

The Rt Hon Rishi Sunak MP,
Chancellor of the Exchequer,
HM Treasury,
1 Horse Guards Road,
London
SW1A 2HQ

27 May 2020

Dear Chancellor

Extension of the Self-Employment Income Support Scheme (SEISS)

We are writing to you as a collection of organisations representing the UK's five million self-employed and freelance workers, regarding the ongoing support available to them during the coronavirus crisis.

Back in March, we held positive discussions with you on a package of financial assistance for the self-employed. We were grateful to you for the introduction of the Self-Employment Income Support Scheme (SEISS) and we have since been impressed by the hard work of government officials in delivering it ahead of schedule.

Feedback we have received from eligible self-employed individuals suggest the SEISS has been easy to use and vital funding has been delivered quickly to people's bank accounts. The fact that, as of 19 May 2020, there have been over two million applicants receiving a combined total of £6.1bn highlights just how necessary this intervention was.

However, in recent weeks, we have heard growing concerns from self-employed individuals who, although supportive of the funding provided by SEISS, now fear a financial cliff-edge if it is not extended. As you are aware, the SEISS made grant funding available to eligible applicants for three months covering up to the end of May 2020.

We recognise that the scheme cannot run indefinitely and there needs to be a reasonable debate over how it will be unwound over time. However, we believe that given the employee Job Retention Scheme will now run until October 31 2020, a similar principle should be adopted for SEISS – it should also be extended. Now is not the time to withdraw vital support, particularly when so many of the sectors that contain a large self-employed workforce – from the creative industries to hospitality and leisure – are likely to be the last to reopen.

In addition, while we welcomed the SEISS we have been aware since its inception that there are several groups who were excluded due to its eligibility criteria. Estimates suggest this includes around 750,000 sole traders and 715,000-910,000 limited company directors. Given the complexity and diversity of the self-employed workforce, as well as the logistical constraints on delivering a new system, it is understandable that not everyone could be supported by the original scheme.

But we would urge you to look again at those who miss out and consider options for how they can be brought into support. In particular, the government should reconsider its treatment of dividend income of directors so that they can make full use of either the JRS or the SEISS, following IPSE's proposal to do this on a 'pay-first, clawback later' model. In addition, it is key that we allow the newly self-employed (those who began after April 2019) to file an early 2019/20 tax return so that they can access the SEISS and that we ensure those freelancers operating through short-term PAYE contracts are able to qualify for SEISS also.

To return to economic growth, the UK will need these flexible, entrepreneurial workers. The government should invest in them now in their time of need, so that they are ready to rebound quickly once the country begins to return to economic health.

We remain keen to work with the government during these challenging circumstances and would welcome the opportunity to discuss the above points with you at the earliest opportunity.

Your sincerely,