

Written evidence submitted by Nasir Shaba (Self-employed builder at NAS London Property Services)

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

I was unable to claim the Self-employment Income Support Scheme despite of meeting the entitlement criteria. In the entitlement criteria the 50% profit from self-employment is not mentioned. This is part of their calculation method. I started trading on 1st February 2018 and expected to be able to claim the grant as the Chancellor of the Exchequer said that help would be available to anyone known to HMRC, to anyone who submitted their accounts for 2018-2019. By limiting help only to self-employed who in 2018-2019 received 50% of their income from self-employment the government excluded individuals like myself whose income is 100% from self-employment but it was not over 50% in 2018-2019.

I started self-employment on 1st February 2019 and did well in 2019-2020. I did build a group of clients and achieved regular income. I was able to support my family without claiming any benefits. Unfortunately, during the lockdown I had to spend the money I had put aside for income tax and I had to take loan. I entered the lockdown with small income and left it with considerable debt. At current, I will need to use the loan to pay income tax. Previously to self-employment I was employed.

The government's measures for self-employed are unfair and exclude the people who really need support in these unprecedented circumstances.

- **How effective have these schemes been in maintaining employment and reducing job losses?**

Among small businesses this has been a struggle as some of their low-paid workers decided to stop working in favour of receiving Universal Credit.

- **Is the Government doing enough to ensure that businesses and individuals are claiming appropriately and that fraudulent claims are detected?**

I am not aware of processes that the government has introduced but know individuals who continued to work during the lock down and received the grant.

- **Has the Government struck the right balance between targeting support and making it easy to access?**

In my opinion, help available to self-employed, businesses and employed individuals were incomparable. Only self-employed receive one off payment while employed people would receive it monthly. Only self-employed people had the 50% self-employment earnings in 2018-2019 stipulation. People on benefits received higher

payments due to any losses, businesses received grants, employees received 80% up to £2,500. This is simply unfair.

- **Where has Government support been too generous and where has it not been generous enough?**

It was not generous enough for self-employed, the only group with one off payment and the 50% stipulation that backs to long before the lockdown.

- **How successful has the Government been in plugging the gaps in the schemes?**

The Government's answer to 'Remove the 50% earnings barrier so all self-employed workers to receive support' aimed against new and vournable businesses.

The government said that trading profits needed to be at least equal to non-trading, however, they are referring here to the financial year 2018-2019 while the lockdown has happened in 2020 and for employed people they looked at early 2020 not 2018-2019. Self-employed is the only group of earners who are treated unfairly and have additional restrictions. The most importantly, this contradict what the Chancellor of the Exchequer announced saying that, as self-employed, you just needed to be known to HMRC. What is more, the government said that we must stay at home, this was not our choice. If we stayed at home it was to follow the government's request and to protect our families and customers from the virus.

The self-employed were described as a very diverse group and they assume that we have other sources of income, however, many of us, like myself, earn 100% of their income from self-employment. In the opposite to what it says, this scheme excludes the ones who need it the most, it excludes people who earn 100% of their income from self-employment but did not have 50% of it in 2018-2019, which excludes self-employed who recently started their businesses. Therefore, these are the businesses that are the most likely to fail.

- **What gaps in coverage still remain and are changes required to increase their effectiveness?**

Fair and comparable help for self-employed. Removing the 50% threshold and considering other calculation method.

- How viable is it for the Job Protection Scheme and the Self-employment Income Support Scheme to be open for longer?
- How and when should the Government's support packages be wound up?
- **How should the Government prioritise which continuing sectors and groups to support as time goes on and ongoing support is needed?**

Businesses' financial liquidity prior to the lock down, the importance of sector's recovery for the economy, forecast for the future jobs creation. The other option is looking at locality, supporting businesses where there is one main employer for many small towns or villages.

- What actions does the Government need to undertake to pursue to support a successful exit strategy?

Support to businesses and Financial services

- **How effective is the Coronavirus Corporate Finance Facility, Coronavirus Business Interruption Loan Scheme, and the Coronavirus Larger Business Interruption Loan Scheme? In particular, are these measures succeeding in preventing viable businesses from potentially going under during the Coronavirus lockdown?**

I had to take the BBL (Bounce Back Loan) in order to support my family during the lock down and I will have to use this money to pay my income tax as I had to use the money put aside.

- **How effective has the Government support been so far in terms of coverage and speed?**

Considering the scope – reasonable.

- What gaps are there for businesses within the schemes?
- **Is the financial sector supporting businesses enough? Are businesses getting the right advice on which grants/loans to access?**

In my case – yes.

- What are the financial regulators and the financial sector doing to reduce the risk of people being taken advantage of by fraud at this time, in particular with regard to vulnerable groups?

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