

Dear Lesley

Can I thank you again for all your support and for ongoing engagement and dialogue about the Newly Self-Employed Hardship Fund and Mobile and Home Based Close Contact Services Fund. As you know they closed to new applications last month and applicants who provided incorrect information in their initial application were given another chance to submit an application. More than 5,500 applicants who were invited to reapply have now done so.

However, we have identified approximately 1900 applicants who do not seem to have taken the opportunity to submit another application. We are keen to help these applicants access funding if they are eligible. Rather than asking them to submit another application, those applicants will receive a phone call from an adviser inviting them to book an appointment to discuss their application with a view to seeking additional information that may allow us to approve a grant payment.

We are aware that some people may be wary of potential fraudulent phone calls so I'd like to set out the process which will be used:

- from Thursday 8 April, advisers will begin calling applicants who have submitted an application which was not approved and a second application has not been made
- applicants will be given the choice to either be resent the email with a link to the booking system to book an appointment or to book an appointment on the phone through the adviser
- once an appointment has been booked, an adviser will call the applicant at that time to go through their initial application and identify any errors. Applicants may need to provide more information which will be explained by the adviser.

Since launching the appointment system to help those applicants that had made mistakes in their applications, over 90% of those who have spoken with an adviser have now been approved.

I hope this provides further reassurance to your members that we are doing all we can to ensure that all eligible applicants will receive payments.

I also want to take this opportunity to provide some information about the tax implications of these grants. I enclose a short paper that can be shared with your members, however the key message is that ultimately the timing of recognition of income will be determined by accountancy, either the application of GAAP or, if elected, the Cash Basis. And the basis period rules will determine the tax year in which profits will be taxed - guidance can be found in HMRC's Business Income Manual at [BIM81010](#). In summary, these are features of the tax system for the self-employed who have the flexibility to choose their accounting date and whether to adopt the Cash Basis. There is no basis on which to treat these particular grants in a different way.