives in the short term.

Many business owners and managers and VCSE leaders saw an immediate impact on their cash flow, with their income rapidly dropping, in some cases overnight. Existing work was put on hold immediately, services or bookings were cancelled and no new orders or bookings were coming in.

- Well ... we're a small business, micro business, so we're talking about somewhere in the region of £4,000 a week coming in turnover. That £4,000 a week on the whenever of March 2020 became £0 overnight, nothing coming in, not a penny, nothing."
  - Owner of a small consumer and retail business, England
- We are a small wholesale fruit and veg supplier in South Devon. We supply to hotels, restaurants, pubs etc. Overnight in March 2020 all our customers closed."
  - Every Story Matters contributor, England
- I am self-employed and in the first three weeks of lockdown lost £80k of contracts."
  - Every Story Matters contributor, Wales
- As a not-for-profit company, we don't have a lot of financial reserves. We live fairly hand-to-mouth ... we were 100% self-funded. We weren't reliant on funding from anywhere. We earned the money that we spent and, obviously, when you lose the ability to earn that money, it puts everything that you were doing on hold. So, it stopped our operations straight away."
  - VCSE leader of a charity, England

Some business owners and managers said they needed to refund customers for services that had already been paid for in advance. Often, these payments had already been used to cover operating costs, but they had no choice but to find the money from somewhere to issue refunds.

- All of our guests that were booked up for the season were cancelling, at a rate of thousands of pounds per day. So, our calendar, which was nicely booked up for the year, was just being emptied by the day. And there was a huge amount of uncertainty, so it was very difficult to know what to do about deposits and bookings and stuff like that."
  - Owner of a small travel and hospitality business, Scotland
- It was quite clear-cut and we could be taken to court if the payment wasn't returned... we're thinking, 'Look, we don't have all this money to pay you back'."
  - Director of a small travel and hospitality business, England

Businesses in the travel and hospitality sector were badly affected and many had to close. Business owners and managers told us that their hotels, guest houses and holiday accommodation had been gearing up for the Easter holidays and rapidly saw bookings cancelled. For pubs, having to close at the start of the pandemic meant all trade stopped.

- My company looks after clients coming into the UK and round about March [2020] we had quite a few bookings, groups and individuals ... over a period of a week or ten days, every single booking for that coming year was cancelled ... every single booking."
  - Director of a small travel and hospitality business, England
- During the start of the pandemic, due to the nature of the hospitality industry, especially open-air dining buffet, the restaurant was forced to close."
  - Every Story Matters contributor, England
- When Covid hit, our hospitality led business was hit badly especially after the famous 'don't go to the pub' speech." 5
  - Every Story Matters contributor, England

<sup>5 &</sup>lt;u>https://www.gov.uk/government/speeches/pm-statement-on-coronavirus-16-march-2020</u>

Retailers and services classified as non-essential (for example, clothes shops, electronics and lifestyle products or businesses offering home improvements or beauty treatments) were unable to trade in person. This prevented many businesses from interacting with customers in the usual way, so they suddenly lost all their income.

One salon owner described how their business came to a standstill following the announcement of the first lockdown. With no way to adapt and continue trading, they were reliant on their family to cover bills and overheads. Contributors from trades like plumbing and painting and decorating also saw their work stop because they were no longer able to visit people's homes.

- I had a fledgling retail business which was forced to close or operate in a limited capacity for much of 2020."
  - Every Story Matters contributor, England
- My small barber shop was forced to close during lockdowns."
  - Every Story Matters contributor, England
- I was employed working in a [department] store and when the pandemic hit obviously, we went through lockdown and our stores closed."
  - Person who was working full-time for an employer, Scotland

### **Darren's story**

Darren owned an events and hospitality business that had been established for over four decades. Before the pandemic, the business was running pre-booked events for a wide range of clients, from large corporate functions to private bookings. The business had been thriving, but the announcement of the first lockdown brought everything to a stop.

It wasn't a pleasant experience. Our business virtually shut down overnight."

When restrictions were announced, the business had been preparing for one of the busiest weekends of the year, catering for a major national sporting event. The late cancellation left the business out of pocket for thousands of pounds in food that went to waste, and beverage stocks that they were unable to shift or recover in the short term.



From a personal point of view, we had £16,000 worth of food all ready to go ... Our beer cellars were full to the brim."

Within days, all their other bookings were cancelled. The business shut its doors, and the first few weeks were dominated by uncertainty and worry. It quickly became clear that the disruption would not be over quickly. Darren shared how the shutdown brought a loss of control, with no way to manage what was happening.

Really, really stressful. The first few weeks, staff were asking loads of questions that we couldn't answer, because ... we just didn't know."

Having built the business up over many years with his wife, Darren faced the risk of losing everything. Alongside a Bounce Back Loan, support from the Welsh Government's Economic Resilience Fund and business rates relief, he drew on his pension to help keep the business afloat. Darren also made use of the furlough scheme for his staff.

The strain on Darren at this time was deeply personal as well as financial; he described the pressure as relentless.



Basically, we were in a rubber dinghy. We were trying to plug the holes and every day there was a new hole, you know?"

Eventually, the business was able to reopen; however, six of Darren's seven chefs chose not to return after finding other work during the closure. With reduced staff and rising costs, he chose to scale down operations to keep the business sustainable.

Getting the business up and running again has been challenging. While things have not yet returned to how they were before the pandemic, the business continues to find its feet and Darren is proud that it is still standing.

### Immediate impact on individuals

For many employed individuals, the early days of the pandemic were a time of confusion and worry about their jobs and how they would earn money.

Where possible, people were told to work from home. Individuals remembered expecting that this would only be a temporary disruption to their work. For example, one office worker said they were sent home with a laptop and told they would be working remotely for the next two weeks. Individuals described the transition to working from home as one wrought with multiple anxieties – both about their health and the health of their loved ones, as well as the economic uncertainty that the pandemic introduced.

- [We were told] just a couple of weeks and you will be back at work, then just a couple more weeks and you'll be back."
  - Self-employed person, Scotland
- When lockdown was announced, we were all working remotely initially and everyone was extremely nervous about what was going on. Worried about our health, worried about our loved ones and also about our job security. The business we worked for was going through a tough period so of course we were nervous it could go under."
  - Every Story Matters contributor, England
- I suddenly went from working permanently in an office to working full-time at home."
  - Every Story Matters contributor, England

Individuals in public-facing roles, but not designated key workers, often saw their work stop right away. They described their work ceasing abruptly, which highlighted to them how serious the situation was. What rapidly followed was a lot of fear and uncertainty for these individuals. For example, a cleaner at a council sports centre was called and told not to come in the next day as their work was not considered essential. She described feeling frightened as a result of the shock of restrictions and uncertainty about her work and income.

- I clean in a council sports centre, so that was shut. Literally came home from work one day, got a phone call, 'Don't bother coming back in'. Suddenly, it became very, very serious ... it was an incredibly lonely experience, and frightening."
  - Self-employed person who was also working part-time for an employer, England

<sup>6 &#</sup>x27;Key workers' include those who work in health and social care, education and childcare, key public services such as the justice system, religious organisations, those delivering front line services, those responsible for management of the deceased, journalists and broadcasters who provide public service broadcasting, local and national government, food and other necessary goods such as hygienic and veterinary goods, public safety and national security, transport, utilities, communication and financial services.



Literally within about 2 hours of getting home, I got a call from my manager to say, 'Everything is going to go on lockdown. You can't come in. I don't know what's happening, just wait for a call'. And that was it ... it really hit me then. The minute I put the phone down, I just burst into tears."

- Self-employed person who was also working part-time for an employer, England

The lockdown led to immediate redundancies in some sectors. We heard examples of how redundancies happened as a direct response to the national lockdown and the sudden and severe loss of income for some businesses and VCSEs. Being made redundant at the start of lockdown was described as an upsetting experience – particularly because individuals were not optimistic about finding work elsewhere and felt stressed about losing their incomes.

One individual who worked in an international sales role was made redundant because travel was restricted and they could no longer do their job. Another individual in the construction industry said they were immediately made redundant, how unexpected this was and how uncertain they felt about their future work prospects. One individual who worked on a zero-hours contract in a salon which closed down early on in the pandemic was left feeling worried about their work and finances.

- And then I lost my own job as well, which was only part-time, because the salon closed down...[at] the start of the pandemic...[they said] 'We are closing down the salon because we can't get any business'."
  - Person who was a zero-hours contract worker. Wales

I was made redundant on the first day of the first lockdown."

- Every Story Matters contributor, Wales

We heard from individuals working in the live events industry whose work was significantly affected. In-person gatherings like parties, weddings, live performances and sports games could no longer happen. Individuals working in events shared that they initially felt confused about how the lockdown would affect their jobs. This confusion turned to financial worry as they faced uncertainty about when events would be able to resume and their work could restart.



We were hugely impacted workwise, being in the events industry, which died an almost overnight death."

- Every Story Matters contributor, England

- As both freelancers working in the live event industry, we both were unemployed, largely. In some circumstances people were just working from home and all that, there wasn't really an option for us."
  - Self-employed person, Wales
- I worked in an office of a theatre and concert hall and from March 2020 we closed as we were unable to open as we normally would and did not open fully until 2021."
  - Every Story Matters contributor, England

Some individuals who lost their jobs received redundancy payments, which provided short term financial support. Others experienced an immediate and complete loss of income.

We heard from individuals who felt particularly vulnerable to economic hardship in the early stages of the pandemic because of their financial circumstances. Examples included:

- Individuals who did not have permanent jobs. This included some freelance and self-employed people, gig economy workers and those on zero-hours contracts. Some of these workers worked in multiple jobs for different organisations, with no entitlement to continued income or job protection.
- Individuals who had no savings, or who were already struggling financially with caregiving costs, or low incomes. These groups had little safety net to fall back on.
- Individuals with existing debts from before the pandemic. For example, individuals described having existing credit card debt and were struggling to keep up with repayment schemes for cars and other large purchases.
- **Individuals whose income stopped overnight.** These were people working in jobs and sectors which immediately had to close and let staff go, meaning they experienced a sudden reduction in their income for essentials.

These financial difficulties led to some individuals quickly becoming very stressed and worried about money. For example, one self-employed individual working in a hair salon lost work at the start of the pandemic. She described her worries about money and disappointment that she and her partner did not have savings to fall back on. Another contributor shared how separating from her ex-husband had left her in debt, and the immense financial stress she felt when her work as a cleaner dried up early on in lockdown.

- We were stressed and then disappointed in ourselves that we didn't have savings to be able to cover payments that were going to be coming in."
  - Self-employed person, Scotland
- I had to stop working because I was a domestic cleaner as well as a cleaner in pubs [in the] early morning. Pubs were closed, so my work was done and I couldn't clean in houses either. So, I lost all [my] money."
  - Person who was a gig economy worker, England
- I had no income. [My] income was gone, that wasn't guaranteed, that was a zero hour contract, so it wasn't guaranteed, a minimum wage. So, my donation to the household was gone."
  - Self-employed person and gig economy worker, Northern Ireland
- I literally had nothing. No income at all. As soon as we were locked in or locked down, whatever way you put it, my income stopped that day, literally. All the jobs I had booked in previously were literally cancelled by my customers... Suddenly [I] had no income, but the same bills."
  - Self-employed person, England
- It was really difficult because it's then the worry of having debts to pay, 'How am I going to make those ends meet?'"
  - Person who was a full-time employee, England

One contributor described struggling financially in the early days of the pandemic after giving up her work packing in a factory when she found out she was pregnant, as she was worried about catching Covid.

- I found out that I was pregnant, I was afraid for my life, and for the unborn child, and I was afraid to catch Covid ... When the pandemic came, we both stopped working because we were afraid of the virus and then the problems started, we were without [enough] money."
  - Person who was a full-time employee, England

#### Katrina's story

At the beginning of the pandemic, Katrina lived in a remote area of rural Wales with her partner. They lived in a caravan alongside her partner's stepson. Katrina held multiple part-time and zero-hours contracts across several businesses, including data collection, customer service work, hospitality at gigs and other live events during the summer months. To top up the income from her jobs, she also received Working Tax Credits. She described her financial situation before the pandemic as quite good due to the variety of work she did and the stability of her partner's full-time income.

As soon as the pandemic hit, she was laid off from her data collection job in Scotland. Her other jobs, which involved customer service visits to retail shops and event hospitality work, also dried up because these businesses closed due to lockdown restrictions. When she lost her jobs, she applied for Universal Credit on the advice of the Jobcentre. However, she was denied Universal Credit because she received a tax rebate, which was incorrectly counted as income. This left her without her usual Working Tax Credits and without the Universal Credit she had applied for. The loss of income from her employment and benefits created significant uncertainty and stress.

I worked for about six or seven different companies, some freelance, some with contracts. It was zero-hours contracts ... I was laid-off the day before the pandemic by the company in Scotland."

Due to the disruptions to her work and the uncertainty around whether she would receive any financial support, Katrina became immediately financially reliant on her partner's income, which caused tensions in their relationship and living situation. She found temporary work collecting parcels, but this job was physically demanding, and her income was unreliable. She was eventually furloughed from some of her previous jobs, but the amounts varied, and the support was short-lived, ending in September 2020.

Katrina's financial situation, coupled with her tense living conditions, created a pressurised living environment. This took a toll on her relationship with her partner, which eventually ended.

My outgoings were covered by my partner's wage ... It meant I couldn't buy things. I was reliant on him, which I didn't like to be ... So, having to rely on him financially impacted on our relationship."

As the pandemic continued, Katrina struggled to find regular work in the events sector (an area she wanted to work in). She eventually sought a more stable career, becoming an electricity meter reader in April 2021.

# Longer-term economic consequences of the pandemic

The economic impacts of the pandemic extended beyond the initial lockdown, creating a volatile and unpredictable environment for businesses, VCSEs and individuals. Fluctuating demand, rising costs, and the uncertainty of repeated lockdowns presented ongoing challenges. Some businesses saw demand continue to decline, while others experienced surprising growth. This all had an impact on business operations, employment, the labour market and job seeking and people's personal financial circumstances.

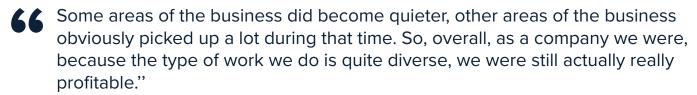
# How businesses and VCSEs adapted to the new economic circumstances

Business owners and managers and VCSE leaders discussed different ways they adapted to the new realities of operating in the pandemic.

Investing in supporting remote working was a key focus. Some business owners and managers and VCSE leaders spoke about the increased costs of moving to remote working during the pandemic. They told us how they often had to buy equipment or set up new systems and manage their rollout at short notice to enable staff to continue working effectively. They recalled the financial and operational strain they faced in quickly adapting to remote working. We heard about the significant stress and pressure this brought in the first weeks of the pandemic.

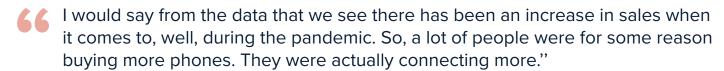
- Suddenly, overnight we had to set up everyone to work from home, so it was completely new ... we just had desktops in the office, which obviously you can't carry home, not easily. So, it was [an] initial cost because we had to just buy a new laptop for everyone, set it up, and then just work out how we would even do this because we'd never done that before."
  - Office manager of a small financial and professional services business, England
- A lot of the admin staff they work on desktops. That's purely the way we've always operated and obviously, we had to procure lots of hardware for them. We had to get it all tested. Had to get it all set up. So, the IT department were, like, run off their feet for the first few weeks. You know and also there was a cost attached to that as well ... which was an expense we didn't really foresee."
  - Office Manager of a medium sized professional, scientific and technical activities business,
     England

Diversifying was also a focus for some business owners, managers and VCSE leaders. They often decided to diversify, or further diversify, their businesses in response to the pandemic to make them more financially resilient. This was usually part of their overall business strategy, regardless of whether they received financial support from the government or not. We also heard from those who were financially resilient because their business was already diverse. This meant they were able to dial up certain activities during the pandemic. For example, a telecoms business focused on Wi-Fi installations during the first year of the pandemic to meet the increased demand from more people working from home.



- Senior Finance Manager of a large financial and professional services business, Wales

We also heard how some businesses saw demand and sales increasing. Some consumer products became popular during the pandemic – such as phones, or at-home leisure activities such as hot tubs – and businesses in these sectors saw increased revenue.



- Business Manager of a medium sized manufacturing business, England

#### **Matthew's Story**

Matthew is the sales director of a small business that manufactures hot tubs. During the pandemic, the business was able to successfully adapt to meet a sharp rise in demand. As people spent more time at home and looked to make better use of their outdoor space, hot tubs became a sought-after item.

It was brilliant for business – we simply couldn't make them [hot tubs] fast enough."

The business was well-positioned to respond to this increased demand as it was already selling online. This meant Matthew's team could respond quickly when interest surged and continue taking orders during lockdowns.

To help maintain the growth the business was experiencing, Matthew brought someone in to help with marketing. This led to a rapid rise in website traffic and customer enquiries, with a significant impact on sales.

The figures are astronomical, you know, the people who are coming onto your website and that are enquiring are through the roof, it's unprecedented."

Meeting the rapid increase in demand also meant hiring more staff, expanding storage space, and increasing delivery capacity. Matthew explained that being able to build on what they already had made it possible to scale up quickly.

We needed more of everything, we needed more people ... more space ... more trucks to deliver it [hot tubs], we needed more of everything. And then had to scale the business up rapidly to do that."

Reflecting on this period, Matthew described the pressure of having to make big changes quickly, but also as a time that showed just how much the business could take on.

#### The roles business owners and managers and VCSE leaders played also changed.

Business owners in small and micro businesses described how they often needed to take on more and diversify their roles – covering administrative tasks or delivery – to keep their business running with fewer people. They reflected on how this additional work often caused them to become burnt out and caused tension with family members because they were working long hours.

- Not only are you the director of the company, but you're also, like, the service receptionist, the car cleaner, going to get parts and doing all the logistics, booking people in, you know, making phone calls to make sure people are coming in and just coordinating it all, really, was very, very tough."
  - Director of a micro transport business that became insolvent, England

There were some businesses that had to make changes to their prices or how they managed payments from customers. For example, some businesses tried to maintain demand and keep clients by delaying charges or reducing prices to remain competitive. This led to further financial challenges for the businesses themselves, impacting their cash flow and profitability.

- We'd offer, kind of, maybe three months at half the price that they're paying. Or maybe rent-free for four months and then they pay that rent, a delayed kind of payment. So, they get rent-free for now, but then they have to pay that at the end of the contract. So, it's stopped them having to pay anything at the moment, to help with their cash flow."
  - Director of a small real estate business, England
- Whereas people normally, maybe, used to ask for two quotes from two different companies, they were asking for four and five now, because they knew that people [businesses and tradesmen] were desperate for work. People would drop down in their price, which was really difficult, because obviously you can't work for nothing, but then it was like, do you work for a little money, or do you not work at all? So, that was hard."
  - Director of a micro consumer and retail business that became insolvent, England

We heard examples of how businesses and VCSEs went further to reduce costs by changing how they operated. This included saving money on office space, cutting seasonal staffing and stopping employee bonuses and pay rises.

- Travel expenses ... some benefits for employees, the Christmas or end-of-year party was also cancelled, which, yes, was not very good for the employees."
  - Finance Director of a large food and drink business, England
- My employer [used Covid] as an excuse to not raise our pay with inflation and to not give us our Christmas bonuses."
  - Every Story Matters contributor, England

For some businesses and VCSE organisations, the shift to remote working meant they no longer needed the same amount of office space. Downsizing premises became a practical way to reduce costs in response to lost income and changes in how services were being delivered. In some cases, this was essential to staying afloat; in others, it was a way of adjusting to new working patterns and cutting overheads where possible.

- We downgraded to a six-person office and then we downgraded further before we upgraded again. But we were just trying to constantly nip and tuck where we could and cut costs where we could."
  - Owner of a small consumer and retail business, England

- We downsized as well, we really trimmed down on our operating costs. We were spending about £200,000 a quarter on rent and everything to do with that and now we're spending less than £8,000 a month."
  - Operations Manager of a small professional, scientific and technical activities business,
     England

Although these savings were not usually enough to make up for lost income, they did help ease the financial pressure for some organisations.

#### Changes to employment: business perspective

Before any kind of government support – such as furlough – was in place, **employers** had to decide whether to cut their staff numbers to respond to reduced demand and lower revenue. Business owners and managers described the emotional toll this took on them, as they had to tell their staff they were no longer able to employ them. They emphasised how difficult they found decisions to make staff redundant. Some said they tried to hold on to their staff as long as they could, but said they eventually had no choice but to let them go.

- One awful day, I had to call 80% of my staff and tell them that we had to make them redundant because there was no job for them anymore. And I cried, I didn't sleep all night, I was so, so upset. I had people that had worked for me for seven, eight years, that I had to say, 'I'm so sorry, I literally can't afford to pay you anymore because we've got no business.'."
  - Owner of a small consumer retail, England
- But it got to a point where they knew and I had to be open and honest and tell them, 'You know, I can't sustain this forever.'."
  - Partner in a small professional, scientific and technical activities business, England
- It was an extremely stressful period not helped by having to make staff redundant and restructuring during this time."
  - Every Story Matters contributor, England

For example, one manufacturing and engineering business had to lay off staff during the pandemic because they lost some of the contracts they had previously been delivering. Some of the employees who were made redundant did not have the skills needed for the contracts that remained, or for operating the machinery still in use. The business continued with fewer staff and by having the remaining team pick up

extra responsibilities alongside their day-to-day jobs. Making the redundancies was a short-term measure that helped keep the business afloat during the pandemic. Since then, the business has had to rebuild and recruit to enable it to operate at full capacity again.

- Obviously, we've had to lay some people off ... The jobs they [those who were made redundant] were doing, some were not skilled in the type of machinery that was being used. Some of the skills [of the staff who had been made redundant] were used for the different contracts that we acquired and lost [during the pandemic]."
  - Owner of a medium sized logistics business, England

On the other hand, some business owners and managers had hired more staff during the pandemic, often because of increased demand. For example, a business that offered out of hours GP and hospital support took on 60 members of temporary staff to meet the increasing demand for their services.

#### Changes to employment: individual perspective

Some permanent employees experienced a cut in their hours so their employer could reduce costs, usually lowering their income. One specific example was someone working as a private bus driver who told us that the drivers at their business decided to work fewer hours and earn less money so that they could all keep their jobs.

- Because the company I was working for was a small, independent [company] we all agreed we would split the work ... People were still having to travel. So, I was, financially, losing, but there were a lot of people a lot worse off than I was ... I went down to 25 hours, so everybody got a shift. It's fair to spread it around. I would do 3 days and my colleague would do 3 days."
  - Individual who was a full-time employee, England
- [I worked at a] Petrol station ... After [lockdown], they reduced me from seven to two days because they said the economy had come down."
  - Person who was a full-time employee, no fixed location

There were also many individuals looking for work during the pandemic. Many told us about how challenging it was trying to find a job. They described a quiet job market, with very few opportunities that were often concentrated in sectors which did not match their circumstances, skillsets or experiences: for example, because

they were unable to work from home, had limited digital skills, or lacked experience in those sectors where jobs were more widely available, such as healthcare. Travel restrictions within the UK also meant that individuals were often searching for jobs nearby in quite remote areas where there were limited opportunities. Some individuals also told us about reduced salaries being offered as businesses had less money and stopped providing allowances for commuting.

- Where I lived at the time was a very rural community. There wasn't much work around anyway and because the restrictions in Wales went on a lot longer and were a lot tighter, nobody was taking any staff on."
  - Person who was a zero-hours contract worker, living between Scotland and Wales
- Yes, I was trying to look for a lot of things that obviously didn't involve going outside, so working from home, but I didn't really have any qualifications and, well, IT experience. That's what most of the jobs were and I just didn't have any luck, even when I did apply."
  - Person who was a zero-hours contract worker, Scotland
- Well, definitely the job I got afterwards, the salary wasn't as high [as my previous job] ... from what I can see, salaries [are lower] because they're now starting to offer jobs where you can work from home, it does have an implication on the salary."
  - Person who was a full-time employee, England

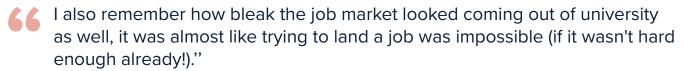
For those who lost their jobs, they often faced extended periods of time out of work as they struggled to find new positions. For example, one individual who worked in a public-facing role lost their job and was unemployed for a year and a half. Those who had limited flexibility for work due to personal circumstances described how this led to additional barriers to finding work, given how scarce new roles were. For example, a single mother of two children lost her work at a bar in lockdown and described how it was unusual to find hospitality jobs that worked with her schedule and childcare needs. She talked about being worried about money and trying to find flexible paid market research opportunities to top up her income from benefits as she did not have any savings.

- No other jobs, no. It was a bit difficult, even restaurants and stuff, you know ... It's so difficult, I don't think really many people were employing then. A lot of people lost their jobs ... I might have applied for more market researches through that time."
  - Person who was zero-hours contract worker, England

As well as the financial impact, the challenging job market also had negative impacts on individuals' wellbeing and motivation. We heard how hard it was to stay motivated looking for work over months or even years. One individual was made redundant from a charity where they had worked for 25 years. As a result of this loss of income and their extended time without work, they had to rely on their partner's income to cover household expenses, which they found difficult.

- I was made redundant in October 2020 and [my role] is face-to-face. You know, [it] just couldn't happen. But it took me until January 2022 to find another job, so it was a long time out of work because everybody who does my job, were all made redundant or some were on furlough, so there weren't any jobs."
  - Person who was a temporary/fixed-term contract worker, England
- I was then made redundant during the second lockdown so found myself suddenly with no income and having to try and find me a new job when the job market was vastly diminished."
  - Every Story Matters contributor, England

Those who left full-time education during the pandemic found searching for their first jobs particularly challenging. Their limited work experience and competition for jobs was something they described as difficult and demoralising. They told us about their experiences of applying for many jobs without getting interviews or offers, which they found disheartening.



- Every Story Matters contributor, England

Younger workers said their experiences during the pandemic had had a long-term impact on their career prospects. They now have gaps in their employment history and have missed out on various opportunities. Some also described their skills regressing during the pandemic; for example, a young plasterer and bricklayer who lost work and felt that without working, his skills had depleted.

Individuals told us that their progression at work was also impacted, highlighting the effect of redundancies, hiring and promotion freezes, a lack of new employment opportunities and the shift to remote work. One individual who was made redundant at the beginning of the pandemic and later started their own consultancy business told us they viewed the time when they were not working as a setback in their career, as they had lost access to a stable income and pension and had to start afresh in their career.

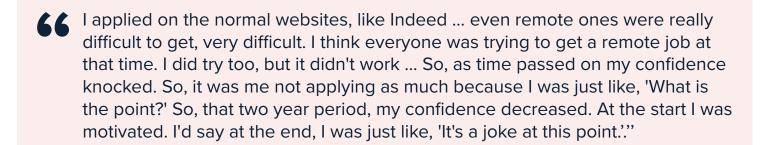
- My [plastering] trade, I haven't been practising. I mean, it's a trade that you'll never really lose. But you do really have to keep it in practice. So, work keeps you in practice, let's say."
  - Person who was unemployed and looking for work, Wales
- So, when you go back into employment, you're back to where you, kind of, started and that's five years' worth of progression that I haven't made, or I have made in a skills sense, but I haven't made in a career sense. So, yes, that is one thing that is, kind of, quite frustrating, I would say."
  - Person who was a full-time employee, England
- Business closures and working from home had a very negative effect on my career progression and development."
  - Every Story Matters contributor, England

#### Tariq's story

Tariq shared with us his experience of leaving full-time education and looking for work during the pandemic. When the pandemic started, Tariq was studying for his A-levels, working on a zero-hours contract and living at home with his parents and siblings. His schooling was interrupted right before he was due to take his A-levels and he was not able to sit exams. He had plans to go straight into an apprenticeship after finishing school, but decided not to and spent most of the pandemic out of work and living at home.

I didn't go into education again ... I wanted to do radiography as an apprenticeship ... That went out of the window. I did have one [goal], but it got lost as a year and a half went by, a year went by, it just got lost."

After completing his A-levels, Tariq applied for lots of jobs, mostly online. He found that there were very few job opportunities advertised at this time and there was a lot of competition, especially for remote jobs. He described himself as a motivated person before the pandemic, but felt that the disruption to his education plans decreased this motivation and knocked his confidence about his future.



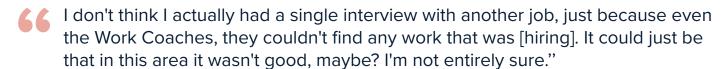
Financially, Tariq had some savings from his pre-pandemic job where he worked 10-12 hours a week. He also used second-hand online sites to sell belongings to make money. As he did not have to pay rent to his parents, he felt he was able to live off very little income during the pandemic but wanted to work to give him a sense of purpose.

Even though I wasn't going out for anything to eat or anything, to spend money. Or for clothes or training anymore, they were my main three [expenditures] I'd say. It still felt like even though I don't have to go out to spend, it's more like I want to be mentally stable."

After struggling to find work during the pandemic, Tariq eventually got a job and made plans to start university.

The nature of unemployment support also changed during the pandemic. We heard from individuals who were unemployed at the beginning of the pandemic. They had previously attended meetings with Work Coaches at the Jobcentre Plus for employment support as a condition of their benefits. They described how this changed during lockdown, with support moving online or on the phone. Some told us they found this less helpful than face-to-face meetings. They also said that because there were fewer jobs, Work Coaches gave less job search and application support. Instead, support became a weekly or fortnightly check-in about their overall welfare. Individuals who were keen to find work found the lack of support frustrating.

- I had an account online, [in] which I would receive messages from the work coach. And then I believe every week I would just get a phone call from the Work Coach, rather than me going into the office or the Jobcentre."
  - Person who was unemployed and not looking for work, England



- Person who was unemployed and not looking for work, England

#### **Mia's Story**

Mia was in her early 40s during the pandemic. She had a very difficult time during the pandemic; she lost family members, was going through a relationship breakdown, and remembered it as a lonely and confusing time filled with a lot of sadness.

She was unemployed at the beginning of the pandemic, claiming Universal Credit and Housing Benefit. Following her relationship breakdown, she moved to a women's refuge 4 weeks before the first lockdown. She described her finances as insecure going into the pandemic, as she was using nearly all of her income from benefits to pay the service charge on her accommodation and for food and other essentials.

[My finances were] not good at all because I'd only just started claiming [Universal Credit] ... And in that [women's refuge] you had to pay your service charge ... [and] for your bills or using the washing machine ... And then you're buying your own food, if you need to travel, you're paying for your own travel. So, you had to really [maximise] that money the whole month and try and save if you could, which was also difficult at the time. It was very difficult."

Mia was actively looking for work and was receiving job search support from her Work Coach at the Jobcentre Plus. When the pandemic started, this support switched from in-person to on the phone. Mia was not able to apply for any remote work because she lived in shared accommodation and found that in-person employment opportunities were very scarce. Due to the lack of work opportunities, Mia told us that her Work Coach stopped providing work search support and instead simply called to check in on her wellbeing, which she found frustrating as she wanted to get back into work.

I used to go [to the Jobcentre Plus] every 2 weeks or every week and see them ... So, I would go down because you can use their computers, you know, to make your CV or to upgrade your CV, they'd allow you to go in there and do a job search ... And when they switched everything off and went online or on the phone, it was quite strange ... No [training] was offered at that time."

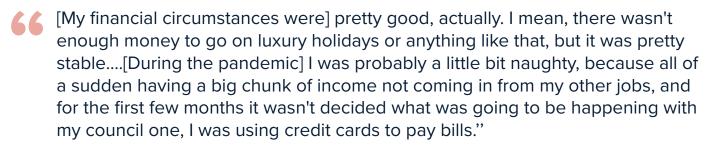


When that extra £20 did come in, it was a huge saviour, it really, really was, because they took away a lot of stress ... a lot of the other women, you know, they didn't think it was much of a help ... [But for] me, that £20 was going to go a long way."

Mia continued to face financial challenges throughout the pandemic due to accommodation costs, limited job availability, and the shift to remote support from the Job Centre. She remained unemployed throughout the pandemic but found the £20 uplift in Universal Credit a great help. Mia remains unemployed and has moved out of the women's refuge into a flat of her own.

#### Economic vulnerability: living with financial hardship

Individuals told us about how difficult it was to cope with reduced incomes and rising costs during the pandemic, often regardless of whether they received financial support or not. In many cases, the pandemic pushed individuals into financial hardship who were relatively financially stable before, as well as worsening the financial situations of those who were already struggling. We heard from a cleaner who described their financial situation as fairly secure before the pandemic, but how losing their work meant they took on credit card debt, borrowed money from family members and had to cut back on basics to stay afloat.



- Person who was self-employed, England

We also heard from an individual who went from comfortable financial circumstances before the pandemic to struggling significantly because they lost their job after getting Long Covid. This individual's story is described below in a case illustration.

#### **Declan's story**

Declan lives in Northern Ireland with his wife and their three children and shared his experience of getting Long Covid, losing work and struggling financially as a result.

At the outset of the pandemic, Declan was working for a large service provider in hospitals, shops and health centres – a job he had been doing for 15 years. This role was classed as front line, and he continued work on site during lockdown restrictions. Midway through the pandemic, he changed jobs, with his new role requiring often hours of driving a day to hotels around Ireland.

About a month into his new role, Declan contracted Covid and developed pneumonia and was hospitalised for three weeks. Doctors told him he probably wouldn't be able to go back to work. After speaking with his employers, he was advised to resign because his position wasn't secure as he was essentially on probation.



So, I was taken home [from hospital] and I was still trying to recover myself. I was still very sick, even though I wasn't in the hospital. Then I had to make a decision, you know? I had to listen to what the doctor said, 'You're not going to be fit for work'. So, I phoned work up and explained the situation, and the folks more or less agreed that it's better for me to resign ... I was more or less on probation, [and] they could have let me go anyway because I'd only started. I was a bit gutted."

Before his illness, Declan described his family's financial circumstances as comfortable. He told us that although they did not have large savings, he and his wife had always worked and been able to afford everything they'd needed without worrying about money or financial support from the state. As his wife's pay from her part-time work only covered their mortgage, Declan had to apply for benefits to make ends meet. He found when he applied that there was no record of his illness and after much back and forth with the application, he was only entitled to £1.68 a week in benefits.



You know, where you get the phone call at that particular time from the benefits office trying to clarify that you were sick? You know, I was telling them, 'I'm on the Long COVID programme', I gave them all the information of the nurses and who I was dealing with, and the girl down the phone, [her] exact words were, 'We have no record of you having Covid or no record of you going to Covid clinics or anything"."

As a result of this huge decrease in their household income and their inability to pay their bills, Declan had to contact a debt organisation called StepChange, which helped them manage and prioritise their debt. He described struggling to pay for the essentials and the emotional and mental toll of having to live on very little income and deal with growing debt.

- We had no money to do anything whatsoever, we had no social life, we don't drink, we didn't go out, we didn't do anything, the only thing that we lived for was to pay these couple of things, these bills that we had to pay. So, I could say, when I got out of hospital, our life stopped completely."
- So, everything was going at high speed at one time, you'd no money to pay anybody. You couldn't get the benefits that you needed, they took your driving licence off you, your independence was taken away and I had to find mental health support through community organisations."
- I still have to navigate, now this is years later, I'm still working on my StepChange, I'm still paying today, I'm still paying all my debt, even though it's only a couple of pounds a week, some of them and some of them I was able to maybe increase it a wee bit, you know? And pay a wee bit more, you know, but it's just been hell, I can't explain it any other way."

Today, Declan is still unable to work due to his health, still dealing with debt repayments, and tries to manage poor mental health which has developed as a result of his physical health and financial situations.

Individuals described different ways of coping, to deal with financial hardship during the pandemic. They shared how they went without essentials and had to rely on different sources of financial and other support, such as food banks, charities, or family and friends. Some had no choice but to take on debt. Many individuals remembered this as a deeply stressful time, and a period in their lives where they struggled. We also heard from a self-employed handyman who described living hand to mouth before the pandemic with very little savings. During the pandemic, he lost all of his work and told us that he and his family had to live on very basic food as a result.

- We were living on next to nothing financially. We were living on very basic food because we could not afford to go and buy anything other than very basic food. We were literally living on, I laugh now, jacket potatoes, beans, and just whatever we could make ourselves using very basic stuff."
  - Self-employed person, England

- My wife had left a zero-hours contract with her work and so was not entitled to maternity pay. This situation was very, very stressful and I am still recovering from the financial strain. We still had all the rent and bills to pay, nappies and baby formula, food ... we just survived!"
  - Every Story Matters contributor, England
- We used to struggle [financially] before the pandemic but we'd managed it better. [During] the pandemic then the kids were always underneath you. You were cooking more and you had to watch what you were cooking because you couldn't go over the amount, because you didn't have the finances."
  - Person who was unemployed and not looking for work, England

We often heard how individuals relied on the cheapest supermarkets for their essential food shopping, using deals where they could and for some, skipping meals altogether. One individual recalled losing weight during the pandemic because they rationed their food, cutting down their calorie intake. We also heard about how some individuals faced the additional financial pressure of having to buy their own medication when pharmacies were closed. Spending on non-essentials such as clothes and entertainment was often cut.

- I think it's made me reconsider what I spend money on and what I think is worth the money or not. I do look for cheaper deals, I look at cheaper supermarkets, I do try and look at cheaper things now, I do a lot of charity shopping, things like that."
  - Person who was a part-time employee, Wales
- We were living on next to nothing financially. We were living on very basic food because we could not afford to go and buy anything other than very basic food ... Everyone was doing the same thing, we weren't special. Just to pay the bills that mattered, the rent, the electric, the water, the council tax, the lease on my van, because I still had to keep my van."
  - Self-employed person, England
- I lost a lot of weight during Covid due to basically having to ration food to be able to afford to eat."
  - Every Story Matters contributor, England

Many individuals told us they used electricity and gas sparingly, and in some cases, not at all for some periods of time. For example, they described sitting in

the dark, avoiding using some electrical appliances. A key challenge was being at home and having to use utilities more, rather than being at work and using water and heating in the office, for example. Individuals talked about feeling like they were not able to look after themselves and their family very well because of the cuts they were having to make to essentials.

- It was the electric and the gas, for instance. For example, I would use a lot more electric and a lot more gas because I was [at home] ... I can remember periods of time where I sat here with no electric equipment ... I wasn't looking after myself very well."
  - Person who was unemployed and looking for work, Wales
- Our days entailed sitting in the house, you know, with no lights on because you were scared to turn the lights on because you hadn't got the money to put into your light."
  - Person who was a full-time employee, Northern Ireland
- Depleting savings quickly, we lived on the edge, unable to afford heating, cautious about electricity usage, and abstaining from common comforts like television."
  - Every Story Matters contributor, England

Some individuals from nomadic communities who were on low incomes before the pandemic shared how challenging the pandemic was for their finances. They said their incomes from often informal work were reduced and, at the same time, their living costs increased. For example, one person told us that her spending on food and electricity went up as her children were at home more because schools were shut. She also had a respiratory condition, which meant that she was at a greater risk of being unwell from Covid-19 and therefore had to spend a lot of money and time cleaning her home. The combination of money worries and anxiety about her health meant she struggled with her mental health.

#### Craig's story

Craig is part of a nomadic community and shared his experience of losing work during the pandemic and having to cut spending as a result. He lived with his wife and their two children, and before the pandemic, worked selling newspapers and topped up his income with Universal Credit. He also often relied on social networks to find out about other work opportunities.

When lockdown restrictions were announced he lost his work selling newspapers and had to rely solely on income from benefits.

[Before the pandemic] I was doing much better. I could get out, find a job, look for a job ... at least I had the option to look for other jobs, hear from other people about jobs and things ... but when everything happened I was just on Universal Credit, which I needed to manage as best I could. So, I lost financially with the pandemic."

Craig told us that he had less income on Universal Credit than he did when he was working and often struggled to make ends meet as a result. He said that he and his wife only went food shopping once a month and were only able to buy very basic food.

I managed to have the basics, so I was managing with bread, with things like this, but I wouldn't treat myself like before. Now it was just the basics, and I cut all the unnecessary expenses ... I kept spending mostly on food, so the clothing and everything else was cut."

He described his difficulties finding work during the pandemic. Craig thought he did not have enough experience to apply for most jobs and because English was not his first language, he worried there were many jobs he could not do. He was also concerned about working in public-facing roles and catching and passing on Covid-19.

The majority of the people that were [employers] wouldn't hire you because the majority of the shops [were] closed. They had gone through a downsize as long as the pandemic stuff was going on."

Despite facing financial difficulty during the pandemic, Craig did not think there had been any long-term financial impacts for him and his family.

Some individuals told us that they struggled to pay their rent or mortgages because of financial hardship. They often feared eviction and made paying their rent or mortgage the priority, sharing how the financial pressures left them feeling constantly stressed and anxious. For some, the cost of their rent increased during the pandemic while they were already unable to cope financially. We heard how some lost their homes, often having to move in with family members or friends to reduce costs, while others had to rely on good relationships with landlords to allow them to

pay rent late. One individual told us how their landlord of five years cut their rent by half for a few months to help with the financial difficulties they were facing.

- My landlord at the time, well, still is, was incredibly good. He cut my rent in half for three months completely and I've never had to pay it back. Yes, I know, trust me, without him we would have gone under big-time ... He knew I was a good tenant."
  - Self-employed person, England
- Alongside my main role in education, I am also an optician. We didn't open the branch for 3 months as many of the staff were isolating and I was recovering from Covid still during that time. Six months later I was made redundant from my education role. That hit me hard, both in terms of identity but also financially. I was renting and had to speak with my landlord about alternative ways of paying my rent."
  - Every Story Matters contributor, England
- I was made homeless 6 months into lockdown, I could not afford rent as I was paying debts built up during lockdown, and a lease car which I could not give back as I was more than 3 months into the contract so I had to try and keep up payments."
  - Every Story Matters contributor, England
- After lockdown it was decided my job would now permanently be moved to working from home. Due to my disability I could not work in this way and I ultimately ended up losing my job of 13 years. Because I lost my job I couldn't pay my rent so became homeless."
  - Every Story Matters contributor, England

Many individuals also described how they had to use savings, credit cards and borrowing to stay afloat. They shared how they felt the need to weather the storm of the pandemic in any way they could and often did not feel able to think about their finances in the longer term. We also heard from individuals who are still paying back debts and arrears they built up during the pandemic.

- My ideal work life balance I managed to create over the past 20 years has been destroyed and I now work all the time to pay bills, many of which are debts from Covid."
  - Every Story Matters contributor

- By the time 2021 came round, we were in that much debt from not paying bills I had to take out an IVA [Individual Voluntary Arrangement] as we could not manage our debts and payments which I am still in now and will be for another 2 years."
  - Every Story Matters contributor, England
- Even today I'm still paying from that time, the arrears for gas and electricity....
  They didn't cover all the needs and like I said before, I'm still paying for the money that I borrowed and for the bills that I had in arrears."
  - Person who was a full-time employee, no fixed location

#### Rising demand for the charity sector

Many VCSEs also saw a sharp rise in demand for their services and support, particularly from people who can be more vulnerable to negative impacts, such as disabled people and those with mental health needs. VCSE leaders said this reflected the increased isolation many experienced during the pandemic, along with the essential role these services played when other forms of support were disrupted or unavailable. VCSE leaders told us how the rising demand was difficult for their staff, and how they had to absorb new costs and draw on reserves to keep going. Others, particularly smaller organisations working with reduced capacity, were sometimes unable to do so.

- So, the sheer volume and complexity of what staff have to deal with, you know, means we require more capacity, we've had to increase the hours of the dropin. Which is great. It's good. It's good that people want to come and get help from us, but it's more and more difficult to sustain those increased hours."
  - VCSE leader of a charity, Scotland

#### Groups whose welfare benefits remained the same

Some individuals who were unable to work due to their health or personal circumstances, and were often reliant on state benefits such as EmploymentSupport Allowance (ESA)<sup>7</sup> and Personal Independence Payment

Fig. 7 ESA is a government benefit paid to individuals with a disability of health condition that affects how much they can work.

(PIP), reflected that their financial circumstances did not change much during the pandemic. They shared their experiences of very careful budgeting of benefits income, and often continuously challenging and fragile financial circumstances, where they prioritised making ends meet for themselves and their families before and during the pandemic. For the most part, they told us that the pandemic did not have much of an impact on their finances as their income from benefits remained the same and their outgoings were largely unchanged as they had to stay at home. This group told us that they had always had to be savvy with the limited money they received from benefits, and often worried about money, and this did not change during the pandemic.

For example, we spoke to one individual who was unable to work due to their disability, and received ESA and lived with their carer during the pandemic. They described how they were just about managing their finances using their income from ESA before the pandemic began and were used to being careful with money. Due to their health, they were unable to leave the house and had to rely on a neighbour to shop for essentials, which they found very isolating. However, they told us that their financial circumstances did not change as their income and expenditure remained largely the same. Another disabled person told us that they were just about managing to keep their head above water financially before the pandemic. While they did not feel the pandemic impacted their financial situation, they described budgeting to make sure they could stock up on non-perishable foods. Due to their disability, they were limited in their ability to leave the house and worried about running out of food.



I was a very vulnerable person at the time, and I think, as much as money is involved in that, I was vulnerable that way, I was vulnerable in a lot of ways, and it was very easy to be exploited during that time ... I was, kind of, just keeping my head above water is how I would phrase it."

- Person who was unemployed and not looking for work, England
- [My financial circumstances were] okay. I was managing. I wasn't, like, you know there are people who are in such a bad way that they're choosing to heat or eat. I wasn't like that, thank goodness. I was careful and my benefits were okav."
  - Person who was unemployed and not looking for work, England

PIP is a government benefit paid to individuals with long term physical or mental health conditions or disabilities who have difficulty doing certain everyday tasks or getting around because of their condition.

#### Groups whose work was unchanged

We heard from other individuals who were able to continue their work as usual, often in essential sectors like healthcare or food retail, but also in other sectors where the pandemic did not change how businesses operated. Many office workers transitioned to remote work and saw no real change to their income.

- I worked full-time as a nurse during the Covid-19 pandemic ... So financial circumstances were good because the two of us do have full-time jobs. So, we were okay, actually."
  - Person who was a full-time employee, Scotland
- We were fine, financially. I know there were others that were struggling with money, but it's just the way farming is."
  - Owner of a small agriculture, forestry and fishing business, Scotland

#### **Pensioners**

Some pensioners explained to us how they experienced little impact on their income during the pandemic. Despite facing isolation and having to deal with health concerns, these pensioners said that their pension payments remained similar, and they did not feel that they had additional expenses during the pandemic. As a result, these pensioners reflected that in financial terms they were largely unaffected by the pandemic, particularly where they had access to funds other than the state pension.

- [I receive the] old age pension. I only get just over the basic but I've got money behind me, so, it doesn't worry me and I'm not a big spender."
  - Person receiving a pension, Wales
- My finances were okay, but only because I am retired and my state and workplace pensions stayed the same."
  - Every Story Matters contributor, England

#### Those who saved money

Some individuals shared how they managed to save money during the pandemic. They said they were at home and spending less money on non-essential and luxury items and activities. These included eating and drinking out, going to live entertainment events and going on holidays abroad. As a result, their financial circumstances improved over the course of the pandemic.

- I do feel very privileged that I was able to work at home and was able to save a lot of money."
  - Every Story Matters contributor, England
- Working from home and not being able to go out and do things meant that I was able to save a lot more money than usual (saved on fuel, meals out, holidays etc)."
  - Every Story Matters contributor, England
- We saved money, a lot of money, but especially time, having my husband working at home and not traveling to central London every day."
  - Every Story Matters contributor, England



# 2 Accessibility of government economic support schemes

This chapter explores how contributors found information about economic support and how accessible it was, before describing their experiences of eligibility requirements and how they found the process of applying for support.

### **Awareness of support**

#### The role of employers in providing information and clarity

Individuals who were employed described relying on their employers for information about financial support, eligibility and how claiming support would affect their income and their working patterns. Although they told us that communication from their employers was not always immediate, they understood the delay given the unprecedented nature of the situation.

Individuals who were employed generally appreciated when their employers clearly communicated the financial support that would be provided through their workplace, such as the furlough scheme.

- I just got the phone call from the CEO, he was doing the rounds and calling people, and he just explained that, 'This is what's happening. You're getting paid but you'll be earning 80% of what you did [on furlough].''
  - Person who was a full-time employee, England
- When the furlough scheme was announced my boss said that I was a prime example of someone who could go on furlough and he had suggested that I would be [the first application]."
  - Every Story Matters contributor, England

#### The role of information from official sources

Business owners and managers and VCSE leaders shared a range of experiences of trying to find out about available support. Many told us that they found out about available financial support through government websites and emails and

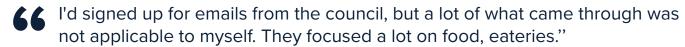
**via government media appearances** like the Downing Street Press Conferences. Generally, those who used them found the government websites gave a clear description of the support available, especially for the Bounce Back Loan and furlough, and particularly where they had GOV.UK accounts which provided specific advice based on their existing records.

- There was a link to the government website, and when you put in your details to that, because I have an account for various reasons for tax, for contractors' tax returns and stuff, on GOV.UK, and then on there I think it was either you put in your unique tax reference, or National Insurance number, or both, and then it would come back with what you were entitled to. Then, you'd put in your personal bank account details, and they would transfer the money."
  - Owner of a small construction business, England

At the same time, complex information and frequent changes in government financial support schemes were challenging. Some business owners and managers and VCSE leaders said they found the initial announcements unclear, which was frustrating and led to stressful, time-sensitive decisions like whether to retain staff. We also heard that changes to the rules led to confusion and frustration as businesses and VCSEs struggled to understand and navigate what support was available.

- I think the information back then was, you know, a little bit confusing. We weren't really getting what we would feel was, wow, this is exactly what we need to do, this is when we need to do [it] and this is what we can get. You really needed that information straight away to make a decision. You know, you [don't] have days to make decisions about how to keep your company alive when all else is going on."
  - Director of a small construction business, England
- Looking at how the business was doing, not knowing how the future was going to pan out, because it was changing all the time ... Everybody was lost."
  - Owner of a small consumer and retail business in Wales

Some business owners and managers and VCSE leaders told us they struggled to understand information about financial support because it was inconsistent, fragmented and not always relevant. They often received information from different sources, such as different councils and professional networks, which varied in how clear and relevant they were. This sometimes made it hard to understand what they were eligible for.



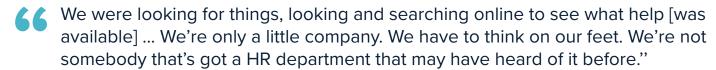
- Sole trader running an arts, entertainment and recreation business in Wales

However, some business owners and managers and VCSE leaders said that their local councils proactively sent helpful updates and guidance on financial support available. These updates were delivered through websites, emails, phone calls and newsletters.

- They were quite good, through our council ... there was, sort of, a purpose-built website for businesses and that gave you access to grants and all sorts."
  - Owner of a small consumer and retail business in England
- So, we did get emails from our local council. There was, like, a kind of newsletter type thing that came out to let us know of all the things that we could apply for, all the help that was available as and when it came out, basically."
  - Sole trader running an arts, entertainment and recreation business, Wales

We also heard from some small business owners and managers that they had to find information themselves about what financial support was available. They told us that they did not receive relevant information about support directly or that they did not think it had been widely publicised. Sometimes, the sheer number of financial support schemes had made it hard to work out what was relevant or where to start. This was confusing and overwhelming.

- It was a case of, 'Yes, it is available. All you have to do is apply for it, you can have it, but we're just not going to tell you about it. You have to actively search, and find out for yourself.' It was a case of just knowing about them was harder. There was nobody on the telly telling you about these ones."
  - Sole trader running an arts, entertainment and recreation business, Wales
- It's actually knowing what avenue to go down because there was so much out there, you type on different things and you're just going down a whirlpool really because you don't know what you're looking for. You don't know if it's the right one."
  - Sole trader running a consumer and retail business, Wales



- Company director of a small construction business, England

#### The role of professional and informal networks

We heard from business owners and managers and VCSE leaders about how business and VCSE networks played a key role in sharing information about financial support. More informal networks included relationships with other business owners and managers and VCSE leaders, advisors and other industry contacts. Professional membership bodies often sent communications about support through newsletters or on social media, including Seafood Scotland, the Butcher's Federation, the National Farmers' Union, the Federation of Small Businesses, the British Beer and Pub Association and the Arts Council, as well as local business groups in their area.

- I think if you weren't networked, it possibly wasn't immediately obvious. I remember advising a couple of businesses in England to look for this support. Because I networked through the Federation of Small Businesses, I was finding out in that way."
  - Managing Director of a micro construction business in Northern Ireland
- Within the industry, you speak to other people in the industry and there was a lot of cross communication from that perspective. So, there were various ways we were finding out about these potential grants."
  - Finance Director of a large food and drink business in England

Individuals – and some business owners – found out about financial support through informal networks, including colleagues, friends, or social or work acquaintances.

- Also, there were WhatsApp groups between all the different shops, so I was kept up to date and aware for all the various different support you could get, support and grants and all sorts of things, so yes, it was really good."
  - Sole trader running a consumer and retail business, England
- There was a scheme with the local authority that a friend suggested that I apply for."
  - Person who was a part-time employee, England



Information [about support] was disseminated person-to-person."

- Deaf participant, Sign Circle listening event

Friends or colleagues who had positive experiences of engaging with financial support encouraged individuals and business owners to investigate their own options, although this sometimes led to confusion about eligibility.

- I think the information was confusing and, you know, we ended up having to pay [an employee] fully, whereas we could've put her on to furlough and she could've done, sort of, the emergency work to keep the company alive and still be on furlough, but we didn't realise that for quite a while, so that cost us again."
  - Director of a small construction business, England

#### The role of trusted financial advisers

When the pandemic started, business owners and managers and Voluntary, Community and Social Enterprise (VCSE) leaders with accountants or financial advisers told us how they relied on them as their first point of contact for information on financial support schemes as they became available. These financial professionals played a crucial role in sharing information about financial support schemes, eligibility criteria and application processes.

- I think it was my accountant. She was trying to help me through this period, and she was saying to me that I might be eligible for this, that or this. And yes, I think it was mainly her that pushed me in the direction of maximising on everything that I was entitled to use."
  - Director of a small arts entertainment and recreation business, England
- Overnight the pressure on the accountancy sector went through the roof. Clients were looking to their accountants for help with HR, furlough notices, redundancy decisions, CJRS [Coronavirus Job Retention Scheme] claims, SEISS [Self-Employment Income Support Scheme] claims, council and central government grant applications, Business Bounce Back Loan applications, cash flow projections, financial guidance, debt management, mental health support."
  - Every Story Matters contributor, England

We also heard from employed and self-employed individuals who relied on their financial advisers. These financial advisers were able to tailor advice based on individual circumstances, guide them through application processes, and fill the gap left by the absence of employer support. These individuals often said that positive relationships with knowledgeable financial advisers and accountants meant they trusted the information they received, making them feel at ease about important financial decisions.

- I probably found it a lot trickier to find out. I'm not quite as tech savvy as my wife and in finance stuff so she had the contacts, she knows who to get in touch with."
  - Self-employed person, England
- No, I didn't think I was eligible for [support]. The two that I applied for because my accountant advised it. He said, 'You're a sole trader, you've created a percentage of debt during Covid, it's the best thing to do to get rid of your debt. So, use that money to be able to level yourself out.'."
  - Self-employed person, England

## Awareness and understanding of eligibility criteria

Business owners and managers and VCSE leaders had mixed experiences of understanding the eligibility criteria for different financial support schemes.

For example, we heard how organisations struggled to clarify the criteria for the furlough scheme, Bounce Back Loans and grants. Some said this meant they missed opportunities to access financial support to which they were entitled.

- I was aware of furlough, but because we're directors, and I had no one to really, sort of, discuss it with, I didn't claim furlough for either of us, even though I understand now that we could have both claimed it during the whole of Covid."
  - Director of a small real estate activities business, Wales
- As our business is a seasonal enterprise I didn't realise I was entitled to the support grant until the end of the year when we could not trade, there was a lack of clarity surrounding these and though I did receive furlough payments to be honest, we are still recovering financially from the effect of Covid on our businesses."
  - Every Story Matters contributor, England

Some owners and managers from businesses that became insolvent during the pandemic told us about how they had difficulties in accessing financial support and how distressing this was, given the pressure they were under. They described how they were unsure about whether they were eligible and struggled with the application process. This meant they often realised too late that they were eligible for schemes like the Small Business Grant.

- I think there was something around then about this 'small business getting help' that I never applied for, because I just didn't think I would've got it, and then I thought that it's too much effort to try and find out more about."
  - Sole trader running a business that became insolvent, Northern Ireland
- I didn't actually think of looking into it, but I wish now that I had, because I do know that you could get support, but like I say, it was something I didn't realise until after. But I think if I could go back I definitely would have asked for the support, 100%."
  - Sole trader running a food and drink business that became insolvent, England

Businesses in Northern Ireland that did not meet eligibility criteria for various financial support schemes, such as the Covid Small Business Grant and the Micro-business Hardship Fund struggled to understand why. Business owners and managers described how they thought communication about decisions was unclear and some said their experience put them off applying for other financial support.

- For some reason I was getting rejected, but not really getting a clear reason ... So it's still a wee bit, you know, of a mystery to me. You know, I've never really got any clarity on anything ... you just feel like you're, you're fighting a losing battle."
  - Managing Director of a small financial and professional services business, Northern Ireland
- I can't remember specifically why it was rejected, but it was rejected so easily, if you get me? They just wanted more evidence of the timeline of me struggling, if you get me? That's when I just obviously just threw the head up and I was like, 'I don't want this.'"
  - Owner of a micro financial and professional services business that became insolvent,
     Northern Ireland

#### **Scott's story**

Scott, who was based in Northern Ireland, launched his own recruitment business in the construction sector in January 2020. When the pandemic hit, he tried to seek out financial support but quickly found he was not eligible for the Small Business Grant because he did not have commercial premises.

I did hear of people getting grants and getting support, but when I asked about it, I wasn't eligible. I was still confident at that time that I could make my business work. I didn't want to take a grant for a business I'd already invested in to pay back."

Eventually, Scott applied for the Northern Ireland Micro-business Hardship Fund because he needed a source of income.

I found that very frustrating because I was having to provide evidence of my hardship. It was tough to do, because I was mentally in a bad place with this."

However, he was told the business was ineligible for the grant because of a lack of evidence in the application. He described this as frustrating, especially as he applied to the grant several times.

I never got to the bottom or understood why I wasn't eligible, due to frustration of not knowing why or not having the mental capacity to think deeper on why. It could have been different if maybe the information was relayed back to me better or if I was given strict or factual answers [that] pinpointed why I wasn't eligible. I remember one in particular, I did ask, 'You've got statements now, what exactly do I need?' They told me, I resubmitted the stuff again and [was] rejected. I, again coming back on the phone, to ask, 'X person told me that this was what I needed, could you tell me why it's rejected?' No, if you sent in this, then no. That's when I'd had enough; they didn't really understand what was actually needed from me."

Scott decided to close his business and seek employment elsewhere as a result of not receiving financial support. Scott described himself as not being in a good mental state, with him feeling lonely, vulnerable and very emotional.

We also heard from business owners and managers and VCSE leaders who found it straightforward to understand the eligibility criteria for financial support schemes, often thanks to information on government websites. This allowed them to easily access critical support like furlough and the Bounce Back Loan scheme.

- [GOV.UK] is like my Google, it's the go-to for all information, and it had on there, I believe, about the Bounce Back Loans and about the eligibility because it's always quite easy. Start here, answer these questions and yes or no. It's very user-friendly."
  - Owner of a small consumer and retail business, England
- We didn't have any difficulties at all with that. Yes, it was, kind of, on the government website, it was very easy to understand, it was very easy to claim."
  - Sales Director of a small manufacturing business, England

We also heard from businesses that had different experiences with different financial support schemes, both in terms of understanding the eligibility criteria and navigating the application process.

#### lan's story

lan is the Director of a medium sized retail business. He applied for both the Bounce Back Loan and the Coronavirus Business Interruption Loan Scheme (CBILS)<sup>9</sup> during the pandemic. He felt the Bounce Bank Loan was a much more straightforward application process.

Bounce Back was 100% guaranteed; it was a very light touch application. We just entered information that was required about our bank details, our company registered number, when we were formed etc. It was a ten-minute job. Whereas, with CBILS, you had to put a cash flow forecast, profit and loss balance sheet together."

lan said he applied for both loans and then realised he was unable to claim both, causing some confusion.

<sup>9</sup> CBILS was a scheme that helped small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The government guaranteed 80% of the finance to the lender and paid interest and any fees for the first 12 months.

I'd done the application, been accepted and then, probably within 24 to 48 hours I then discovered that you couldn't have a CBILS and a BBLS [Bounce Back Loan Scheme], so I contacted the bank, and they said, 'Well, we'll just cancel the application.'"

On reflection, lan would have liked to receive more guidance during the application process.

The CBILS application from our [bank] was quite challenging ... it wasn't just an online form, so there were supporting Excel spreadsheets. I don't think that [bank] had got themselves sorted out very well in terms of the application. There wasn't much guidance."

Individuals who went on furlough generally found the explanation of the support easy to understand. Their employers usually told them how it worked, made the decision on their behalf and processed the application. They told us how employers explained to them about their eligibility, pay amount and job status. Overall, these individuals found the process simple and straightforward.

- So with the furlough, I had my line manager and I was waiting on him to contact me as to what was going to happen with the company and what was going to go on, and I've worked with him for years, I know him very well. He contacted me and he said, 'Look, all the events have stopped, we can't carry on anymore, you're going to be furloughed, you're going to be furloughed at your wage.' I think maybe it was just slightly less than what I would have normally got if I remember correctly."
  - Person who was a fixed-term contract worker, England
- I qualified for [the] furlough scheme and appreciated it was quick and [I was] paid promptly."
  - Every Story Matters contributor, Scotland
- [My employer] also quickly arranged the furlough scheme which was very easy to access."
  - Every Story Matters contributor, England

Individuals shared how they were not furloughed even though they thought they were eligible. The decision was down to their employers, which made some feel

frustrated, and felt employers could have been more supportive and communicated their decisions better. We heard from individuals who felt they did not have any control over what happened to them.

- The furlough payment which I was entitled to was only payable if the employer applied for it. If the worker was entitled to it (I was) but the employer didn't want to apply, there was absolutely NOTHING that could have been done for me."
  - Every Story Matters contributor, Wales
- I would have been eligible for the furlough, however, the company at the time wanted me to stay and furlough other people, you know, to kind of, get the workforce reduced that way. I'm not too sure if there was much help financially available at the time."
  - Person who was a full-time employee, Northern Ireland
- I was resentful that I wasn't put on furlough. I would have definitely been eligible for furlough, without a doubt."
  - Person who was a temporary/ fixed-term contract worker, England

Self-employed individuals consistently said they did not have clear information about financial support available to them. This uncertainty left some unsure whether they could stay in business.

- Provision of information to businesses about furlough and SEISS [Self-Employment Income Support Scheme] ... was disorganised and difficult to access especially for the self-employed that are not technically proficient not everyone has a personal tax account [and] until Covid not everyone needed one."
  - Every Story Matters contributor, England

## Fairness of eligibility criteria

We heard from business owners and managers who gave examples of inconsistency and unfairness in the eligibility criteria for financial support schemes. For example, some said that financial support schemes failed to reflect differences in business size or operating costs.

- Just that's all I can really say, [is] that [those who received support] just thought that we should have got more. But I think also ... we didn't fall into categories to be able to claim a lot of support."
  - Director of a small real estate activities business, England
- I applied for [the Small Business Grant Fund] on two occasions and was rejected, which felt very unfair ... because I still had lots of costs and I burned through all my savings and everything ... I never got anything. I would have just contributed it really to our household expenditure."
  - Owner of a small arts, entertainment and recreation business, England
- My income as a self-employed person disappeared: about one quarter of my total income but for various reasons I was not eligible for financial help. The main reason was that my earnings were too small to qualify so, because I lost a large part of a small income, the government decided I didn't need help. That was a very strange logic."
  - Every Story Matters contributor, Wales

We heard from some business owners and managers that similar businesses qualified for financial support while theirs did not. This was frustrating and led some reluctantly to apply for alternatives on which they were less keen, such as Bounce Back Loans. This perceived unfairness and disappointment about not receiving financial support was strong among contributors who owned or represented limited companies. Comparably, they felt that their businesses received less financial support than sole traders.

- If we weren't limited companies, we would have seemed to have got a lot, lot more, you know, and I know of numerous sole traders who literally sat back and seemed to be just getting the money in. It was ridiculous, and there were people going out and buying cars. The only way we could get through it was to take out the Bounce Back Loans that were offered from the business that we are still paying off five years later and potentially have got another five years to go."
  - Director of a small real estate activities business, Wales

- The government ignored small, limited companies. Contractors forced to be a limited company like us working in the pharmaceutical industry were faced with zero income. Not eligible for benefits as it went on previous years assessments, we had nothing. Seeing our sole trader friends get 10k, some 20k, if they hadn't deregistered their dormant companies, even our cleaner got 10k, all we got was a loan, which we didn't know how long we had to make it last or when we would have to pay it back. It was frighteningly miserable. It ate up all of our savings."
  - Every Story Matters contributor, England
- The lack of support that was given to small business owners who were limited companies but worked from home. Millions of us could not claim furlough for our full income (only PAYE income counted and not dividends) and working from home meant no support for bills and no business rates gave us any way to claim support."
  - Every Story Matters contributor, Scotland

Some businesses with reserves or that owned their premises were not eligible for certain financial support, making business owners and managers feel like they were being penalised. Other factors, like working from shared or rented offices also made a difference to the financial support businesses could receive.

- I remember seeing some funds and thinking, 'Why aren't we eligible for that?'

  Just because we've got reserves we're being penalised, and actually we've

  made an effort to make sure we've got reserves and all those kind of things ...

  Some staff felt very strongly about the crisis grants, that we should have got it."
  - VCSE leader of a charity, Scotland
- We didn't have our own office, so we didn't pay business rates or anything like that, and yes, I think that had affected some of the things that we could apply for."
  - Owner of a small arts, entertainment and recreation business, England

Directors of limited companies who drew income from dividends said their typical income was not always considered in the financial support calculations used to apply to furlough schemes. They thought this was unfair and, in some cases, they struggled to manage their finances as a result.

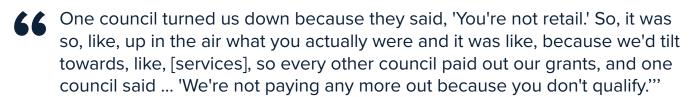
- We used to take dividends rather than have a salary. Of course, when Covid happened, we were entitled to no money. It was like, what do you do? That was a really even with the worry of the business, the financial the fact, ourselves, we could have no money. I claimed Universal Credit for about four months, but then we were able to start again, but there was literally ... no money."
  - Director of a micro consumer and retail business, England
- The government refused to step in and provide any financial aid to Directors of Ltd [limited] companies who relied on dividends. We did not come under the furlough scheme either which meant that we were left with no income and ultimately the loss of my business. I took out a bounce back loan in order to pay the tax bill but due to the pandemic and length of lockdowns the business could not recover so my business partner and I had to personally pay off the loan in order to close the company."
  - Every Story Matters contributor, England

Self-employed individuals could be ineligible for some financial support schemes, such as furlough. As a result, some told us that they had to cover both personal and business expenses from the same pool of money.

- As an owner/director of a limited company I was given no help by the government while my business was shut down. I had to struggle through on my own and yet now I'm expected to face a massive increase in costs and tax to pay for the hand-outs given to everyone else."
  - Every Story Matters contributor

Business owners and managers whose businesses were in events and the creative industries often said they were not eligible for enough financial support. The nature of these industries meant that they did not meet the eligibility criteria for some financial support schemes such as the Retail, Hospitality and Leisure Grant Fund, which they found frustrating. Additionally, for businesses working across multiple sectors, some parts of their operations qualified for financial support while others did not.

For instance, a person who ran an events business was unable to get support but described how a similar business could because their work included renting out fridges and coffee machines, making them eligible for the Retail, Hospitality and Leisure Grant Fund.



 Chief Executive Officer of a medium sized professional, scientific and technical activities business, England

We heard from some individuals who missed out on going on furlough, because they had recently changed jobs. They viewed the eligibility criteria as unfair.

- I had started work at a new company on 2nd March 2020. I was excluded from the furlough scheme because I had changed jobs after a certain date. This was clearly unfair. It could very easily be proven that I had taken a new job for a defined salary and it could also be proven that I had earned a certain level of salary for all previous years. There was absolutely no fair reason for me not to qualify."
  - Every Story Matters contributor, England

Some individuals who were not placed on furlough described feeling resentful towards those who were. They said it was unfair that they had to work while others did not.

- I was the sole employee of a 6 strong company that was not put on furlough, but was expected to take on the load of 3 other people for the same pay as them on furlough."
  - Every Story Matters contributor, England
- Financial support should have been much fairer for all. It was soul-destroying knowing people were enjoying extended annual leave while I struggled to make ends meet."
  - Every Story Matters contributor, England

We also heard from some individuals who saw the eligibility criteria as fair, especially if they were in a good financial position coming into the pandemic.

#### James' story

James worked as a manager in a small travel business. He entered the pandemic in a strong financial position, earning enough to comfortably meet his needs. While the pandemic created some uncertainty, it did not significantly affect his standard of living.

I wouldn't say standard of living, no. I suppose, yes, just small changes were made to help us through, you know, less meals out, less unnecessary takeaways, and different things. But we're lucky we didn't need to make wholesale changes, no, I would say, just small adjustments."

In March 2020, it became clear that the business James worked for could not continue operating due to the impact of the pandemic on his sector. The business began discussing who would be furloughed and who might be made redundant.

The company made it clear that the workforce needed to be reduced. A lot of people were put on furlough when that was an option."

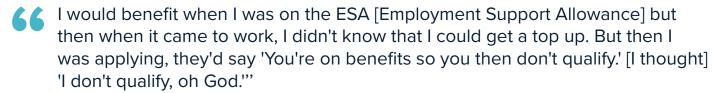
Having made an initial announcement, the business did not provide much information on next steps. As a result, James was unsure whether he would be kept on or let go, but this did not worry him, nor did the possibility of being furloughed. He would have preferred to keep working, as he did not like the idea of being paid to stay at home and wanted to stay active and productive. He was also open to changing jobs if needed.

Personally, I would have preferred not to. Only because sitting in the house all day wouldn't be for me. I would really want to be out doing things. You know, being productive, working, getting out of the house, as opposed to, kind of, sitting in the house all day. As I say, if I was given the choice, 'Look, here's the deal, furlough plus 70% of your wages or come into work', I would have gone into work every time."

James' employer ultimately made him redundant, but he had enough savings to act as a financial buffer. He said not receiving support had no negative impact on his financial situation or personal life.

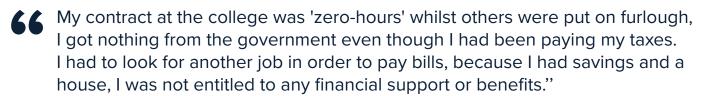
## Fairness of eligibility criteria for people who were economically vulnerable

Individuals who began the pandemic in economically vulnerable circumstances often described the eligibility criteria as unfair. They believed that they should have received more help and that eligibility for financial support schemes should have been broader. Those who had to make difficult financial choices about the support for which they were considering applying to, to help cover their loss of personal income were particularly critical of the strict eligibility requirements. For example, some had to choose between their benefit income and potential work income.



- Person who was unemployed and not looking for work, Scotland

People on zero hour contracts experienced difficulties when eligibility for some types of financial support was based on income before the pandemic, as it was often hard or impossible to calculate their earnings to demonstrate that they were eligible. This felt unfair and was worrying for those in this situation.



- Every Story Matters contributor, England

# Experiences of the application for financial support

Many business owners and managers and VCSE leaders said application processes for some financial support schemes were easy and efficient. Examples included furlough, as well as local council grants and loans. These contributors described straightforward forms and quick turnaround times.

- In terms of [the] bank loan, [that] was straightforward because obviously, you're just submitting financial information and getting a decision. And the retail grants were quite straightforward because we were shut."
  - Chief Executive Officer of a medium sized professional, scientific and technical activities business, England
- I think the local authority stuff was relatively straightforward because ... if you met the criteria, you got the money. So, it's just a question of deciphering, in some ways, which criteria you met and then filling in a very straightforward [process]."
  - Owner of a small food and drink business, Scotland

Other business owners and managers and VCSE leaders told us they found applying for some financial support schemes like CBILS (Coronavirus Business Interruption Loan Scheme) and furlough time-consuming and complicated. While they understood that detailed applications were needed to prevent fraud, some struggled with the process. They described being frustrated by the amount of information required, especially about payroll and invoicing. This was particularly challenging for those without dedicated HR or finance staff. Some also said the challenges of using online portals and relatively complex application forms seemed disproportionate to the amount of money offered.

- The funding application was still quite rigorous. They were still putting checks and balances in place, under a very stressful situation. Being asked information, being asked to come up with quite a lot of stuff. But relatively, I think I only got, like, £5,000 or something."
  - VCSE leader in Wales
- The furlough scheme was relatively straightforward, we were lucky to have advisers to talk us through the process, so it wasn't as bad as it might have been for someone who didn't have an accountant. It was just a bit onerous in terms of time and pulling it all together."
  - Senior Financial Controller of a large consumer and retail business, England

#### **Owen's story**

Owen ran a business renting out access equipment such as lifts and platforms for customers in the construction, building maintenance and telecoms industries that required safe access to high-rise buildings and large structures.

When the pandemic hit, some, but not all their services were considered essential. Owen applied for different financial support during the pandemic.

He said that the Small Business Grant Fund application was particularly simple. While the CBILS loan took some time to arrange, he found the application process manageable and similar to his experience with other loan applications.

I'll start with the grant, because I think we got that first, that was very simple, that was literally, I think that was an application to the local council. I seem to remember filling that in, in whichever manner, and then sending it in, the money came through within a matter of days ... And then the CBILS loan, again, we've got a good relationship with the bank so that had probably made it fairly straightforward to get it through."

Initially, Owen found the furlough scheme more challenging because of the calculations required. He said online calculators helped and he created his own backups to check the calculations.

There were quite a lot of calculations and there were different percentages for different things, it covered the cost of so much."

He also found the furlough application to be time-intensive. Owen said keeping up with changes to schemes and recording things accurately was sometimes difficult.

I remember, bits of paper everywhere and spreadsheets, trying to work it all out just to make sure ... once you've done it two or three times, you get used to it, so I think it would be unfair to be critical of it, because eventually it did the job and we made our claims and we got the refunds we were entitled to. I would say yes, furlough I think ... as much as we understood it, it did take quite a lot of your time, it was quite intensive."

Owen eventually went on furlough support in addition to the Small Business Grant Fund and the CBILS loan. The support allowed his business to survive and he managed to keep staff in their jobs.

Business owners and managers and VCSE leaders said they found financial support applications easier to complete when they had up to date records for their organisation.

- We had clear records of everything. Our submissions were all on time so all the records that they needed to check upon were easily accessible via them. We had to have a passport or driving license and I supplied both of those. It's as simple as that. We were able to tick all the boxes because we had all the information to hand and it was very easy."
  - Owner of a small arts, entertainment and recreation business, Northern Ireland

Some business owners and managers told us they would have liked more help with submitting financial support applications. This included those whose applications were rejected multiple times because they did not fully understand what information they needed to provide. Even when they sought help with loan applications from their banks, some business owners and managers found the guidance they received was unclear, which delayed their applications. While they understood these were new financial support schemes brought in quickly, the experience was still frustrating.

- You were passed from pillar to post. I remember one in particular I did ask, 'You've got statements now, what exactly, from your mouth, do I need?' They told me, I resubmitted the stuff again, and [the application was] rejected. Obviously, I understand that people didn't really understand what was actually needed from me. They were given probably a guideline and, in their head, I wasn't meeting the criteria."
  - Owner of a micro financial and professional services business that became insolvent,
     Northern Ireland
- At the moment of peak crisis, they were stumbling around a little bit knowing how to even do it and how it worked and what the criteria were, what forms needed filling in, how to process an application. The banks and the need to put in things so quickly led to inevitable confusion."
  - Owner of a small business, England

We heard from individuals who had positive experiences applying for financial support. They found processes smooth and easy, which was especially welcomed given the uncertainty around their finances at the time. For example, some self-

employed individuals who received the Self-Employment Income Support Scheme (SEISS) grant said the process was straightforward and they could get the help they needed.

- The criteria were quite simple, if you'd submitted tax returns and paid tax, it was based on your profit. You don't need to prove anything, it's the records that are held with HMRC that'll be looked at, I already knew that I'd declared my income and I'd paid my tax, so it was something I knew that I'd be getting."
  - Person who was a gig economy worker, England
- Just a simple application process. I mean, all we really had to do was have everything compiled in a spreadsheet, and so it was not unpleasant."
  - Person who was a full-time employee, Northern Ireland

Some individuals relied on financial information and guidance sources with which they were already familiar, like financial advisers or Universal Credit Work Coaches, to make the financial support application process easier. This meant these individuals felt more confident that their applications would succeed.

- It was very easy and I think it must have been because I called during the lockdown, so rather than that fear [of] walking into a Jobcentre, I had someone on the telephone who was knowledgeable and kind. That was worth commenting on. Just how much I appreciated their communication."
  - Person who was a part-time employee, England

Some individuals, including self-employed people, found the financial support application process harder to navigate. Those who struggled said there was too much paperwork, and they were often unsure whether the information they provided was correct. Although many still got financial support, they felt the experience was more complicated than it needed to be.

- I'm not exactly sure what [the issues were]. It was something to do with the paperwork, I don't know whether it was filled out incorrectly, sent to the wrong place, or just wasn't processed quickly enough. I don't know, something happened, but he ended up being paid later than he should've been."
  - Person who was a part-time employee, Wales

#### Zara's story

Zara was self-employed as a circus performer who had previously been working but had taken a break to study at university. She often had to move around for work. The start of the pandemic proved difficult for her.



I was leaving university into nine months of work and I had lots of different jobs and I was feeling very proud of that. The feeling I remember at the beginning of the pandemic was loss."

Zara saw and heard lots of information about support, including from friends and colleagues. However, she did not think she would be eligible or have the skills to get through the application process. She tried applying for support but was unsuccessful.

I never felt like I was eligible for a lot of it. I never had the knowledge and skills to be filling out huge grant support schemes. It felt beyond me to show projects I'd done in the last year which raise this much money. All the funding felt so related to the work you had done during the year or two before the pandemic, because that's what people were using as a marker."

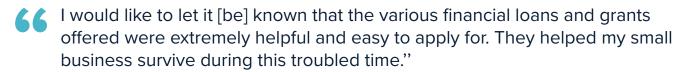
Zara was frustrated by not receiving support as she felt that working as a performer and being self-employed meant that she was ignored. She wanted the approach to support to be more focused on the human impact of the pandemic.

Everyone else returned to work first, and everyone else will be given funding and help first. And I just remember feeling a bit bitter about it."

Zara was able to start working in the circus again once restrictions were lifted, but felt that the ongoing rules such as COVID passports and audiences' lack of social distancing continued to negatively impact her work.

## Reasons for applying for financial support

We heard from many business owners and managers and VCSE leaders who applied for financial support out of necessity. Without support, their organisations would not have survived. The impact of financial support is discussed in Chapter 3.



- Every Story Matters contributor, England

However, some business owners and managers said that they applied for financial support even when they did not believe it was necessary because the terms were so attractive. They thought applying for government financial support was a smart thing to do for their business.

- We got a £50,000 Bounce Back Loan, which we took, even though we didn't need it at the time, but you would have been mad not to take it because it was the cheapest money at fixed rate, you were still paying 1% interest on that. All our other loans, we're paying a lot more."
  - VCSE leader of a charity, England
- I didn't take it for survival, I took it because it was cheap credit and anyone who understands credit in a business would understand that was just an easy way to get credit."
  - Director of a small financial and professional services business, England

Individuals who applied for financial support mainly did so because they needed financial help during the pandemic. However, we heard from some individuals who viewed financial support as a way to create a safety net during uncertainty, rather than money they needed urgently.

- We had no money when COVID happened.... we were both self-employed. So, we were left with no work, no ways to earn money. And we had to sign up to Universal Credit when it first all kicked off and we got rejected for it. And then it was three months before receiving anything [from the] government to help."
  - Person who was self-employed, Scotland
- Just trying to stretch the money out. Because we didn't know how long it was going to last for. We took payment holidays, as well as [on] the mortgage. And then, we would put the money in savings that we would normally pay. So, if anything cropped up, we would have savings, and we had never saved before. So, the pandemic actually made me save."
  - Individual who was a full-time employee, England



The furlough scheme allowed me to save some money."

- Every Story Matters contributor, England, Wales

## Reasons for applying for financial support

We heard from both business owners and managers and VCSE leaders who chose not to apply for financial support at all, as well as from those who chose not to apply for some types of financial support.

Some business owners and managers told us they chose not to apply for financial support because they were unsure whether they would be eligible. This included those without tax records, which could be due to the business not generating enough income to meet the threshold for paying tax, not having a tax registration number or making tax assessment returns, as well as those who operated from their homes, which meant that they did not have business premises.

- I was feeling I was not going to be eligible, because I think the very first thing that I read was tax returns and the business wasn't really paying tax [as it was not making the right income to be able to pay tax, not having a tax registration number and not making tax assessment returns] at that point in time. So, I felt like I might be asked for my tax identification number, my tax identity and stuff like that ... I read it's just a waste of time to try and apply for this grant, because my application might not be approved."
  - Owner of a micro transport business that became insolvent, England
- A Future Fund<sup>10</sup>, this is also another fund for business, and I didn't apply for it in the end because I didn't think we would get it. It was for high-growth companies, and I was unsure, 'what is high growth?', 'how is that calculated?'"
  - Owner of a medium sized logistics business in England

Even with favourable terms, some business owners and managers and VCSE leaders told us they were unwilling to take on additional debt during the pandemic. They were hesitant to borrow money unless it was essential, worrying that loans could add to financial pressures in the future. Others decided to apply only for government grants because they did not have to pay them back.

<sup>10</sup> The Future Fund was a UK government scheme, established in response to the economic disruption to businesses caused by the pandemic. The scheme was aimed at innovative and high-growth businesses. It lent a total of £1.14 billion and was delivered by the British Business Bank. The Fund provided convertible loans to UK-based private companies facing financing difficulties due to the pandemic. Convertible loans are a type of debt that can later convert into equity (shares). The amount of each loan was between £125,000 and £5 million. Match funding was a key requirement of the scheme (that an equal amount of investment from private investors had to accompany the government loan). The scheme was launched in April 2020, with applications opened in May 2020. The scheme closed for new applicants on 31 January 2021.

- I know people that advocated going for them, because the rates were very advantageous, but a loan's a loan and we didn't really want to put ourselves in that position. But we would have done. It would have been a needs must basis."
  - VCSE leader of a charity in England
- We did not want to take out a Bounce Back Loan either as the worry of paying that back when we had no idea when lockdowns would lift or people [would] have the confidence to travel again."
  - Every Story Matters contributor, England
- I would've been tempted to apply for a large bank loan because during the time, they were essentially saying, 'If you apply for it, you'll get it', but my concern was that I'd be taking on a huge loan that I might not be able to pay back in the future, so it's best that I didn't take out a bank loan and just stuck with the government grants."
  - Sole trader running a consumer and retail business, England

Others were able to weather the pandemic without financial support as they were more financially resilient, usually because they had existing financial reserves or the ability to continue operating despite the pandemic disruption. They did not have the same incentives or reasons to apply for financial support.

- I do think we looked at it briefly but just thought, 'Well, it's not necessary because we did have money in the business account to be okay for a few months to cover payroll worst case.' And then, everything returned back to normal, and basically there was no interruption to income."
  - Office Manager of a small financial and professional services business, England
- As owners of a B&B and holiday cottage business, we opted not to take visitors, even after the initial lockdown, as my elderly mother (85) lived with us. Fortunately we were not wholly dependent on the business, so did not claim any financial support."
  - Every Story Matters contributor, Scotland
- There were the odd schemes that were targeted to more SMEs, but given that we were big enough to hold our own in terms of cash, we didn't. £50k isn't going to make a dent in our requirements, whereas in a small business, that's massive, that'll keep them going through Covid."
  - Senior Finance Controller of a large consumer and retail business, England

Businesses and VCSEs who thought financial support applications were complicated and time-consuming were put off from applying. Some business owners and managers and VCSE leaders felt that the effort was not worth it, particularly if the amount of money they would receive was relatively small or they did not see the money as essential.

- We didn't need to and, to be honest, the complications of filling in any forms, and then I'd have had to get it to somebody else's house as well to sign things off if it needed two signatures. When we're okay."
  - VCSE leader of a Community Interest Company, Wales

#### **Arthur's story**

Arthur ran a small business that provided training. It relied on face-to-face teaching in different countries. The pandemic disrupted how the business usually worked, but Arthur adapted by moving the business online. After making the transition, he explored what government support was available.

Oh, it was fairly easy to understand as far as eligibility, because there was only one that I was eligible for, which was something like £500 a month, but because of the nature of my business, I declined it."

Arthur felt the amount offered was not enough and the conditions attached were too restrictive. The risk of having to repay the grant quickly if they took on paid work meant it did not work for the business because their income often fluctuated.

I was like, 'It's really just not worth it because the amount of money is so pathetic compared to what you're paying all these other companies.' And if you do any paid work within, I think it was three weeks, then you're not entitled. And given that, as a small business and the way my own business works, I didn't necessarily even know if I'm going to be making money next week or [in] two weeks' time, so the likelihood is that I could have applied for it and then I found out I was working in the next week and then immediately have to pay it back."

Arthur was disappointed, frustrated and upset that the support available did not seem to recognise the importance of small businesses and the value they bring to the economy.

I know of many that were in a similar position to me, just thinking, 'Why do we even bother contributing to the greater good of the United Kingdom if this is the respect that is going to be given to us?"'

He also raised concerns about the tax implications of the grant, suggesting that the taxes levied would negate any benefit. This further put him off from applying.

I've got a vague recollection that by the time you, sort of, declared it, and because it was commonly considered earnings, you then had to pay Corporation Tax on it, and then you would end up paying dividend tax on it. Yes, basically, it was just pointless."

A range of experiences informed some businesses and VCSEs' decisions not to explore applying for financial support. For some, a lack of time was one reason given for not applying, while in other cases the belief that it would be difficult, time consuming or overwhelming to apply for financial support was cited as a barrier to doing so. Some business owners and managers and VCSE leaders later said they regretted not applying. The wider economic impacts on businesses are discussed in more detail in Chapter 1.

- Thinking back, we probably could've made use of more of the government support, but I think it just came down to being a bit overwhelming."
  - Manager of a medium size manufacturing business, England
- Where I was within that time frame, our turnover wasn't a lot because I was the main person running the company and I'd been on maternity [leave]. But maybe I should have looked harder or pushed or questioned some of that business support grant stuff. But, at the time, I just felt it wasn't something that we fitted into the category of."
  - VCSE leader of a social enterprise, Wales
- Looking back, the Bounce Back Loan, we probably should have applied for it, the extra money we could have used for buying our new machinery, because we've taken out maybe about three or four finance agreements since then for new machinery with a high interest. I'm sure the Bounce Back was 0% you had to pay back."
  - Owner of a small agriculture and forestry business, Scotland

We also heard from some business owners and managers and VCSE leaders who said they were careful not to take actions that could be perceived as taking advantage of the system, only applying for what they considered necessary to cover essentials. For example, some chose not to apply for government loans, particularly if they were aware of other organisations that were struggling, and felt a responsibility to ensure resources were allocated to those most in need.

- I'm kind of driven by, 'It's not my money, this is public money.' And I want the public to trust me that I'm managing that money and where that money is going, so in order to do that I have to totally be able to turn it inside out. So, the extra money [was] to keep that service running."
  - VCSE leader of a charity, England
- We'd have had to apply for more grants, because we could not have survived without it. Having those helped us [but we] didn't want to abuse the system either."
  - Owner of a small financial and professional services business, Wales
- We're not at a point of borrowing for the sake of borrowing, so we might have done that, but we were okay. And it leaves it available for other people who need it."
  - Senior Financial Controller of a large consumer and retail business, England

Some individuals told us that they did not apply for financial support because they did not need it. This was often because they were in a good financial situation before the pandemic, such as having savings or a well-paid role, or because they had a guaranteed income. Applying for grants or one-off support did not feel necessary and they typically did not think they were eligible in any case.

- I was still getting my wage, and my husband was still getting his wage, you know. We didn't have any change, we were still having our money. So, we didn't need to apply for anything."
  - Person who was a full-time employee, Wales
- I feel like because obviously my role hasn't changed, I was working, still the same contracted hours as I was before. I don't believe we received any extra support."
  - Person who was a full-time employee, England

- I didn't really think I would be eligible for anything. I had friends that had small businesses, and they were applying for different funds. But I think because I have worked for local government, I just didn't even really consider to look into it at all. I didn't look to apply for anything."
  - Person who was a full-time employee, Scotland
- We wouldn't have been eligible for any support because obviously, our house, we didn't have a mortgage or anything, we don't have any debt, our income that we had coming in between us was above that would be entitled to any support."
  - Person who was a part-time employee, Scotland

## **Timing of financial support**

Some business owners and managers and VCSE leaders were surprised at how quickly they received financial support payments and had expected a slower, more bureaucratic process. In most cases, those from whom we heard said that the financial support they applied for arrived promptly and without any issues, often in a matter of days.

- They sent you an email through and, bang, it [Small Business Interruption Loan] was through in your bank account a couple of days later, which was lovely, fabulous, thank you very much."
  - Sole trader running an agriculture, forestry and fishing business, England
- It [the Bounce Back Loan] took three days to arrange. It was unbelievable. I've never known anything like it."
  - Sole trader running a professional, scientific and technical activities business, England
- I've worked in government so I know how slow and how clunky it can be, so to be honest the fact that we got it, I was just delighted with it."
  - Owner of a small arts, entertainment and recreation business, Northern Ireland

Many individuals also said they received financial support quickly. This was especially true for those who were put on furlough soon after the first lockdown started.

- The furlough scheme was very helpful and was brought in very quickly."
  - Every Story Matters contributor, England
- I was extremely impressed by the way our government quickly introduced the furlough scheme so that we did not panic about how we would survive financially."
  - Every Story Matters contributor, England

There were also business owners and managers and VCSE leaders who experienced delays in receiving financial support. Some described waiting months to receive financial help, rather than days or weeks. They told us about delays at different stages of the process, from having to wait for financial support to be put in place to delays during the application process or before receiving payment. Those waiting for financial support were often unsure what had caused delays, assumed it was because the system was overwhelmed with applications, but often felt communication could have been clearer during the process.

- So, I don't think there was any reason, I think it was just the time that it took the government to do the payments."
  - Sole trader running a human health and social work activities business that became insolvent, Northern Ireland
- After you'd completed the paperwork, you had no idea where you were in the process and that's truly because they were overwhelmed. And because we weren't under immediate pressure it was fine. There were a few weeks that it was pressured but other than that it was fine. And we were in a pandemic, you have to allow for these things."
  - Owner of a small arts, entertainment and recreation business, Northern Ireland

One business owner said they applied for different support, including a Bounce Back Loan, SEISS and the CBILS. While payments were administered quickly to begin with, their second scheduled Business Interruption Scheme payment took several months to arrive. This meant having to cope for longer without financial support and relying on their family for financial help. Waiting for financial support was stressful for businesses that needed the money to arrive as soon as possible so they could pay costs. Other similar stories were shared.

- You knew the money was coming, but it was still very unsettling. You know, you just wanted it there and then, so that you could pay your bills and have some money in the bank."
  - Sole trader running a consumer and retail business, Northern Ireland
- That [Business Interruption Scheme] one, it took a long time. The initial payment was pretty quick because it was automatic, but then after that there was a long wait for it to come through. I can't remember, maybe like a month or two."
  - Sole trader running a consumer and retail business, Northern Ireland
- We had to rely on our credit cards for food, groceries and basic essentials while we waited for the CBILS loan to be paid to my business."
  - Every Story Matters contributor, England

## We heard more about delays in receiving financial support from individuals, especially those who were self-employed or employed on zero-hours contracts.

For example, one self-employed individual described waiting seven weeks to receive financial support after submitting their application. Another self-employed individual noted that the SEISS grants came through later than other financial support schemes – in their case, leaving them without any income for three months following the start of the first lockdown. Another furloughed worker waited two or three months for furlough payments to begin. These delays caused financial strain, increasing stress and anxiety for those waiting, particularly when contributors had no income while they waited. Like businesses, they also described a lack of financial support and communication about the progress of applications.

- We had no money when Covid happened... we were both self-employed. So we were left with no work, no ways to earn money. And then it was, yes, three months before receiving anything."
  - Self-employed person, Scotland
- They could have done with telling us a bit sooner and I don't think it was fair that if you were self-employed, you had to wait three months. We waited the longest."
  - Self-employed person, England

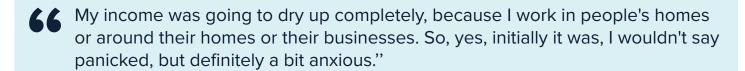


I definitely thought they were not soon enough ... it definitely came a bit late. But then once it came, it was okay. And every three months or something, they gave you another chunk, which was okay, yes."

- Self-employed person, England

#### John's story

John was self-employed and working as a handyman and in general building maintenance when the pandemic began. Government restrictions meant that he could not work and had no income. His family had to reduce their standard of living to reflect their reduced income and started to use credit cards to manage their finances.



John was unable to access support immediately. He believed that it took the government a while to realise that businesses like his were going to collapse because of the pandemic. He made a mistake on the form when typing his National Insurance number, which caused further delays in receiving his support as it meant the original form was not accepted.

We didn't get any help at all until the end of May. So, that three months felt like three years... I eventually got it through, you know, dogmatic ringing them up and speaking to actual human beings."

John was happy with the support he eventually received, but thought it should have come sooner. He went into debt during the pandemic and it took him a while to pay it off.

I bounced some costs off the credit card, just to pay the rent and I was literally going to cash machines and taking money out that I didn't even have, it was all on credit card and it took me [the] best part of three or four years just to clear that debt. I hate having debt, it's frightening."

John was able to return to work and continue running his business upon the easing of restrictions. His greatest relief was not losing his home during the pandemic.

# 3 Effectiveness of government economic support schemes

This chapter explores the outcomes of government financial interventions put in place during the pandemic. It sets out the experiences of contributors who took up various forms of financial support.

## Financial support received

For businesses and Voluntary, Community and Social Enterprises (VCSEs), the furlough scheme was the most frequently used form of support. Bounce Back Loans were also received frequently by businesses, although some also drew on the Coronavirus Business Interruption Loan Scheme (CBILS) and various grants. A few said they benefited from VAT (value-added tax) and business rates relief. We also heard how some sole traders were able to access support through the Self-Employment Income Support Scheme (SEISS).

- The Business Interruption Loan [CBILS], basically, that gave us access to money to maintain the cash flow to pay for contracts, to pay for maintenance. You know, we're renting and leasing certain equipment as well, so that basically, that's what really kept the business afloat from a financial perspective."
  - Owner of a medium sized logistics business, England
- For the leadership team there was relief that we had some money to pay bills and could continue to operate."
  - Chief Financial Officer of a medium sized manufacturing business, England
- I run a company that employs 10+ people, some were put on furlough, others carried on working from home. It was a very stressful time as big orders got cancelled and dried up. Furlough was a life saver and probably the most proactive thing the government did. We also got a Bounce Back Loan and local government grant, also really helpful."
  - Every Story Matters contributor, England

From individuals, we heard most about furlough, SEISS grants, and the Universal Credit uplift. We also heard about other support for individuals, including mortgage

and other loan 'holidays', food vouchers provided through schools or local authorities and grants offered to address specific needs or gaps in national schemes. For example, one individual who lived on a houseboat highlighted the importance of a fuel allowance to offset rising heating costs<sup>1</sup>.

- There was a period where ... people could apply for heating bills. Like a bursary kind of thing ... that we could use for gas and solid fuel."
  - Person who was a full-time employee, England
- I was also really pleased to get some furlough payments during the stricter lockdowns from two of my jobs. It made a lot of difference."
  - Every Story Matters contributor, England

## How well support met financial needs

As described in the previous chapter, some organisations did not apply for financial support. This was often due to uncertainty about eligibility or concerns about taking on debt. In contrast, the following experiences focus on those who did receive financial support and the extent to which this met their financial needs.

We heard that for some businesses and VCSEs, the financial support they received reflected their financial needs during the pandemic. It played a vital role in enabling them to stay afloat. The money allowed them to meet their immediate financial commitments without dipping into reserves, taking on debt or risking insolvency.

- I calculated I could probably just about afford to pay my suppliers, landlord and most importantly my staff in full with the level of support outlined."
  - Every Story Matters contributor, England
- Well if I hadn't have got the help, there's no way I could've kept on the business. It would have been finished a lot sooner than it was ... And I wouldn't have been able to keep paying the bills. To the extent that I would've ended up possibly having to sell the house, you know. I definitely, definitely appreciated and needed the help at the time."
  - Sole trader running a human health and social work activities business that became insolvent, Northern Ireland

<sup>11</sup> Fuel allowances such as the Winter Fuel Payment and Cold Weather Payment were existing UK-wide schemes, available prior to and during the COVID-19 pandemic.

- It basically means the business didn't go bankrupt because, without it, you know, we wouldn't have been able to financially support the business because we weren't able to work because there was no income coming in."
  - Director of a small real estate activities business, Wales

Many businesses highlighted that furlough in particular allowed them to avoid making redundancies. It also gave employers a way to support their staff at a time when many felt a strong sense of responsibility to do so.

- We had 90 people on payroll, so it's not nothing. And so, all of a sudden your revenue dries up ... we could see it falling off a cliff I guess, it allowed us to continue employing people."
  - Chief Executive Officer of a medium sized professional, scientific and technical activities business, England
- You know, the furlough scheme was a master stroke because you know, I really would worry about what would people do. You'd have to make them redundant and then what would happen to people?"
  - Chief Financial Officer of a medium sized manufacturing business, England
- Furlough was really useful. The work available dropped overnight, and as a result, our income as a charity dropped significantly. The furlough scheme allowed us to retain staff and stay afloat during those uncertain times."
  - Deaf participant (Business representative, VCSE), Sign Circle listening event

A few business owners and managers and VCSE leaders told us that the financial support they received exceeded expectations. This was often because they had modest expectations of what was available, making the financial support feel generous by comparison.

- Hand on heart, looking back now, it was a lot. I probably could have done with less than what they gave out but I'm grateful for what I did get, because like I said, I was able to do things that I wouldn't have been able to do."
  - Sole trader running a food and drink business, Northern Ireland

## Claire's story

Claire is a self-employed beautician based in Northern Ireland who ran her business from a rented space in a local High Street salon. When the first lockdown started, her business was forced to close under public health restrictions, and she lost all her income overnight.

The early weeks of the pandemic were extremely stressful for Claire, made worse by not knowing how long her business would stay closed, when she would be able to earn some money and when things would return to normal.

It was very, very stressful. It was so uncertain. It was very hard ... everybody was in the same boat. Nobody knew how long it was going to last."

With no way to trade, Claire applied for financial support through the Covid Restrictions Business Support Scheme (CRBSS). She applied as soon as the scheme opened and felt a real sense of relief when the first payment arrived and was with her quickly.

It was 14th May, ... we could apply for self-employed income. So, on 14th May at 12 o'clock, filled the form in, and after that, that took the stress away."

Once the support was in place, Claire found it made a real difference. She had previously relied on family to help cover personal and business costs but did not need to lean on them as much. She was also able to use some of the funds to invest in her business, including buying a new treatment bed and decorating her workspace in preparation for reopening.

I was able to buy a lovely new bed for work out of the money. That was a real positive side of it. When the restrictions were lifted and we were able to go back then I had enough from the grants to decorate and buy other equipment that I needed."

For Claire, the financial support she applied for was more helpful than she had anticipated. It eased the immediate financial pressure she faced, while also allowing her to get her business ready to reopen further down the line.

I think the grants ... maybe exceeded my expectations at the time ... and, yes, it was a great help to me."

Having received financial support, some individuals reflected on how it helped them to stay afloat and avoid hardship. **In many cases, furlough provided a crucial safety net.** Combined with lower spending and careful budgeting, this meant they were able to cope financially.

- Furlough scheme was done well, without it our family would [have] struggled so much more ... and we would [have] ended up in debt."
  - Every Story Matters contributor, England
- Furlough was a very generous, but extremely important and essential payment, that allowed us to not have to worry about money, paying the bills and [be] able to afford food."
  - Every Story Matters contributor, England

Those individuals who found that the financial support they accessed was sufficient were typically employed in stable jobs with employer top-ups or found that the 80% furlough payment was enough to cover their monthly outgoings. Some had savings to fall back on or could rely on others in the family who still had income. This made them less dependent on financial support offered by the government.

- So, I was able to maintain my home and bills and things. So, it covered things. There was just not really any extra."
  - Person who was a part-time employee, Wales

Furlough also enabled individuals to keep their jobs and stay connected to their workplace. This provided some financial security and reduced the stress and uncertainty of being made redundant.

- I think in that sense, furlough ... preserved the business through that period and it meant that I had a job to go back to afterwards."
  - Person who was a zero-hours contract worker, England

Some business owners and managers and VCSE leaders found that although the financial support they accessed was helpful, it was not enough to cover their usual outgoings.

- It was just a stopgap .... to make up for the pandemic. And obviously that was the point ... In our situation, our main other expense was rent. And so, literally, any money ... would just be going straight to landlords."
  - Chief Financial Officer of a medium sized travel and hospitality business that became insolvent, England

Some business owners and managers and VCSE leaders told us that while the furlough scheme helped with paying wages, it only covered 80% of basic pay and did not account for additional compensation like commission. Some business owners had to find money to top up salaries to retain their staff and to support them to meet their personal financial commitments.

- A lot of the staff that were operational, that we furloughed ... they're on the living wage ... So, they would have been in financial distress if we hadn't done that top-up ... people on the ... lowest income ... meant they were missing bills if we couldn't do that."
  - VCSE leader of charity, England

Similarly, some business owners and managers told us that while grants were helpful, in some cases they still left shortfalls when trying to cover essentials like bills, rent and other overheads. This left some business owners feeling under pressure, knowing the support would not stretch far enough. We heard examples of business owners having to draw on money they had planned to use for future investment in their business or using personal savings or taking on debt. A business owner who ran a small construction firm described how a one-off payment through the Small Business Grant Fund had helped with paying immediate bills, but to keep the business operating they had to use their reserves.

- It [Small Business Grant] wasn't supporting us. We were still having to dip into our profits from previous years to keep the business going."
  - Director of a small construction business, England
- I remember, it was like a eureka moment to say, 'Oh, we can do something. Right, we have got some support. Oh, we can get £10,000.' While that sounds a lot, it was literally eaten up so quickly in just paying the rent and paying wages, so it was absolutely essential, but also wasn't enough."
  - Director of a small construction business, England

Support from the Government's Eat Out to Help Out scheme<sup>12</sup> was less frequently mentioned by business owners and managers and VCSE leaders. There were mixed views on the scheme by those that had accessed it. Some businesses said

<sup>12</sup> The Eat Out to Help Out scheme was a UK government initiative that was announced in July 2020 and launched in August 2020 to support the hospitality sector during the pandemic. It offered a 50% discount, up to £10 per person, on food and non-alcoholic drinks consumed on the premises, available Monday to Wednesday between 3 and 31 August 2020. The government reimbursed participating businesses for the discount. Further information on the scheme can be found here: <a href="https://www.gov.uk/government/publications/coronavirus-eat-out-to-help-out-scheme-screening-equality-impact-assessment/coronavirus-eat-out-to-help-out-scheme-screening-equality-impact-assessment/coronavirus-eat-out-to-help-out-scheme-

it helped bring in trade and improve income after being closed, but not to the levels they saw before the pandemic. Others described being faced with the decision of whether to bring staff back from furlough without knowing if the Eat Out to Help Out scheme would generate enough income to cover their wages. One business owner reflected that another lockdown followed soon after and this made its benefits feel short-lived.

- There was also Eat Out to Help Out, which was a very good scheme for us. When we reopened, it helped to get people back into the pub and it helped us increase our profits, as we weren't paying VAT on food, so again that was a useful bit of support we had."
  - Finance Director of a large food and drink business, England
- The Eat Out to Help Out [scheme], that was okay ... Could Eat Out to Help Out have been better managed? People would argue the fact that he [Rishi Sunak<sup>13</sup>] shouldn't have done it, but I think I can understand why he did it ... when we look back, it probably wasn't the right thing to do, given where we were with the pandemic."
  - Group Operations Manager of a travel and hospitality business, Wales

Some business owners and managers also said the financial support they accessed fell far short of meeting their needs. They shared how this meant needing to take emergency measures like using their personal savings or taking loans from elsewhere. As a result, they had to take on financial burdens that their business would not normally have taken on.

This was the case for one large food and drink business. A business manager described how their business had to access private finance. While they applied for and accessed furlough to pay their staff, this was not enough to keep a business of their size afloat. They therefore opted to extend credit facilities with their bank. While this helped in the short term, the business was left with a debt it had not anticipated. This was a burden on the business and a stark reminder of the cost of simply staying open.

- We struggled. So, everything that was available, we applied for. But, public funding, there wasn't much available for companies like us. So, we needed to go to the private sector."
  - Finance Director of a large food and drink business, England

<sup>13</sup> This refers to Rishi Sunak who was the Chancellor of the Exchequer at the time and introduced the Eat out to Help Out Scheme.

#### Maureen's story

Maureen had been running a small childcare business from home for over fifteen years. Before the pandemic, she had regular clients and consistent work, but when the first lockdown began, she had to stop operating due to government restrictions.

With no income due to not being able to trade, Maureen applied for support through the Self-Employment Income Support Scheme (SEISS) in March 2020. At the time Maureen did not know that SEISS was designed to replace a portion of her average profits rather than to replace lost income. When she received her first payment in May 2020 the amount she received was significantly below what she would usually have paid herself.

I would've probably been earning in the three months around £6,000 ... and the grant for them three months was £1,500."

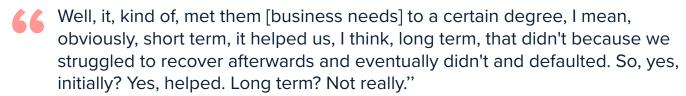
Maureen felt this was not enough for her to keep up with bills or support her household and she fell into debt. She arranged a mortgage payment break and cut back wherever she could. However, she continued to struggle and had to turn to credit cards to make ends meet.

- I got myself where I didn't pay the mortgage, I didn't pay things. And it just ended up causing that I was in debt."
- I had to go into a debt management plan and get it sorted. Because I was using my credit card ... to pay for things to make up the difference."

As she was trying to manage financially, Maureen also applied for tax credits to help cover the shortfall. However, because SEISS grants were classed as taxable income and counted towards tax credit calculations, this later caused problems. As a result, HMRC later recovered an overpayment which placed her under further financial pressure.

Looking back Maureen feels it was hard to understand the support available to her and what she did receive still left her struggling financially.

For some businesses and VCSEs the financial support they received helped cover short-term costs in the early stages of the pandemic, but it was not enough to support them through the longer term impacts of greatly reduced revenue.



- Director of a micro transport business that became insolvent, England

Individuals who found the financial support they accessed was not enough often worked in sectors that had been heavily impacted by the pandemic restrictions, such as hospitality, transport, or the events industry. While they welcomed financial support, they said it did not replace enough of their lost income.

- That money wasn't really enough to live off of. Like, a food shop alone especially in this rural area ... So, like, not being able to travel that far ... And yes, those costs did really affect us, did really impact us ... £800 just didn't feel enough to live off."
  - Person who was a full-time employee, Scotland

**Some individuals struggled with not receiving enough financial support.** This included individuals who received the Universal Credit uplift, those already on low incomes (on which the furlough payment or SEISS grant was based) and individuals with circumstances or conditions that might contribute to financial challenges during the pandemic, such as single parents with disabled children, or individuals with preexisting health conditions or disabilities.

Many individuals who received financial support, particularly Universal Credit, described how hard they still found it to cover essential expenses during the pandemic and the significant financial hardship they faced. Experiences of financial hardship during the pandemic are described in Chapter 1.

- I couldn't claim sick pay or furlough as a zero-hour worker; all I could get was Universal Credit after a long, laborious application process. £300 a month is not enough to live off."
  - Every Story Matters contributor, England
- I don't really think that uplift was that great. In terms of what I had to spend paying off things, I don't really think that was enough, if that makes sense. It still wasn't enough."
  - Person who was unemployed and looking for work, England

- When I lost my source of income, I was unable to cover just my rent with Universal Credit alone ... So we had to rely on food banks to survive, and I built up rent arrears which has never happened before in the 12 years I'd been privately renting."
  - Every Story Matters contributor, England
- I had to borrow money for food and bills from my parents who I lived with. I needed Universal Credit payments and food bank help. As I ran out of money completely, no money earned in 2 months and no Universal Credit payments because they messed up the payments."
  - Every Story Matters contributor, England

Others also described how hard they found it to cover essential expenses during the pandemic and the significant financial hardship they faced. A single mother of three children, one of whom was disabled, shared how she found it difficult to make ends meet before the pandemic. She had been receiving income support and child tax credits and her children were eligible for free school meals. During the pandemic, she received two one-off payments, which she felt was not adequate. Another single mother worked on a zero-hours contract in the fast-food industry. She received child tax credits, housing benefit and was placed on furlough during the pandemic but struggled financially.

- All we received basically was maybe, like, £380 for two years extra than what we were already in receipt of. I think that should have been a lot more, because the amount of stuff that we had to go through and buy and make do, it just was never enough."
  - Person who was unemployed and not looking for work, England
- The business was shut and I was furloughed ... I think it [furlough] was about £40 less [a week] ... I did struggle a bit with my rent, because with me working I never got all my rent paid for ... So I think I did get in slight arrears with that, and luckily I live in a housing association property. So they were understanding to the situation."
  - Person who was a zero-hours contract worker, England

Some individuals told us they found that receiving lump sums, such as the SEISS grants, made budgeting difficult because it was hard to know how long the money needed to last.

## Wider impacts of financial support

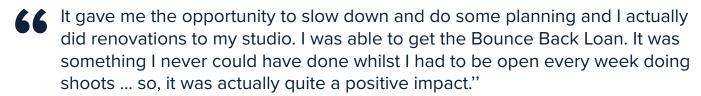
During the pandemic, individuals, businesses and VCSEs used financial support in a range of different ways beyond meeting immediate financial needs.

### Adapting, upskilling and innovating

Some business owners and managers and VCSE leaders described how the support they received enabled them to pivot their models or to innovate. For example, one charity used grant funding to deliver services online to support vulnerable people and help combat isolation. In another example, a hospitality business used support to diversify their offer to create new ways to attract customers as restrictions eased. These included offering a click and collect service, setting up a food and drink shop and buying a vehicle to repurpose as a food truck in the car park of the premises.

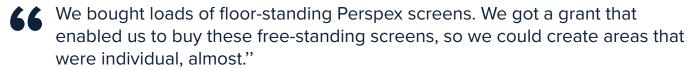
- For me it was about, 'Okay, how do we equip the care homes to make sure that we can deliver our sessions in a different way?' ... We found that the care industry is quite dated in terms of technology and how competent people are with new tech. So, we did secure funding to purchase a lot of equipment that we then sent out to the care homes with videos of how to set it up. Yes, and that then enabled them to join our online Zoom classes ... ."
  - Owner of a small entertainment and recreation business, England
- Part of the Bounce Back Loan it enabled me to diversify within the pub. So, with some of the money, I opened a shop up within the premises. So, there was fitting that out, shelving, stock and staff and I also bought a converted horse box that was a burger van, breakfast bar and put that into the car park ... it turned out quite good."
  - Pub landlord of travel and hospitality business that became insolvent

Some organisations used the financial support to make improvements to their premises or to invest in equipment and infrastructure. For those temporarily closed, the support created an opportunity to carry out refurbishments or restructure their space. Others upgraded IT systems or invested in marketing to become more resilient and better prepared for reopening. There were positive stories around how financial support allowed businesses to progress and complete plans, renovations and refurbishments.



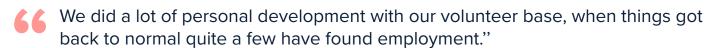
- Sole trader running a consumer and retail business in Northern Ireland
- We had planned what we needed to do. There was some refurb, some marketing, IT infrastructure was for the restaurant and the bar, so we actually made quite good use of [the support]. So, things that we planned, we knew we can benefit from it as a business ... we got the work done and it was great."
  - Group Operations Manager of a medium sized travel and hospitality business, Wales

Financial support enabled some organisations to purchase vital equipment that allowed them to continue to operate during the pandemic. This included Personal Protective Equipment (PPE) and room dividers to support social distancing.



- VCSE leader of a charity, England

We also heard examples of using financial support to offer training and development for staff. For example, one business owner who ran a small salon invested in online courses for staff. One VCSE organisation focused on building the capacity of their trustees and volunteers by providing training on leadership and facilitation. For some volunteers this helped to increase their employability after the pandemic.



- VCSE leader of a charity, England

Being furloughed provided some individuals with opportunities to pursue training, develop new skills, or explore alternative career options. We heard from a few individuals who used their time during furlough to focus on themselves by completing online courses, gaining new qualifications, or starting their own businesses.



80% of what I was making [receiving the furlough payment], it wasn't a huge cut for me and then it did allow me to focus on other more entrepreneurial stuff I could do."

- Person who was a part-time employee, Northern Ireland

#### **VCSEs** supporting communities

We heard how additional financial support VCSE organisations received enabled them to continue playing a vital role in supporting communities and groups who were living in economically vulnerable circumstances. Pandemic-related funding from local authorities and The National Lottery Community Fund<sup>14</sup> allowed VCSEs to maintain essential services such as providing meals, supporting individuals in crisis and addressing social isolation. In some cases, this funding also enabled VCSEs to respond to increased demand or to adapt their services so they could reach people more effectively when social distancing rules were in place.

For example, one VCSE leader described how their organisation used a mix of financial support grants to sustain and grow its services during the pandemic. This allowed them to continue helping families facing financial hardship, including providing clothing, bedding and other essentials. The financial support also enabled them to introduce new services like collecting and delivering prescriptions for older people, making doorstep deliveries and creating and distributing educational activity packs for children who were at home during lockdown.



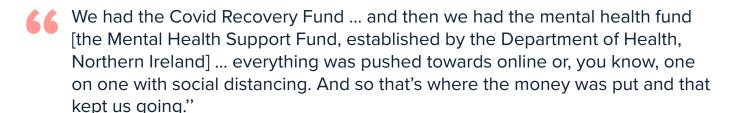
We had to improvise and think, well, how can we help people without, you know, face-to-face? I think then the lottery one [the National Lottery Community Fund] was to help me build the website ... we had a web page, but we didn't have the online support there. So, that was to help people go online and apply for our services ... It enabled us to offer more services, you know, that we would've provided in general."

- VCSE leader of a charity, England

We also heard how a social enterprise used support to carry on delivering a suicide prevention project that helped some of the most vulnerable people

<sup>14</sup> The National Lottery Community Fund awards money raised by National Lottery players to communities across the UK, working with local groups and UK-wide charities, enabling people and communities to thrive. During the pandemic, The National Lottery Community Fund was appointed to manage, distribute, and oversee the Coronavirus Crisis Support Fund (CCSF). This made £200m of funding available to small and medium size VCSE organisations to increase community support to vulnerable people affected by the pandemic. The funding was also administered to reduce temporary closures of essential charities and social enterprises, ensuring that services for vulnerable people impacted by the pandemic had the financial resources to operate.

in society, including those living in homeless hostels. Funding enabled them to continue to connect and help service users by providing online and outdoor counselling, therapeutic and outreach sessions.



- VCSE leader of a charity, Northern Ireland

#### Alex's story

Alex runs a charity that supports disabled children and adults and their families and carers by creating opportunities to socialise and take part in different one-to-one and group activities such as sport, crafts, and outdoor experiences. They do this by providing disabled people with access to specialist equipment like all-terrain wheelchairs and adapted bikes. Being inclusive and tackling social isolation are key pillars of the charity's mission.

During the pandemic much of their usual work had to stop or be rethought. Alex and her team adapted quickly, working creatively to find new ways of supporting people.



We needed to change how we delivered support ... We had to really think outside the box with how we were going to support people, which we are really good at anyway in the third sector."

With funding support that included grants from the Scottish Government, the charity was able to reach people in new ways. This included delivering care packages tailored to different needs, from hot chocolate, adult colouring books and snacks sourced from local suppliers for adults to activity packs for children. Outreach workers stayed in close contact with families and continued to run adapted sessions online. Some ran virtual craft sessions while others supported teenagers to game together remotely.

The funding helped the team to purchase tablets for people without their own devices and provide simple, laminated instructions to make sure they could join in with online activities.



We did a bit of outreach with those really vulnerable ones ... We'd give them challenges ... basically, to keep that connection with us, to keep that relationship and have them feel connected to something outside their own home."

Alex feels that the money they received made a real difference and allowed the charity to continue connecting and caring for people at a time when meeting in person was not possible.

#### Improving long term financial circumstances

Some of the reasons that individuals and organisations applied for financial support are explored in Chapter 2. These included necessity or wanting to make use of the financial support that was available at the time. The individuals, VCSE leaders and business owners and managers that shared their stories with us also described how this financial support was used in practice.

Some business owners and managers stated that financial support acted as a contingency rather than being something they relied on immediately. In a few cases, support such as the Bounce Back Loan was kept aside as a financial safety net that they could draw on if circumstances got worse. This was especially important given the uncertainty many faced at the time, particularly around how long trading conditions would be affected and whether future financial support would continue to be available.



I think as soon as you were able to apply, we popped in the application and as I was saying, we just kept the money in the business savings account. And then thinking, 'Well, if we need it, it's there.' Because you were never sure if you waited, then maybe the scheme was removed, so we applied quite early on."

Director of a small construction business. Scotland

Some individuals were also able to use some of the financial support to pay off existing, pre-pandemic debts or reduce credit card balances. The money provided relief, and they told us how it helped to reduce the financial burden of ongoing debt repayments.



That lump sum going into my account meant that I could pay off some of my credit card and pay off some of my overdraft. It gave me breathing space for the next couple of months of nothing."

- Self-employed person, England

In most cases the financial support that individuals received was focused on immediate needs and left little room for saving. However, we heard how a few individuals were able to put aside some of the financial support they received, for example by taking up the offer of breaks in loan repayments and saving the money instead. For the few individuals who were able to do so, this provided a buffer against financial uncertainty in the medium term.

- With that, kind of, uncertainty and that, sort of, anxiety about what was going on, we felt it best to just cut our cloth accordingly and maybe keep that money that we would have spent on this loan in an emergency pot that we may need for something related to Covid further down the line ... at the time, we felt was the wisest, most sensible thing to do."
  - Person who was a full-time employee, Northern Ireland
- I'd spend about £300 a month and then save £150 because obviously we didn't need anything, apart from food. We weren't using petrol, we weren't paying insurance. So, it was just like, 'Actually, it's just going to sit there until I need it,' and that's exactly what I did."
  - Person who was a zero-hours contract worker

## Health and wellbeing

For businesses and VCSEs, we heard how financial support allowed those making decisions to think more clearly and feel less overwhelmed. For many, financial support came at a time when they were worried about losing everything. In some cases, just knowing that funds had come through provided immediate reassurance.

- I've worked there 26 years and it was the worst time I'd ever been through and the most frightening and the lack of control was unbelievable. However, it gave us security and a feeling of safety, that we could get through it and that once things reopened, we would survive it."
  - Owner of a small financial and professional services business, Wales
- Speaking entirely personally, the one thing that gets me most worried and gives me most stress is financial instability. So, being told by my business partner, 'It's okay, a grant's just gone into the bank. We will have the money. You'll have food on the table at the end of the month,' right, having that level of confidence on a personal level is ... absolutely huge ... you can't quantify it."
  - Owner of a small consumer and retail business, England

Many individuals described how the financial support they received reduced their stress and anxiety by providing a sense of financial security. Knowing they had some income, even if it was reduced, allowed people to focus on other aspects of their work and lives and manage the challenges of the pandemic like coping with isolation or balancing childcare and working from home.

- It was really good, it stopped me stressing because you knew you were getting an income ... I was worried we were going into all debt, but we didn't."
  - Self-employed person, England
- Thanks for furlough. Without it I would not have eaten or had a home."
  - Every Story Matters contributor, England
- It was a godsend, really, because it meant that I didn't have to worry about money, which was a huge relief."
  - Person who was a full-time employee, Northern Ireland

## Changes to financial support

As the pandemic went on, the government adapted its financial support offer. This included changes to eligibility criteria, payment amounts and the duration of some types of support.

Some contributors welcomed the changes to the financial support being offered because of the benefits for them. For example, the extension of furlough provided continued income security for those unable to return to work. The evolving eligibility criteria for the SEISS grants meant that some self-employed individuals became entitled to financial support. This was particularly helpful for those newly self-employed, those with fluctuating incomes and those with mixed income sources (both self-employed and PAYE). The introduction of top-up options under the Bounce Back Loan Scheme allowed businesses to access additional funds on the same terms giving them a boost to help get back on their feet.

- With the Bounce Back Loan ... you could apply for a top up ... So, we did do that. On the same terms, it just meant that we were able to borrow a little bit more money, basically."
  - Owner of a small food and drink business, Scotland



I think the extension of furlough was a lifeline. It gave me peace of mind knowing I had some income coming in."

- Person who was a full-time employee, England
- Eventually, I became eligible for the fourth and fifth rounds of SEISS. I hoped, faintly, that the first, second and third rounds would be backdated. This is because the fourth and fifth rounds were based on 2019/20 financial data, which was 98% pre-Covid activity. This meant the people who received the fourth and fifth rounds had submitted tax returns that were more recent, more accurate and more scrutinised than those used to allocate the first through third rounds."
  - Every Story Matters contributor, England and Scotland

We also heard from individuals who found the changes to financial support disorientating. Changes to eligibility criteria sometimes resulted in individuals losing access to support they had previously relied on. The lack of clear communication about these changes often added to the sense of disarray and frustration that some individuals experienced. For example, we, we heard from individuals who were made redundant by their employer when the level of government support available through the furlough scheme reduced. This resulted in a sudden loss of income for those affected. We also heard from one business owner who had initially received a grant payment through SEISS but was later excluded under revised eligibility rules. This led to a significant drop in income and forced them to rely on limited savings and build up debt. Another individual applied for Universal Credit and received the uplift, but they said the payments were inconsistent and eventually stopped.



I was made redundant from my job in August 2020 after the government announced changes to the furlough scheme that would require employers to contribute to furlough payments."

- Every Story Matters contributor, England

<sup>15</sup> The furlough scheme opened for applications in April 2020, with the government covering 80% of employees' usual wages, up to a cap of £2,500 per month. From July 2021, the government's contribution was reduced, covering 70% of wages in July and 60% in August and September, until the scheme ended on 30 September 2021. Employers were required to top up to maintain the 80% wage level, contributing 10% in July and 20% in August and September 2021.

<sup>16</sup> In later rounds of SEISS some people who had previously qualified became ineligible if, for example, they had stopped trading, missed the tax return deadline, or their 2019-2020 return showed that less than half their income came from self-employment.

- When the furlough scheme changed in October 2020, I was told my job was at risk and was subsequently made redundant. When the chancellor changed the furlough scheme and reverted back to the 80% pay, I asked my company if I could have my job back and go back on furlough but the company said no."
  - Every Story Matters contributor, England
- It was a nightmare trying to keep up with all the changes. The rules kept changing and it was hard to know what I was entitled to."
  - Person who was a gig economy worker, Scotland

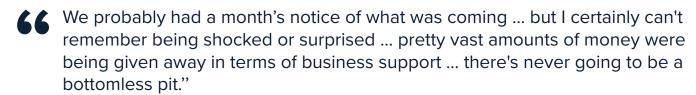
Some individuals gave examples of changes that resulted in inconsistencies in payment amounts and how often these arrived. This created ongoing uncertainty and made financial planning difficult. When this happened without clear communication, it exacerbated the stress and anxiety experienced by individuals already struggling to manage their finances. This seemed to be a particular issue for the SEISS grants.

- It was quite strange how it did actually work out, yes, because just as it was running out and I was thinking, 'Oh, we're going to have to pause the mortgage,' and things like that too, then another grant would come through."
  - Self-employed person, England

## Financial support ending

For business owners and managers and VCSE leaders, most forms of financial support involved lump-sum grants or loans with fixed end dates, which meant they knew what to expect from the outset. Many told us that this allowed their organisations to plan ahead for when they needed to operate without support.

- There were four [SEISS] grants in total that came through. So, that was very good, because then, I was able to pay off any money that I owed, put some money into the business ... [When it ended] it wasn't a shock. I knew that there was no more support coming and I knew we could get back to work, so that was positive."
  - Sole trader running a small retail business, Northern Ireland



- Sole trader running an arts, entertainment and recreation business, England

For others who used the furlough scheme, it was introduced without a clear end date and it was phased out gradually over the course of the pandemic. Employers who used the scheme said their organisations were well informed about the staged tapering set by the government.

- It was okay, it made sense, obviously this couldn't go on forever and we were slowly doing phased returns into the office."
  - Deputy Head of HR in a medium sized financial services business, England
- I think it was pretty clear when [furlough] would end ... we brought people back as soon as we could. So, it wasn't just cut off. I remember even some of the guys they were asking, when can they come back to work? Do they have to stay on furlough longer? I think that the phased [system]of returning people was well-organised."
  - Group Operations Manager of a medium sized hospitality business, Wales

Despite being given advance notice, a few business owners and managers and VCSE leaders said they felt unprepared for financial support ending. Some thought furlough should have continued for longer, particularly in sectors hit hardest by the pandemic, like construction and hospitality.

- So the support, the amount that you could apply for was gradually reduced. Which might have been sufficient for other businesses, but we still felt that we maybe needed a bit more support ... I think maybe they could have tailored the support to industries that were really feeling it more than others."
  - Director of a small construction business, Scotland
- It was tough ... the rug was pulled from under you, that's when you just have to get on with it and rebuild. So, it's like building a new organisation."
  - VCSE leader of a charity, England



The furlough scheme was initially very helpful but should have been extended much longer."

- Every Story Matters contributor, England

We heard how some businesses struggled financially or became insolvent after financial support ended. In some cases, they had been facing financial problems before the pandemic. Others worked in the sectors that were hit hardest by the pandemic, such as travel and hospitality or arts and entertainment, and were unable to recover or sustain operations independently.

- Although I tried to keep my business ticking over, the income was significantly lower, the payments made to businesses helped somewhat, but the business still accrued a significant amount of debt, including a Bounce Back Loan. When the world reopened my business did not bounce back. Revenue was significantly lower and I was trying to pay back the debt in the business at the same time. I did the best I could for as long as I could but I was forced to close my business premises and take on new employment."
  - Every Story Matters contributor, England
- Our business, I would say, dropped 25% [referring to lower revenue compared to before the pandemic]. So, you know, you had to try and make that money up somewhere else, but people aren't coming out as they were and costs towards the business dramatically rose, in material goods, ingredients for food and electricity, etc, shot up. So, yes, after all that money's gone, it's just struggling, day to day, to survive."
  - Sole trader running a travel and hospitality business that became insolvent, Wales

Some employed individuals also said that clear and timely communication about when their financial support would end helped them get ready for this and plan. For example, many were provided with advance warning about the end of furlough by their employers, allowing them to prepare for returning to work or find a new job.

- My employer gave me plenty of notice about the end of furlough, which was helpful. It gave me time to look for other work."
  - Person who was in full-time education, England

However, other individuals said they received little or no notice of financial support coming to an end. For example, we heard from some employed individuals who had limited communication from their employers about furlough ending, as well as from self-employed individuals who had not been clear about when SEISS payments were due to stop. This meant having to navigate unexpected changes in their income, leaving them feeling anxious and caught off guard.

- I had no idea SEISS was coming to an end until I didn't receive a payment. It was a complete shock."
  - Self-employed person, Wales
- It was very much, like, 'We hope this is the last one that we have to do, that we have to give you because you should be going back to work soon.' Was pretty much how it was communicated ... It was a bit cold."
  - Person who was on a zero-hours contract, Scotland

Individuals described a range of experiences when the furlough scheme ended. For many employed individuals on furlough, the end of the scheme marked a return to working patterns and income similar to before the pandemic. This transition was often smooth, with no gaps in pay and feelings of relief at returning to work. For others, the end of furlough led to reduced hours or pay, or to losing their jobs.

- Yes, we just were given a date to restart and that was that, yes ... It felt okay ... No, there were no gaps, it was just as normal, really."
  - Person who was a part-time employee, Scotland
- So, when the furlough ended, I went back to work. I went back to the job and then I got paid, so I was still going to get money, so it didn't impact me too much."
  - Person who was a fixed-term contract worker, England
- When furlough ended, I went back to work, but my hours were cut. It was a struggle to make ends meet."
  - Person who was a part-time employee, England
- While the furlough scheme was useful, I eventually lost my job when this scheme ended."
  - Every Story Matters contributor, Northern Ireland

We heard how the end of the Universal Credit uplift also had a significant financial impact on some individuals. When the uplift was stopped, some were unable to cover the increased bills and other costs that they associated with the pandemic.

- [The end of the uplift] was really difficult. I wrote to my MP and said, 'Can we, like, keep the Universal Credit uplift?' As much as our bills went up, they've never really come down, but the support stopped. I got to a point where I was having to borrow money from family just to pay my bills, because the money had stopped."
  - Person who was unemployed and not looking for work, England

For some self-employed people, the SEISS grant ending coincided with work and their income picking up again, allowing for a relatively smooth transition. However, others had not seen their work recover and their incomes fell when financial support ended.

- I think the last payment was in about June 2021 ... Because that summer weddings started ... things had started to pick up again, so that was fine."
  - Self-employed person, England
- The end of SEISS was devastating. I had no income and I had to borrow money from family."
  - Self-employed person, Northern Ireland

# Longer term financial impact of receiving financial support

Repaying Bounce Back Loans and other government loans was a financial challenge for many businesses. While some said repayments were difficult to manage alongside ongoing costs, others described much more serious consequences. We heard from both businesses who found fixed monthly payments added an additional strain to already tight budgets, and those who told us that the pressure of repayment affected their mental health, restricted their personal finances, or contributed to their businesses folding. Some business owners described how paying back the Bounce Back Loans they had taken out had limited their access to personal credit, pushed them into serious debt or impacted their future plans.

- I took a £50,000 loan, which is a lot of money. I'm now repaying, I think, it's near enough £800 a month, which is a big impact on your monthly cost of the business."
  - Sole trader running a travel and hospitality business that became insolvent, Wales
- The bounce back loan of £50,000 helped a tiny bit, however I am only 3 years into the 10 years of debt that put me in. All of my retirement nest egg was put into the business survival to make sure my staff had a job to come back to. My own retirement date has had to be put back 7 years to clear the debt and try to claw some of my retirement funds back."
  - Every Story Matters contributor, England
- Although we were able to claim furlough as Directors of the company, we were forced to take a Bounce Back Loan to keep the business going. Taking on such a huge amount of debt at such uncertain times was hugely worrying and had a negative impact on our mental health and motivation."
  - Every Story Matters contributor, England
- In retrospect, I shouldn't have taken it, for sure. But we're paying it off fine ... but about two years later, I was trying to do an extension on my house and I needed to increase my mortgage and they would not increase my mortgage because I had taken a Covid loan."
  - Director of a small professional, science and technical activities business, England
- I had no choice but to take out a Bounce Back Loan, even though I knew I would be unable to pay it back and would be retiring before it was paid off. I borrowed £11K. I have since managed to pay back £4K. The [redacted] Bank have recently started proceedings that will result in me becoming bankrupt."
  - Every Story Matters contributor
- My partner owned a small business and took out a government loan as he was unable to continue to operate under the restrictions. Having just started up prior to the pandemic the loan covered most of the lockdown period, however, upon reopening and trying to rebuild business the repayments of this loan and limited work caused the business to close."
  - Every Story Matters contributor, England

Some business owners described how they had needed to take 'payment holidays' when repaying Bounce Back Loans and how this became difficult. This was often because they were still recovering from periods of closure or working to rebuild revenue.

- They gave me a break of six months from paying the loan, because it was crippling us, really, financially ... I suppose the Bounce Back Loan was great, at the time ... but really, long-term, the payments, they were too high for us to pay, really ... and it was quite a lot of money to find every month ..."
  - Director of a micro travel and hospitality business that became insolvent, England

The challenges of repaying CBILS loans were mentioned less frequently. A few business managers described CBILS repayments as a continuing financial burden.

- It's been tough actually. We're still paying them back currently ... you've always got that extra expense going out, regardless of what else is going on in the business."
  - Managing Director of a small logistics business, England

For some business owners, rising interest rates since their loans were taken out has increased the cost of repayments beyond initial expectations.

- Although we as a business were supported with furlough and other financial help (business rates) the interest on business recovery loan is now ridiculous and the whole episode has cost us in the region of £250k to keep all the staff we had employed."
  - Every Story Matters contributor, Scotland
- And there's interest ... the base rate's moved dramatically since ... So, it was cheap money at that time ... You didn't expect interest rates to go as haywire as they did. So, that has cost a little bit more."
  - Director of a small construction business, Scotland

The support that some businesses received did not need to be repaid but it was taxable. This was the case for SEISS. Some business owners thought this reduced the overall benefit, as the full amount was not retained as net income.

- So, when I got the [SEISS], I had to keep a record of it so then when I did my tax return the next year, I had to put that down as like earnings. So, it was taxable in that sense. Which I thought was a bit unfair, I don't know why they'd give it to you in one hand and want to take it away with the other, but they obviously thought it was classed as income."
  - Sole trader running an arts recreation business, England

#### Jeff's story

Jeff ran a small village pub that had served the local community for many years. It was a busy and well-established business with a strong lunchtime trade, particularly among older regulars. When Covid-19 hit, the impact was immediate and severe.

It was just devastating for the business, and the community ... We were just shut down. No warning, no nothing. You're closed – that's it."

The pub closed its doors in line with lockdown restrictions, but the costs did not stop. Even while the pub sat empty, overheads like rent, utilities and supplier charges continued to come in.

I even had to pay a cellar maintenance charge of £70 a week, even though my cellar was completely empty."

Although the business received a Retail, Hospitality and Leisure Grant, this did not go far enough in covering the business's overheads. As the pandemic went on, Jeff applied for a Bounce Back Loan to keep the business afloat. While the application process was straightforward, the long-term burden quickly became clear.

It was pretty much, 'There's the money – if you want to survive, that's what you're going to have to do."

At £800 per month, the repayments placed the business under financial strain and had a significant impact on the running costs and staffing decisions.

It prevented employment. I used to have a full-time chef, but the business couldn't afford it ... Six days a week I'm tied up in the kitchen for eight, nine hours a day."

The drop in trade made it increasingly difficult to keep the business going. Eventually, Jeff made the difficult decision to walk away and the business became insolvent. Jeff did not think the Bounce Back Loan repayments were the main reason the business closed but they added to the challenges it faced.

## The impact of not receiving financial support

The impact of not receiving financial support from the government - whether due to ineligibility or an unsuccessful application — had different implications, and was shaped by people's personal, financial, and business circumstances. In many cases, not being able to access financial support meant individuals were faced with immediate financial hardship.

We heard from self-employed individuals who were ineligible for financial support. With no business income, they were left needing to cover both personal and business expenses from the same funds. For these individuals, having to cover both sets of costs with no financial support was incredibly stressful.



If I'd just got [the SEISS grant] to pay bills and to live on, I would have been absolutely fine. But when I had my business expenses to come out of that as well, that was where the struggle happened."

- Self-employed person, Scotland

As the pandemic went on, many responsible for managing businesses found that taking out private loans was essential for survival. Some told us how they took out business loans from banks and did not access government support. However, these loans added a significant financial burden, particularly for businesses that were already struggling with reduced revenue and rising costs. Some described how they are still paying back loans now.

- I'm quite bitter about it [having to take out a bank loan]. It's the aftermath. I'm still paying the debt of Covid and it impacts on business monthly a great deal. As I said earlier, whereas [another business owner] has got a chip shop, had £25,000 given to him, but a free £25,000."
  - Sole trader running a travel and hospitality business that became insolvent, Wales

We also heard about how not accessing financial support meant some businesses experienced significant disruption to their future plans. This was particularly the case for businesses that had been established for a relatively short time.

#### **Emily's story**

Emily is a single parent and former business owner who ran a swimming school for children. She told us how she had started her business a year before the pandemic, renting a pool connected to a local gym. When the pandemic began, she explained she had to close her business and was only able to reopen for very short periods when restrictions eased.

This meant she faced significant losses in revenue while still having to pay rent for the pool hire. As a result, she was forced to take up a full-time job in a warehouse to make ends meet. However, taking the job meant she was ineligible for government funding for her business. She shared how demoralising this was given she had put so much effort and money into starting her business.

I also had another job, I wasn't entitled to claim any [government] funding from the loss of income from the swimming [business], which obviously, you know, it wasn't a main source of income, but it was a business source of income ... I had to go and get a job working in a warehouse, it was really sad."

Emily explained she needed to pay rent for the pool upfront for a set number of weeks to avoid building up interest. She described how she used her personal income to do this, even though she needed the money to support herself and her child.

I was losing about £500, maybe, I don't know, maybe £600 a month from not being able to bring that [business] income in ... you've still got to pay [personal] bills [too] You know, they don't stop, the gas and electric was a lot higher, shopping bills were a lot higher, everything was so expensive."

As a result of these losses, Emily's businesses could no longer continue to operate and became insolvent. Although Emily still works as a swimming teacher, she no longer runs her own business.

And now, I just teach for other people. I don't actually have a business any more. So, yes, it's quite, it's still sad now."

Although Emily has found work again, the loss of her business was something she was still coming to terms with.

Some businesses that became insolvent said that not receiving financial support was a factor in their business closing. Some were ineligible, while others chose not to apply because they were worried about debt, uncertain about how long disruption would last, or because they thought it would be too complicated. In a few cases, reluctance to ask for help or not wanting to admit their business was struggling was a significant factor. The result, for some, was the closure of businesses that might otherwise have remained viable with support.

- We didn't take the money, so we didn't take the financial help that we could've had, so, ultimately, whether that was the one, singular thing that, kind of, caused our demise, as I say, I keep wondering that every day but sadly, I can't turn the clock back and say, 'Go on then, I'll try that support, let's do that."
  - Director of a micro transport business that became insolvent, England

We also heard from individuals who looked for other work rather than seeking government support. Concerns about accessing financial support sometimes meant people felt they had to take jobs they did not really want. For example, one individual who lost their job at a hair salon at the start of the pandemic found another role in a care home and then later in a restaurant.



Not receiving anything just meant I had to go for anything, like, any kind of role ... It just meant I got roles that were not suited to me at all ... 'I'm going to be ill doing this, or I'm physically not able to do this'."

- Person who was a full-time employee, England

Another individual decided to set up their own business because they did not want to access government support.

#### Lillian's story

Lilian was self-employed as a cleaner and she had to stop working when lockdown was announced. She lived in a one-bedroom flat with her two children. She did not seek any support because she was "was scared that they'd take my kids" - which her ex-husband had told her might happen.

Faced with eviction because she was unable to pay rent after her ex-husband took her money, Lillian used her remaining £20 to buy fabric and began making face masks, which she sold online. After initial difficulties with eBay, she found success selling on Etsy. Demand was so high she worked long hours to fulfil orders, often continuing until 3am and starting again a few hours later. This income allowed her to avoid eviction and eventually move to a larger house with her current husband.

Not getting any financial support meant Lilian felt forced to find a way to make money and survive. Despite the business doing well, she said taking it on during the pandemic took a big toll on her health and she was physically exhausted all the time.

Maybe I would never have started sewing. I think, no, I would just be waiting until everything just goes and, yes, I think I would just be waiting. So, this pushed me to a different way, a different path. I think I was a lucky person as well, who can still make something, but only because I was scared."

Lillian now has a new partner, is living in a new home and is running her own small embroidery business. She described feeling proud of what she has built and said that, despite everything, the experience led her to a new beginning.



# 4 Suggested improvements for the future

In this chapter, we include contributors' suggestions for improving financial support in future pandemics, including ideas about how to make support easier to access and understand, when and how much support should be given and how long it should last.

#### Learning from what worked well

Many contributors said the financial support they received worked well for them. It was enough to cover their financial needs and was provided quickly. They suggested that when future financial support schemes are designed, policy-makers should use what worked well in the pandemic.

- I think the government supported the nation very well with the furlough scheme because there were people that weren't working for ages that were getting paid, and I think we were very lucky that they were supported that way. It could have been catastrophic [with] people not getting paid and losing their houses and cars."
  - Person who was a full-time employee, Scotland
- 1 think the furlough scheme was very helpful, and was brought in very quickly."
  - Every Story Matters contributor, England

# Having a plan in place for implementing fair and equitable financial support

Many contributors emphasised how important it was to prepare for future pandemics by having detailed plans for how financial support would work in practice to ensure equitable and fair access. For example, some wanted more thorough checks on financial support applications to prevent fraud and stronger vetting for loans to prevent unnecessary borrowing.

- In hindsight, they were making it up as they went along. There was no preparation. So, what I think we need to do now is really set down some rules and presumably, that's what the inquiry will achieve, or I hope that's what the inquiry will achieve, that they'll be a plan, a more solid plan in place for a future event like this. Just timescales and how finance help will look like, you know, and more evenly distributed."
  - Partner in a small arts, entertainment and recreation business that became insolvent, Wales
- The financial help given to business should have been policed more efficiently and as much [that was] fraudulently claimed should be recovered as possible."
  - Every Story Matters contributor, England
- They couldn't scrutinise applications or vet the applications, as thoroughly as they would've wanted to because people wanted and needed the money pretty sharpish ... They could've made it more thorough with the vetting."
  - Director of a small transport business that became insolvent, England

#### Having clear communication and information about financial support

We heard a great deal about the importance of clear communication to make financial support accessible during a pandemic. Contributors said that when employers, government and local councils communicated clearly about available financial support, they were better equipped to access it.

Some said they were unaware of what financial support was available, while others found the guidance about financial support difficult to understand or they faced accessibility barriers. Looking ahead to future pandemics, they wanted the government to take a more active role in sharing information, using direct channels like email, post and telephone and working with the media to raise awareness.

- I understand that in comparison with many, ours is not such a terrible story. We are lucky enough to have had resources and awareness of the systems to navigate through those awful times. Many did not have such access to financial support, or the capacity to find their way through the unbelievably complex systems."
  - Every Story Matters contributor, England

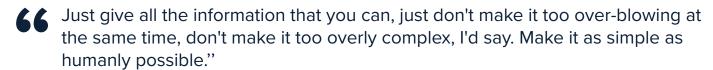
- I do think any businesses, whether it's self-employed or big businesses or small businesses, whatever, need to have an automated email to say that you are entitled to this, instead of us having to go and find it with a fine-tooth comb."
  - Sole trader running a consumer and retail business, Wales
- The information should have been available and accessible from the beginning. For the hearing person, they could do it straight from their phone, they could contact different government bodies easily."
  - Deaf participant, Sign Circle listening event

#### Making financial support more accessible

To help with communication, some business owners and managers suggested that there should be a centralised platform or website consolidating all the information and guidance about financial support. This would make it easier and more efficient for people to access financial support without having to navigate multiple sources. Views on the usefulness of GOV.UK were mixed. However, it was suggested that it was a good platform for providing details about financial support measures. For individuals, this was especially important, as they wanted clearer guidance on how to apply for financial support not issued automatically through employers or the government.

- I think information could have been better. Why wasn't there a website which had a clear list of financial options on it?"
  - Partner in a small professional, scientific and technical activities business, England
- I just think it should be forthcoming for the government to actually give advice instead of people having to actually look for the advice here and there. So, if the government can say, 'This is what's going on, this is what you can get, that's what you can get.' Even televise it."
  - -Self-employed person, England

Other business owners and managers and Voluntary, Community and Social Enterprise (VCSE) leaders said that future guidance on financial support for businesses and VCSEs should use simpler, more straightforward language and ensure that eligibility criteria and application steps are easy to follow. They thought this would help increase the take-up of financial support.



- IT Administrator of a small information and communication business, England

Some employed individuals suggested that employers should play less of a role in communicating financial support to them. Whilst they generally believed their employers communicated well, they wanted the government to take responsibility for communication.

- I think maybe not go through an employer. Not go through the employer and through the actual employee. Made them more aware of what we were entitled to and what help was out there. Everyone should be receiving that information and whatever help was available."
  - Person who was a zero-hours contract worker, England

#### Implementing financial support faster

Some contributors wanted quicker, more flexible and longer-lasting financial support in a future pandemic. They highlighted the negative financial consequences of delays to financial support being introduced, such as business closure and personal debts.

- I think the support could have gone on a lot longer. I think there could have been more done to just try and support businesses afterwards."
  - Manager of a small consumer and retail business, Northern Ireland
- Make sure the support is given quickly to people ... be more flexible."
  - Sole trader running a consumer and retail business, England
- I think making sure the initial support came a lot quicker. With the lockdowns and everything, people weren't really sure what they could do. So, if the money came in quicker, I think it would have been a lot better."
  - Sole trader running a construction business, Wales

- Just that financial help should be there and then, not months later."
  - Business owner of a small business that became insolvent, Northern Ireland
- Interim payments straight away, you know, for the first few weeks because that's when people haven't got any money, because they haven't planned for anything, because you don't plan for this. Not all people have got savings."
  - Person who was a full-time employee, Wales

#### Having a gradual reduction in financial support

Business owners and managers and VCSE leaders also suggested a more gradual reduction in financial support to help businesses and VCSEs transition back to **normal operations.** Some also wanted it to be clearer in future about how long it would take to repay financial support.

- I think the [financial] support could have gone on a lot longer. I think there could have been more done to just try and support businesses afterwards."
  - Manager of a small consumer and retail business, England
- That transition would have been helpful even if it was a tailored reduction of 50% over the first 3-6 months or something, just something that gets you back into it, rather than from a standing start."
  - VCSE leader of Community Interest Company, England
- Keep it [financial support] within that [your means]. Not to be taking on extra things. To have that security there, I think that's probably a big lesson from it."
  - Person who was a full-time employee, Northern Ireland

#### Having tailored financial support

Some business owners and managers and VCSE leaders suggested financial support should be more tailored to the needs and circumstances of different **businesses in the future.** They proposed that eligibility criteria should include factors such as business size, type, sector, location, structure, turnover, profit level and trading history.

- I think there needed to have been a little bit more joined-up thinking about how to deal with all the sizes of businesses. I think there was more focus on the large businesses and how they operate and maybe not quite as much thinking about the small businesses and how they operate."
  - VCSE leader of a company limited by guarantee, England
- I don't think it's a one-size-fits-all. Things should be a bit more tailored. Taking business history into account and the track record and its day-to-day running."
  - -Owner of a small consumer and retail business, England
- Maybe to look at your income and expenditure and see if you need any additional help. Take into consideration the projected earnings of the company for the next three, six, twelve months. Just, yes, try to look after us a little bit better."
  - Director of a small arts, entertainment and recreation business, England

Several suggestions were made for offering different versions of tailored support, all aimed at providing more effective financial assistance that reflects the circumstances and needs of different businesses. One suggestion was for a tiered system to ensure those not eligible for full financial support would receive some help. Another suggestion was for more flexibility in the eligibility criteria for new businesses to enable them to access financial support more easily.

- I think it probably needs to go in different tiers. You're still paying your taxes and national insurance and your tax. It was quite a kick in the teeth, really, when you're out there trying your best and somebody else has got support for theirs and you're like, 'Oh, well I didn't, I wasn't qualified'."
  - Franchisee of an arts, entertainment and recreation business that became insolvent,
     England
- There needed to be financial support for new businesses, not just established ones, as many of these newer traders had to close indefinitely during Covid."
  - Every Story Matters contributor, Wales

#### Having greater flexibility

Some business owners and managers suggested that future financial support should be flexible enough to respond to different financial circumstances, such as income loss, business type, or pressures experienced in the hardest hit sectors. They

also wanted more flexible repayment options for loans, including smaller monthly payments. Some suggested providing more grants instead of loans to avoid potential repayment issues and longer term financial impact on those who receive support.

- If the country can find money to fund overseas vanity projects or bail out overseas owners of UK-based businesses then it could have afforded to look after its own self-employed people with a grant and not force them to take out loans."
  - Every Story Matters contributor, England
- Grants to small business instead of loans. And not just the £10k ones. Substantial ones."
  - Every Story Matters contributor, England
- To offer Government grants not loans or after so many years to wipe loan repayments especially when so much was wasted on PPE and the various scandals and has not been reclaimed."
  - Every Story Matters contributor, England

Some business owners, managers and VCSE leaders suggested reductions in business and VAT rates, particularly for severely affected sectors like hospitality. Some also wanted improved support for businesses with physical premises, especially when it came to rent and landlord negotiations.

#### Having better financial support for the self-employed

Self-employed individuals often said that the financial support schemes did not take their circumstances into account. Many did not qualify for the financial support offered to individuals or businesses. They thought that future financial support should be designed with self-employment in mind to make for a fairer financial support offer.

- What could have been done better is ensuring that the furlough scheme and other financial support mechanisms were available to everyone who needed it, without arbitrary exclusions. The lack of consideration for the self-employed, small business owners and freelancers was a glaring failure in policy."
  - Every Story Matters contributor, England

- My husband had been self-employed for about 8 months, this meant he could not apply for Covid grants, he had to apply for Universal Credit, it took eight weeks before he received a single payment."
  - Every Story Matters contributor, England
- I think anyone that was self-employed was absolutely, for a while, left very much to their own devices."
  - Self-employed person, Wales

Some individuals thought it was important for financial support to be broader, taking into account not just the impact on work but also people's wider circumstances, such as family and caring responsibilities, household income, outgoings and existing financial pressures.

- Extra money for travel, extra money for actually doing food, you know, household bills."
  - Person who was a part-time employee, Northern Ireland
- Maybe financial help, just to ease the burden. You know, I don't think we got a reduction even on things like our rates. You know, could they have put a pause on the rates bill?"
  - Person who was a full-time employee, Northern Ireland
- I think that the normal rules for benefits and stops should be examined during times of, like, catastrophe or an epidemic or something like that again, that there should be a set of rules developed that can quickly kick in when something like that happens in the future, so that people who are self-employed can quickly access benefits and resources and also that, because of the nature of unemployment, like you do have money in your savings account for tax, if you work seasonal you have money to do you for months that you may not have much other work."
  - Self-employed person, Northern Ireland
- More should be done to help businesses now with cuts to VAT for hospitality and help for small businesses especially in hospitality and the live music industry that suffered the most."
  - Every Story Matters contributor, England

- Government should have made Council Tax and VAT-free periods for Care Homes. We couldn't access lots of support due to the fact we do not pay Business Rates, but Council Tax. We cannot claim VAT back. We still pay 20% Corporation Tax on profits, even if that profit is just £1,000."
  - Every Story Matters contributor, England
- Business rates. A greater help with that. Aimed at hospitality. Again, the hardest hit and suffered the most, but hospitality needs something aimed at it, specifically for hospitality to survive. You've got hundreds of pubs closing all the time a lot of the reason why they're closing is because of the financial difficulties through Covid."
  - Sole trader running a travel and hospitality business that became insolvent, Wales





# **5** Appendix

## Module 9 provisional scope

The provisional scope of Module 9 was used to guide how we listened to people and analysed their stories. The scope for the module is outlined below and can also be found on the UK Covid-19 Inquiry website <a href="https://example.com/here/">here</a>.

Module 9 is considering the financial impact of the pandemic, eligibility for support, accessibility of support, financial impact of receiving or not receiving support, and suggestions for future improvements.

In particular, this module is examining:

- The financial impact of the pandemic on businesses and individuals and the need for financial support.
- 2. The barriers to eligibility and the impact of this, including the perceived impact of gaps in financial support.
- 3. Accessibility of support, understanding how businesses and individuals experienced the application process, including the perceived barriers and missed opportunities to access support.
- 4. The financial impact of receiving or not receiving support, including what support was received, when it began and its duration.
- 5. Suggestions for the future, identifying ways that the accessibility of support could have been improved, including the communication of, timing, and information about support.

## How people shared their story with us

There are three different ways we collected people's stories for Module 9:

#### **Online form**

Members of the public were invited to complete an online form via the Inquiry's website (paper forms were also offered to contributors and added via the online form for analysis). This asked them to answer three broad, open-ended questions about their pandemic experience. These questions were:

- Q1: Tell us about your experience
- Q2: Tell us about the effect on you and people around you
- Q3: Tell us what you think could be learned

The form asked other demographic questions to collect background information about them (such as their age, gender and ethnicity). The responses to the online form are submitted anonymously.

Figure 1: Online form

About your experience	
Please do not enter any information that could identify you or pe known to you, like names, addresses and phone numbers.	eople
You selected:  Core, for example, core homes or social care	
Tell us about your experience (Required) This can be a past experience, samething that's still happening or ba	ath
The soll on a poor experience, sollering that a suit happening of the	
Verification FO DOO about the control of	
You have 50,000 characters remaining	
Tell us about the effect on you and people around (Optional) People around you might be your friends, family or work colleagues	
(Optional)	
(Optional)	
(Optional) People around you might be your friends, family or work colleagues  You have \$0.000 characters remaining	
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(Optional)  People around you might be your friends, family or work colleagues  You have \$0,000 characters remaining  Tell us what you think could be learned (Optional)  What could have been done better or differently? Was something do  You have \$0,000 characters remaining  Where did your experience happen? (Optional)	

By its nature, those who contributed to the online form were those who chose to do so, and they shared only what they were comfortable with.

For Module 9, we analysed 54,809 stories related to the financial impact of receiving or not receiving support. This includes 45,481 stories from England, 4,391 from Scotland, 4,352 from Wales and 2,120 from Northern Ireland (contributors were able to select more than one UK nation in the online form, so the total will be higher than the number of responses received).

#### **Listening events**

The Every Story Matters team travelled to 43 towns and cities across England, Scotland, Wales and Northern Ireland, to give people the opportunity to share their pandemic experience in person in their local communities. Listening events were held in the following locations:

- Liverpool
- Belfast
- Birmingham
- Carlisle
- Wrexham
- Cardiff
- Ruthin
- Exeter
- Edinburgh
- London
- Paisley
- Enniskillen
- Derry/Londonderry
- Bradford
- Stockton-on-Tees
- Middlesbrough
- Skegness

- Milton Keynes
- Bournemouth
- Brighton
- Blackpool
- Lisburn
- Newport
- Llandudno
- Preston
- Folkestone
- Luton
- Builth Wells
- Ipswich
- Norwich
- Leicester
- Glasgow
- Inverness
- Oban

- Manchester
- Coventry
- Southampton
- Nottingham
- Swansea
- Bristol
- Oxford
- Stirling
- Eastbourne

Virtual listening sessions were also held where that approach was preferred. The UK Covid-19 Inquiry worked with many charities and grassroots community groups to speak to those impacted by the pandemic in specific ways. This includes paid and unpaid carers, care home staff, service users and families bereaved during the pandemic. Short summary reports for each event were written, shared with event participants and used to inform this document.

#### **Targeted listening**

A consortium of social research and community experts were commissioned by Every Story Matters to conduct in-depth interviews to understand the experiences of specific groups. These interviews focused on the Key Lines of Enquiry (KLOEs) for Module 9.

In total, 273 people across England (162), Scotland (43), Wales (39) and Northern Ireland (26) contributed in this way between December 2024 and April 2025 (this also includes 3 interviews with nomadic groups outside regional categorisation). This includes 273 in depth interviews with:

- Business owners and executives from a broad range of industries and sectors
- Small, medium and large businesses of varying structure
- Both businesses that did and did not receive financial support
- · Businesses that experienced financial hardship
- Business that became insolvent (during the pandemic or once support ceased)
- Individuals with different employment experiences during the pandemic (e.g. whether they were unemployed, employed, self-employed and the contact type)
- Individuals with different incomes, occupations and housing situations
- Individuals who received benefits and/or financial support during the pandemic, and those who did not
- Individuals who were living in economically vulnerable circumstances and groups who were of particular interest. This included disabled people, those with health conditions, those for whom English is a second language and people who are digitally excluded.

All in depth interviews were conducted by trained researchers who followed a discussion guide. Where needed, researchers would probe contributors for further information about their experience. Each interview lasted up to 60 minutes.

Interviews were recorded, transcribed, and coded and analysed via human review to identify key themes relevant to the Module 9 KLOEs.

## Approach to analysing people's stories

The analysis for the preparation of the record involved combining all three sources of data from the online form, the listening events and the targeted listening. Experiences and stories from all three sources have been presented together throughout the record to provide a single thematic account which does not give a greater weight to any of the sources. While findings from listening events are identified, the record does not distinguish quotes and experiences from the online form and the targeted listening. The themes which emerged across all three sources were consistent. Here we describe in more detail the specific methods used to analyse stories from each source.

#### Online form

The responses from the online form were analysed through a process called **natural** language processing (NLP), which uses machine learning to help organise free-text data (in this case the responses provided on the online form) in a meaningful way. A combination of algorithmic analysis and human review is then used to further explore the stories.

The NLP analysis identifies repeated language patterns within free-text data. It then groups this data into 'topics' based on terms or phrases commonly associated with that topic (for example, the language used in a sentence about anxiety might be very similar to that used when talking about depression, which is grouped into a topic on mental health). It is known as a 'bottom-up' approach to text analytics since it approaches the data with no preconceptions about the topics it will find, rather, it allows topics to emerge based on the contents of the text.

**Stories were selected for inclusion in the NLP** in two ways. First, all responses to each question were taken from the online form and **blank data was removed**. Second, **responses were filtered based on their relevance to Module 9**.

Stories were considered relevant if those who shared them had selected any of the below responses at the question 'What would you like to tell us about?':

- Unfair treatment, for example, inequality, discrimination or harassment
- Jobs, finances or business, including furlough
- Something positive that you have experienced

Following the identification of relevant stories, **NLP analysis was run for each of the three open-ended questions** included in the online form. The output from this analysis was something called **a topic model**, which summarises the different topics identified in a sunburst chart. From this **we identified a total of 223 topics across all responses to Q1, 200 at Q2 and 220 at Q3**. Since contributors could select multiple responses to the question 'What would you like to tell us about?' it was possible that the stories selected for inclusion contained information not relevant to Module 9 (for example, topics related to personal protective equipment). For this reason, **following the initial NLP analysis the research team at Ipsos reviewed all topics for relevance and merged and removed topics not relevant to Module 9** from the final stage of analysis. This left a total of 113 topics at Q1, 127 at Q2 and 139 at Q3.

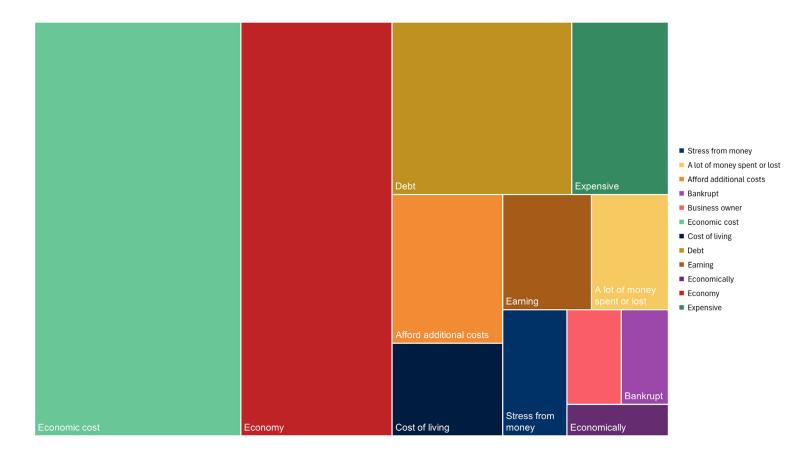
**Following the removal of topics** not relevant to Module 9 **a statistical factor analysis was conducted to map relationships between topics** and group them based on those commonly occurring together or within three sentences of each other. The factor analysis produced 27 overarching factors across the three questions.

Following this analysis, a single combined code frame was generated based on the topics relevant to Module 9 and drawing on the themes identified for each question. This involved human review of the most common words and phrases, both in the full dataset and within each topic, to identify keywords and patterns that could be used to group stories into appropriate topics and sub-topics. In doing so, this provided the research team with a much more accurate quantification of the size and elements of topics, to inform the approach to analysis. The final combined code frame, based on the individual themes from the factor analysis and researcher input, was made up of 27 factor groups and 379 topics.

Researchers then reviewed the different topics relevant to Module 9 to explore the stories. These were brought together with stories shared with the Inquiry in other ways (described below) to include in this record.

The diagram below shows the themes included in the online form and the number of times each theme was mentioned by a contributor in their response. The size of each block represents the volume of responses related to the theme. Note that individual contributors may have mentioned multiple themes within their response and may therefore be counted a number of times.

Figure 2: NLP topics: The diagram illustrates which topics contributors mentioned in the online form and how often these topics came up. Large blocks mean a topic was mentioned by more contributors.



#### **Listening events**

Short summary reports for each event were written, shared with event participants and used to inform this document. Where appropriate, quotes were provided by the listening event team to include in the record.

#### **Targeted listening**

Interviews were audio-recorded, transcribed, coded and analysed via human review to identify key themes relevant to the Module 9 KLOEs. Qualitative analysis software (NVivo) was used to manage and code the data into themes. There were 37 codes for topic related themes (e.g. awareness of support, eligibility for support). Certain codes were only relevant to the interviews conducted with individuals (e.g. changes to income, changes to lifestyle), and certain codes were only relevant to interviews conducted with business owners and managers and VCSE leaders (e.g. impact of support on ability to operate, changes to business operations). Each part of a transcript could be coded multiple times to reflect one or more topic themes, the type of care and the timing.

The tables below outline the number of interviews with businesses and individuals.

**Table 2: Businesses – targeted listening** 

Group	Participant type	Interviews completed
Business	General businesses	74
	Businesses that experienced financial hardship	52
	Insolvent businesses	14
Sector	Agriculture, Forestry and Fishing	6
	Arts, Entertainment and Recreation	11
	Construction	13
	Consumer and Retail	16
	Engineering	1
	Financial and Professional Services	14
	Food and Drink	11
	Information and Communication	2
	Logistics	2
	Manufacturing	5
	Professional, Scientific and Technical Activities	8
	Real Estate Activities	4
	Transport	3
	Travel and Hospitality	12
	Utilities	1
	Voluntary, Community and Social Enterprise	21
	Other	10
UK nation	England	84
OK Hation	Scotland	21
	Wales	20
	Northern Ireland	11
Total		140

Table 3: Individuals – targeted listening

Group	Participant type	Interviews completed
Employment	Employed / Self-employed	89
status during	Unemployed	35
the pandemic	Pensioner	9
Type of employer	Private Sector	62
	Charity/ third sector	13
	Public Sector	15
	Up to £12,064	20
Household income pre-	£12,065 - £19,500	16
pandemic	£19,501 - £30,000	21
	£30,001 - £50,000	22
	£50,001 - £70,000	14
	£70,001 - £90,000	14
	£90,001 - £125,000	2
	£126,000+	2
Benefit claimants	Welfare benefit recipients (working / not working)	51
Parents with children receiving FSM	(excluding universal allowance)	7
	Physical	19
With health conditions /	Learning disabilities	3
disabilities	Learning difficulties	6
	neurological/neuropsychological	12
	Neurodiverse	4
	Chronic health conditions	17
	Mental health	7
	Long Covid	4

Group	Participant type	Interviews completed
English as a second language		15
Digitally excluded / technologically illiterate		15
Family status	Pre-family - couples	23
. uy cladac	Pre-family - singles	23
	Couples with children EYFS - On parental leave during pandemic	7
	Single parents with children EYFS - On parental leave during pandemic	3
	Couples with children primary school age	20
	Single parents with children primary school age	10
	Couples with children secondary school age	14
	Single parents with children secondary school age	9
	Couples with 18+ children at home	14
	Single parents with 18+ children at home	5
	Empty nesters	13
UK Nation	England	79
	Wales	19
	Scotland	22
	Northern Ireland	11
Total		133



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