

Small Businesses Cast Adrift by Government

<https://www.taxresearch.org.uk/Blog/2011/03/08/small-businesses-cast-adrift-by-government/>

Published: January 12, 2026, 8:18 pm

David Cameron [said at the weekend that his government was the friend of small business](#). Some seek to differ. An organisation [called UKFunders has criticised](#) the government's approach to small business saying:

18% of Government-backed funds for businesses have closed since August 2010, & 92% of these specifically supported start-ups and small businesses. Raises questions about whether Government is serious about a recovery led by small businesses

The continue:

Just two days after Prime Minister David Cameron declared war on the "enemies of enterprise, " independent research undertaken by business funding information provider UKFunders has shown a significant fall in the number of public-sector business funds over the past six months. UKFunders, which tracks over 1000 business funding sources from both public and private sources, found that the number of active public-sector business funds fell from 275 in August 2010 to 225 in March 2011, a drop of 18%. Of these, 92% (46) funds were targeted towards start-ups or small businesses.

Worst hit have been funds run by Local and Regional Government, where 20% have closed, whilst those run by the Devolved Governments have fared better than average with 13% closing. Some of the casualties, such as the Grant for Business Investment, have been widely reported, but UKFunders has discovered that a large number of smaller funds have also been closed. Many of these funds previously provided funding to start-ups and small businesses in deprived areas of the UK in the form of grants, loans or equity investment. For example, businesses in South Tyneside can now no longer access Business Start-up Grants or the Micro Loan Fund, whilst those in the region of Newark and Sherwood District Council have seen seven funds shut.

Stephen Bence, Director at UKFunders, commented "This research unveils a worrying trend for businesses across the UK who are already suffering from the effects of low levels of bank lending. Particularly hard hit will be start-ups and small businesses who

previously had access to a much larger number of Local Government run loan, grant and venture capital funds. I can only see the situation getting worse as the Regional Development Agencies wrap up their funds in advance of their own wind down. If the Government is serious about stimulating the Economy through growth in small businesses, it must ensure that those businesses have adequate access to funding. ”

I think that's pretty clear, objective comment from within the small business venture capital sector saying this government is harming small business.

All Cameron and Osborne say has to be seen in that light.