

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
Chief Secretary's Office
1 Horse Guards Road
London
SW1A 2HQ

27th April 2020

Dear Chancellor,

Re: COVID-19: Support for Businesses

We are contacting you on behalf of the Association of Optometrists, British Association of Sport Rehabilitators, British Chiropractic Association, British Dental Association, British Promotional Merchandise Association, British Veterinary Association, Chartered Institute of Public Relations, Chartered Institute of Management Accountants, Chartered Society of Physiotherapy, Data and Marketing Association, Market Research Society, Physio First, The College of Podiatry, The Independent Print Industries Association, The Institute of Faculty and Actuaries, The Institute of Osteopathy and The Society of Sports Therapists.

We have all recently written to you regarding help for SMEs and the Self-Employed in order to deal with the financial challenges caused by COVID-19.

We welcome the measures that the Government have already announced including the Coronavirus Job Retention Scheme, the Coronavirus Self-Employed Income Support Scheme, the Coronavirus Business Interruption Loans and rent holidays. All of these schemes will no doubt help SMEs and the self-employed. However, we are continuing to hear from our members that there are still many acute challenges in receiving the much needed cashflow to keep their businesses afloat and in turn, to support their families.

Many of our members would fall into the bracket of very small businesses. We represent in excess of 295,000 professionals across our respective industries and professions.

Our members are all raising serious concerns about access to the existing support schemes the government have announced. Therefore, we are writing to you as a combined voice to set out three recommendations that could help many SMEs across all sectors survive this crisis and at the same time, help build the pathway to recovery.

Below we set out our recommendations:

1. Change Access to Coronavirus Job Retention and Coronavirus Self-Employed Income Support Schemes

Many directors of very small SMEs pay themselves a small salary while retaining working capital in the business. Dividends are paid if their company turns a profit and these also form an important part of the directors' income. The Coronavirus Job Retention Scheme and the Coronavirus Self Employed Income Support Scheme are based on either an average of the last three years self-assessment forms or a PAYE payroll scheme on or before March 19, 2020. This means that the salary directors get judged on will not be a true reflection on their earnings and as a result of this, they are not accessing the scheme as they would not benefit from doing so.

Our members believe that both these schemes should be changed to allow directors of very small businesses more access and to have their dividends considered when applying to both the Coronavirus Job Retention Scheme and the Coronavirus Self-Employed Income Support Scheme. One way of doing this would be to use the definition of 'Close Company' in the Corporation Tax Act 2010. This definition means a company with 5 or fewer participators, which many of our members would fall into.

Directors and owners of 'Close Companies' should be allowed to have their dividends considered alongside their PAYE when claiming for either the Coronavirus Self-Employed Income Support Scheme or the Coronavirus Job Retention Scheme.

2. Expediate Coronavirus Income Support Scheme Funds

The Self-Employed Income Support Scheme will only go live in June and many of our members cannot wait until then to get financial support. Too many of our members face the prospect of their businesses collapsing without immediate cash injections. The Government needs to provide self-employed people with money now. Therefore, we would like to see this scheme either expediated or money given to the self-employed in the way of a cash grant

3. Ensure more SMEs are benefiting from Coronavirus Business Interruption Loans (CBILs)

All of our organisations are hearing reports that many SMEs are being asked to put up personal assets to secure CBILs by the banks. Furthermore, the banks are taking too long to provide loans or forcing SME owners to take out overdrafts instead.

We would like to see the banks putting more resources into approving these loans quicker and we believe that the Government has a role to play in this by increasing its guarantee to 100% for loans for SME's under £250,000.

To conclude, our organisations want SMEs across the UK, including our members, to survive this crisis and be ready to help build the country's financial recovery. In order to do this, they face the immediate challenge of surviving the next few months. The three recommendations above would help many of our members and the UK SME sector come through this crisis and be in a position to grow and make a valuable contribution to society once again.

We hope that you find our recommendations helpful. If you would like to discuss them in more detail, please contact Ross Archer, Advocacy Manager of Chartered Institute of Management Accounting (CIMA) on ross.archer@aicpa-cima.com.

Yours sincerely,

Andrew Harding
Chief Executive



Henrietta Alderman
Chief Executive



Association of
Optometrists

Oliver Coburn
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British Association of
Sport Rehabilitators

Catherine Quinn
President



British Chiropractic
Association

Martin Woodrow
Chief Executive



British Dental
Association

Carey Trevill
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British Promotional
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Daniella Dos Santos
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British Veterinary
Association

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Chartered Institute of
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The Independent
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The Institute of
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Graham N. Smith
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The Society of Sports
Therapists