

HOLLY MUMBY-CROFT MP



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
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24 June 2020

Dear Chancellor

Firstly, I would like to thank you again for the financial support that you have made available during this pandemic for thousands of businesses and individuals in Scunthorpe. Your decision to extend the Job Retention Scheme until October, and to provide a second grant for the self-employed in August, is a welcome move for many businesses and employees in Scunthorpe.

I am writing in regard to the Self-Employment Income Support Scheme (SEISS). As of 31st May, 1,800 claims were made by business owners in Scunthorpe. From the many residents that I have worked with, I know that they have been put into good use in ensuring that businesses are kept afloat during this difficult time.

Currently, SEISS provides grants for self-employed people whose trading profits are at least equal, if not more, than their non-trading income. Unfortunately, this has caused a number of residents in my area to be ineligible for the Scheme, resulting in their lack of access to this crucial support mechanism. Having contacted HMRC on their behalf I understand that HMRC is adopting a strict approach on this matter without scope for discretion.

In some cases, residents have chosen to reinvest their revenue into building up their business, thus decreasing their overall trading profits. Another resident left their job last year to start their own business, and as the pandemic hit, this meant that their employment income superseded their trading profits, leading to their ineligibility for SEISS. Some were left out because their non-trading income was only a few percentage points higher than trading income.

I'm sure you will agree that these entrepreneurs who have worked hard to build up their businesses before the pandemic should not be put in financial hardship due to a technicality. No-one could have foreseen the subsequent lockdown, and it is no surprise that forced closure has left these individuals in poor financial situations.

To provide support for these individuals, I believe the government should allow HMRC claim assessors more discretion when looking at cases where claimants are clearly dependent on their self-employed income. With discretion, we could show our support for businesses who have chosen to reinvest and dream bigger.

I know that the government have been willing to add flexibility to other Coronavirus Schemes, specifically through discretionary grants for small businesses and the return to part-time work for furloughed workers. I am grateful for these measures and would be grateful if that principle could be adopted here.

Thank you again for your unprecedented effort to save jobs, businesses and livelihoods. I look forward to a response from you or a member of your team.

Yours sincerely,

Holly Mumby-Croft

Holly Mumby-Croft
Member of Parliament for Scunthorpe