The Rt Hon Rishi Sunak MP

Chancellor of the Exchequer

By email

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Dear Chancellor

I am writing to you as a Government Accredited Energy Assessor whose prime role is the production of Energy performance Certificates (EPCs). It is a statutory requirement that a valid EPC be produced for very property that is being marketed for sale or rent.

A thriving housing market is a key pillar of our economy, and will be essential in sustaining recovery as we emerge from the aftermath of the coronavirus crisis. There is speculation that the Government may wish to re-activate the property market in respect of sales and lettings as one of its priorities.

The effectiveness of re-activating the market may be threatened by a particular set of circumstances which leaves Energy Assessors businesses at risk of failing.

Like many other Assessors, I operate as an independent business and am affected in three key ways: -

1. Assessors often operate as limited companies and derive a significant proportion of our income through dividends in an entirely legitimate way and strictly within HMRC requirements. This means that not only do I not qualify for the self-employment income support scheme, but under the Coronavirus Job Retention Scheme would only benefit by way of a monthly income of £500-£700 as 80% of my basic PAYE income. This is insufficient to meet the needs of mortgage payments, electricity, gas, Council tax, food etc.
2. Again, as with many small businesses, I work from home and do not pay business rates. Therefore, I am not eligible for loans or grants under the Small Business Grant Fund.
3. Finally, Assessors have received specific guidance from the Ministry of Housing, Communities & Local Government preventing us from performing our duties except where the production of EPCs are deemed to be “urgent”. However, the circumstances that would make an EPC urgent are not described and are, realistically, likely to be extremely rare. Hence it is not possible for me to earn any money during the crisis.

This “triple whammy” of circumstances puts my business, my livelihood, and my financial security under severe strain with a very high risk of business failure. In simple terms I am faced with a dilemma of continuing to accept EPC instructions, in flagrant disregard of the clear MHCLG advice, risking the health of myself and my family and the wider community, or risk seeing my business collapse.

The level of support available to me during this crisis is significantly less than that offered to other workers, be they employed or self-employed. This seems to be because, by receiving income as dividends I am somehow considered to be too rich and not in need of support, in some way fiddling the system to avoid paying tax, or in receipt of additional income through dividends on investments. None of these are even remotely close to the truth and I am, like so many other small business owners, a hard-working individual simply providing a modest income to support myself and my family.

I know that Greg Smith MP has written to you to highlight the specific concerns of small businesses during this crisis, including the inflexible £50,000 cap that prevents other self-employed workers from receiving support.

In his letter to us all, the Prime Minister said, “The Government will do whatever it takes to help you make ends meet and put food on the table”. Simply, Chancellor, the energy assessor community has been largely excluded from that promise.

On behalf of myself, and all of my colleagues in the energy assessor community, can I ask you, please, to consider the following actions, to ensure that we can all be ready to support the housing market when normal circumstances prevail.

1. Allow company directors, who receive their income by means of salary and dividends, to self-declare that their full primary income (including salary and dividends) is from a single business, and to claim under the Coronavirus Job Retention Scheme in the same way as other employees. These facts can, of course, be verified later by HMRC should there be any suggestion that attempts have been made to include dividends from other sources.
2. Relax the upper limit of £50,000 of trading profits for the self-employed/company directors.
3. Provide the means for members of the energy assessor community to access the same level of financial support offered to other working people, so that we can sustain our businesses and continue to provide the services that ensure the housing market will recover quickly and reliably.

I do appreciate that these are exceptional times and that you have put in place some significant support for many working people. But I would urge you to take account of the special needs of energy assessors, and the importance of the housing market to the whole economy, as well as providing important energy efficiency information to homebuyers and new tenants.

Yours sincerely

NAME

COMPANY

EMAIL ADDRESS

TEL NO