

# Rt Hon John Healey MP



HOUSE OF COMMONS

LONDON SW1A 0AA

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

15 July 2020

A handwritten signature in black ink that reads "John Healey".

## Self-Employed Income Support Scheme (SEISS)

As I know you appreciate, the coronavirus pandemic and lockdown has forced many self-employed people to stop working.

The UK has more than 5 million self-employed<sup>i</sup>. Three quarters had less work in April 2020 than usual and even though the self-employed tend to have more savings than other workers, nearly half say they have had trouble paying for basic expenses such as rent, mortgage payments and essentials. Those on lower incomes are being hit hardest<sup>ii</sup>. The Institute for Fiscal Studies has estimated that roughly 675,000 or 18 per cent of the 3.8 million people who receive more than half their income from self-employment would be ineligible for support under the SEISS<sup>iii</sup>.

Several self-employed workers in the constituency contacted me to say their livelihoods are on the line, and that they haven't had support from the Government's scheme so in June I launched a survey, to check on the proportion of self-employed people who had been able to access the SEISS or other financial support, ask them about the wider challenges they're facing and invite suggestions for ways support could be improved.

I am pleased to enclose a copy of the report I've compiled from the results of that survey. It shines a harsh spotlight on how tough trading continues to be for self-employed workers and on the flaws in the Government's support scheme. Announcing the SEISS on March 26, you promised not to leave self-employed workers behind and said the scheme would be "fair [and] targeted at those who need it the most." My survey shows the scheme has failed to support self-employed workers to the extent you promised. Many are still under pressure directly as a result of the Covid crisis or Government rules and need more support.

### Key findings

- 97% of businesses have seen a loss of income due to lockdown
- Four in five have not had help from the SEISS
- Three quarters said the grant was not enough to keep their business going during lockdown
- 13% of businesses have had to close permanently
- Half of those receiving a grant think their business will be at risk when the SEISS ends in August
- 60% think the way the Government has calculated the amount self-employed works can receive is fair or very unfair

Constituency Office: 79 High Street, Wath upon Dearne, Rotherham S63 7QB  
Telephone: 01709 875943 Email: [john.healey.mp@parliament.uk](mailto:john.healey.mp@parliament.uk)  
Website: [www.johnhealeymp.co.uk](http://www.johnhealeymp.co.uk)

## Key conclusions

The economic crisis continues, especially in sectors like arts and entertainment, where many self-employed people remain unable to work because of Government guidance. South Yorkshire rates of new Covid-19 cases are higher than the England average and this is leaving local businesses who have just been allowed to open back up worried they will be locked down again – just as Government support dries up.


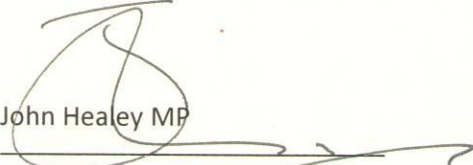
Businesses are innovating and battling to trade as best they can to help pull the country through this pandemic period, and my survey shows a clear-cut case for Government extending support for the self-employed past August and making that support more flexible.

The survey makes a strong case for the Government to:

- Rethink the 'one-size-fits-all' approach to scaling back the SEISS, so it can operate past August for certain sectors in step with the public health measures the Government itself is imposing
- Revise the scheme and lift the £16,000 savings bar on claiming Universal Credit, recognising that self-employed people often build up savings to pay their tax bills or invest in their business
- Take into account tax records held by HMRC since 2019, where people may have been employed before becoming self-employed or in supplementing their self-employed income
- Design specific and ongoing support for freelancers working in sectors or areas that are prevented from working by Government public health rules

It should not be just big business that survives Covid-19. Sole traders and small business owners are the backbone of our local economies, with 28,000 self-employed workers registered in Rotherham and Barnsley alone. Their livelihoods are vital to their own families, as well as our country's economic recovery. Their businesses are built on savings and sacrifice, yet they aren't seeing the same level of support as the Government is giving to large firms and PAYE employed workers.

I appreciate you have wanted to put help in place swiftly but it is now almost four months since lockdown began and the Government has had time to prepare a fairer plan targeted where it is most needed. I hope you will read the report in full and consider carefully its findings.

John Healey MP

<sup>i</sup> Office for National Statistics:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/article/coronavirusandselfemploymentintheuk/2020-04-24>

<sup>ii</sup> London School of Economics Centre for Economic Performance:

<http://cep.lse.ac.uk/pubs/download/cepcovid-19-003.pdf>

<sup>iii</sup> <https://www.ifs.org.uk/publications/14787>