

## **Written evidence from Enterprise Nation**

Following on from our response last week with regard to potential routes to speed the distribution of funds to small firms, we follow up now in response to your particular request with regard to support for the self-employed. We welcome fast action from the Chancellor and a generous package. We just have one key point to make which is the potential to include 19/20 self-assessments via open access to a tool provided by accounting provider, Coconut, which will enable individuals to self-certify on 6th April. Further details are on this below.

We also add to our submission made on Monday 23rd March with the below additional points relating to CBILS.

And, if you will permit, some points relating to the furlough scheme too.

### **How Coconut can help the self-employed community and the Treasury**

Allowing submission of a 2019/20 self-assessment after 5th April and accounting for this in SEISS relief is a reliable way to ensure the SEISS is fair and reaches many more self-employed people in need.

If the Treasury announces the inclusion of 2019/20 self-assessments in the SEISS, we will be ready to help. Having worked with over 20 thousand self-employed people, 1,000 accountants and seen 2 self-assessment deadlines, our technology is tried and tested to support the fast creation of self-assessments.

Anticipating that this could create over 1m early submissions in April, we're working to open up our software for free on the web. We will be live by the 5th April with the tool, nicknamed the Covid Self-assessment Calculator, along with our guidance and support in creating and submitting a self-assessment quickly and efficiently.

Thanks to sponsorship from our partners Truelayer, for Open Banking, and PPS, this tool will remain free for the duration of the SEISS period with the capability to serve as many people as required.

We have started discussions about this project with HMRC who we already work with in various areas. If HMRC wants to move forward with a direct, digital submission of self-assessment through integration, we have the capability, but this is not essential for success.

We are ready to work with the Treasury to support the self-employed community in these uncertain and challenging times with data, expertise, resources or galvanising industry partners.

## **RE: CBILS**

HM Treasury and the British Business Bank have acted swiftly to roll-out CBILS to get funding to those businesses that require immediate support to remain viable.

Funding Xchange is seeing Herculean efforts by the British Business Bank as well as CBILS-accredited banks and lenders to quickly launch the scheme to provide support to SMEs in the crisis. However, data through March 27th from Funding Xchange suggests that the funding is not yet reaching small businesses. The 10x increase in volume of application appears to be overwhelming the reduced operational capacity of banks that have closed branches and have much reduced call centre capacity. As a result, it appears that a blockage is already building up: small businesses are not able to submit applications as call centres are swamped, those that have submitted funding requests are unable to get a credit decision.

It appears, those businesses unable to get a credit decision or have been declined are restarting the same application process with multiple additional lenders. This spiral is creating more volume of applications than lenders have the capacity to process even before the expected jump in the number of businesses seeking access to funding in April. We have already heard that some businesses risk paying £400/500 to brokers making unrealistic promises of helping businesses get to the front of the queue.

We think that the solutions are simple and exist:

1. Use a digital triage process that allows businesses to instantly understand the options they are eligible for and only approach lenders that are likely to lend to them. This digital triage will reduce the time it takes a business to find the right solution from days to minutes. Digital triage also reduces the number of applications lenders have to deal with by up to 80% - enabling lenders to focus on providing funding to those businesses that are eligible.

The solution already exists in the market: Funding Xchange provides businesses with a single interface to access funding solutions. By using these digital capabilities -- free to SMEs -- it is possible to address the blockages that are already building up. We are asking for HM Treasury to consider mandating CBILS lenders to provide their finance solutions through Funding Xchange. Funding Xchange is not

seeking any compensation from lenders except to cover the data charges incurred.

2. Speed up credit decisions by accrediting lenders with digital end-to-end processes that do not rely on branches and call centres. We are pleased to see that the British Business Bank is engaging with lenders to speed up the accreditation process.

To support businesses that are typically not funded by the main banks, like younger businesses, micro-businesses with less than £150,000 turnover, and those that don't hold business current accounts with the main banks, it is critical to have a first set of lenders accredited by mid-April.

## **RE: JOB RETENTION SCHEME**

*1. Allow for staff to be part-furloughed staff. (Rather than all or nothing)*

Why?

1) Enables SMEs core processes to keep going and to keep the lights on and be in a position to bounce back once this is over. 2) Easier to decide who to furlough  
3) Fairer for whole team

*2. Allow furloughed staff to either be re-deployed or volunteer their time to other areas of the business:*

Why?

1) SMEs will need to adapt to keep going... why pay people to do nothing when they could help with that adaption process? Greater chance that they will have a job when this is over.  
2) Allowing furloughed worker to 'volunteer' on employees terms helps combat potential mass abuse of the system. Volunteer = no legal repercussions if they don't (loss of job)  
3) If company is adapting to help against the fight of the virus why not allow people to be redeployed people to actively do something. Many are in a crazy situation of furloughing staff and asking for outside volunteers to either cover roles OR help in other areas.