

Written evidence submitted by Rachel Lewin (Company Director at Rachel Lewin Limited)

Overview of my situation

I am a Sole Director of a Limited Company, founded in 2010. I work as a Project Manager and Producer for various agencies and companies – usually on a day-by-day or job-by-job basis (e.g. I am drafted in to oversee one-off film shoots or print projects). I also work in education as a private tutor in drama and movement. Through my work I employ numerous performers, television crews, printers, designers, artworkers and specialist tutors via my limited company.

I pay myself a small PAYE salary and the rest is made up of dividends where relevant.

As of 17th March, the theatre I do the majority of my tutoring for, closed its doors and has no intention of opening until January 2021. Any schools or after school clubs are no longer running extra curriculum activity and schools' outreach projects - usually taking place at this time of year - have been cancelled. Furthermore, I was involved in a youth theatre production due to take place in July 2020, which would have culminated in a schools inhouse programme, which has been shelved for 12 months and a summer arts festival I was co-running in August for two weeks has been cancelled. All film and video projects I was due to be filming over the summer have been pulled and my last invoice was for work completed in February.

- **What problems (if any) are individuals facing in claiming support from the Job Protection Scheme and the Self-employment Income Support Scheme?**

As above, I pay myself part of my salary through PAYE and report my payroll annually as I have for the past 5 years. I was led to believe I would be able to furlough myself for 80% of that PAYE salary, as my business had completely dried up. On 20th April I logged on with my Government Gateway password and was told I was ineligible for the scheme. I was completely confused, spoke to my accountant, who investigated the problem.

He got back to me to report that, due to the annual salary being paid at the end of the tax year (as it always has been) HMRC needed to do a manual override. Initially, during a call with HMRC, it seemed quite likely this was an oversight for setting the date of 19th March as it cut out the majority of annually paid directors. However, as time has ticked on, it has become very clear that this is a deliberate attempt by the Chancellor and Treasury to deny some Ltd Company Directors access to urgently needed income. The HMRC staff all seem to be supportive that it would be virtually impossible to commit fraud as they can (and I quote the HMRC adviser I spoke to) 'see very easily and quite clearly' my PAYE salary has remained the same for years and this year was no different.

We are now constantly being told we are being denied access to furlough due to the fact we could easily conduct fraudulent activity. Firstly, that is highly insulting and secondly, how is that at all possible? The cut-off date wasn't announced until AFTER we had submitted our annual payroll. Surely, all you need to do is compare amounts and see quite easily whether there is suspicion of fraud.

I would also like to add this is **completely discriminatory**. If I had submitted my payroll on 18th March I would have been allowed to furlough. If I submitted on the 20th March, I wouldn't. Same Ltd Company director status, same annual payroll scheme, liable to tax and NIC but for the sake of a couple of days one director gets 80% furlough until potentially the end of October and the other director gets absolutely nothing.

The director who cannot furlough is also not entitled to Universal Credit as HMRC has reported a lump sum salary was made in April, and this cuts us out of any UC payments for months to come. The director who has furloughed, even for a small amount, has been able to claim a top up to their income via Universal Credit. In whose eyes can this be deemed at all fair?

Jim Harra on Radio 4's Moneybox (9th May) says that anyone who has submitted a payroll during the tax year 19/20 is eligible to apply. This is not proving to be the case – we are continuously denied. However, through Social Media forums we know that a handful of directors HAVE been given a manual override by HMRC officers. Again, why does this **inequality and discrimination** exist?

As a joint effort through various action groups and forums, a Freedom of Information was requested to ascertain how many directors have had their access manually overridden and are now furloughed – we are told there are severe delays in obtaining this information. Our time is running out as a new cut-off date has been announced for 10th June to join a scheme, should any u-turn on this policy be vaguely imminent.

- **What gaps are there for businesses within the schemes?**

My business does not qualify for any of the grants available, including the Local Authority Discretionary grants as I don't have premises and don't pay business rates.

I cannot furlough myself for 80% of my salary, despite all my contracts and planned work being cancelled or postponed for at least 9 months (March 2020 to January 2021), due to the RTI cut-off date of 19th March precluding annually paid directors who run their payroll at the end of the tax year.

I cannot claim Universal Credit. I was given a £409.00 loan from UC and an emergency food parcel – that is the only support I have received.

There seems to be absolutely no desire from the Chancellor or Treasury to entertain the idea of basing a grant – as with the very generous SEISS (now extended) – on Ltd Company Directors self-assessment tax returns, our PAYE salary and any dividends which are ALL logged and submitted to HMRC. They say it is “too difficult” – why is it more difficult than the calculations of the SEISS reports? Surely it is a similar process, if not easier?

With great reluctance I had no choice but to apply for a Bounce Back Loan. I did not want to get into further debt but, thanks to Mr Sunak's complete denial of any other financial support for me, I gave in. My business bank has put me on a waiting list just to APPLY. And have categorically said even IF I get an invitation to apply (which they have warned may take “weeks”), I still might not get a loan. How is this at all fair? Why are banks so reluctant to help now? I have been advised to “try other banks” however all but one, insist on me opening a business bank account (and – again – can't guarantee success with this). With my mounting bills, absolutely NO support financially from the government during this time of international crisis and, with all my options running out of keeping my business afloat (as well as food on my table) – the last thing I want is a bad credit report from attempting to open numerous bank accounts.

- **Is the financial sector supporting businesses enough? Are businesses getting the right advice on which grants/loans to access?**

There seems a huge reluctance as time has gone on for banks to give BBLs. I believe I am aware of all the grants and schemes available but at every turn I get a door slammed in my face. I have not earned a penny in income since the end of February. How can this be so unequal and unfair

compared to other innocent victims in the government's decision to lockdown business in March? I can't work or earn income at the moment through my normal livelihood, my business is crippled and I am facing financial ruin (including the loss of my home). Why have some people had so much support and the rest of us are falling down every crack the Chancellor has left in his support package?

In summary

Mr Sunak has repeatedly said "you will not be forgotten"; "we are all in this together"; "you will not be left behind"; "you will not be thrown off a cliff edge" – it is very clear this is NOT the case with people in my situation. To the point where I can't even furlough myself and am being accused of potential fraud. This is a disgraceful viewpoint from any government – let alone one clearly leaving individuals and small businesses hanging out to dry (and die). I am broken financially, my business is in ruins and my mental health (which I have never suffered with in the past) is shattered. I suffer panic attacks (never have before), I don't sleep, I am anxious and completely depressed.

At the VERY LEAST the Treasury need to move the RTI cut-off date to the end of the tax year, to allow me to furlough myself. They cannot, and should not, accuse me of committing or intending to commit fraud when I had no chance or intention of doing that. Self-employed people who had not submitted their returns were given an extension – if this wasn't open to fraud, then what is?

For me, as someone who submitted her annual payroll 10 DAYS before the announcement on 15th April for the RTI cut-off date, it feels like I was driving on a motorway and was individually picked out, stopped by the police and held on a slip road while all the other traffic carried on. When I was finally told why the excuse seems to be "you were stopped, just in case you might break the speed limit."

I am simply asking the Chancellor for parity and equality. His actions are UTTERLY discriminatory and unfair. Forgotten? Completely. In this together? Clearly not. Not being pushed off a cliff edge? I've been in the sea without a life jacket since the beginning of this crisis. I would not be at all surprised if Mr Sunak doesn't blame me personally for the virus – after all, he can't do much worse to insult me.

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