

## **Briefing for the Citizen Participation and Public Petitions Committee on petition PE1889: Financial support for self-employed people in the travel industry, lodged by Nikki Peachey**

### **Background**

The travel industry has been significantly impacted by the COVID-19 pandemic, with restrictions both in the UK and worldwide preventing travel and tourism for large periods of time. Within the UK, [unnecessary travel was first discouraged on 16 March 2020](#), before a [nationwide lockdown was announced on 23 March 2020](#). Some restrictions were gradually relaxed over summer 2020. However, travel was again impacted by the second and third lockdowns in late 2020 and early 2021. Since April 2021 some travel restrictions have gradually eased. At the time of writing, 9 August 2021, the [Scottish Government state](#) that 'although the law on international travel to and from the rest of Scotland has been relaxed that does not mean it is advisable'.

The Scottish Government has introduced a risk assessment for international travel similar to the UK Government's existing 'traffic light' system. This entails the following requirements for both residents of Scotland on their return and overseas visitors:

- Arrivals from [red list countries](#) will be required to enter a managed isolation hotel and stay there for 10 days. Travel to such countries should only be for essential reasons.
- Arrivals from [amber list countries](#), which will be the majority of countries, should self-isolate at home [or if a visitor from another country, their accommodation on arrival] for 10 days, and take two PCR tests while they are isolating.
- Arrivals from [green list countries](#) will not be required to quarantine or isolate on arrival in Scotland, but will need to take a PCR test shortly after arrival.

Further information on this process, and [details of the countries on each list](#), is available in the Scottish Government's [international travel guidance](#).

Self-employed people (those taxed through self-assessment and not PAYE), were not eligible for furlough, but some were eligible for the Self-Employment Income Support Scheme grants or were able to claim benefits.

The [Self-Employed Income Support Scheme](#) (SEISS) is a UK Government scheme. It has had five grant phases with its fifth and final phase due to end in September 2021. It [was recognised that](#) some self-employed people fell outside the eligibility for the scheme. For example, if you weren't able to file a tax return for self-employed earnings in 2019-20, if you earned more than £50,000 a year, or if less than half of your income was from self-employment, then you wouldn't be eligible to apply.

### **Scottish Government Action**

The Scottish Government delivered two separate rounds of the 'Newly Self-Employed Hardship Fund' designed to help alleviate financial hardship for those who were newly self-employed and not eligible for the UK Government's Self-employment Income Support Scheme. This [fund paid out](#) £11.3 million to 5,673 applicants in round one (spring/summer 2020) and £34.6 million to 8,657 applicants in round two (winter 2020/21).

The [Scottish Government stated](#) (March 2021) that:

“Limits on the amount of funding made available to the Scottish Government to provide financial support to businesses means that we are unable to contemplate further direct financial support for businesses or the self-employed without additional funding from the UK Government.”

Travel businesses were able to access the Strategic Framework Business Fund and the £5 million Travel Agent Fund. However, both funds were tied to having a business premises, which [according to the Scottish Government](#) reflects the higher overall costs facing premises-based businesses including rent and utilities. The [Scottish Government stated](#) (February 2021):

“While self-employed, homeworking travel agents are not eligible for these support schemes, they may be eligible for

other forms of support, including the UK Government Self Employed Income Support Scheme (SEISS). In order to help those who are not able to access SEISS, the Scottish Government have recently relaunched the Newly Self-Employed Hardship Scheme, which makes grants of up to £4,000 available to qualifying self-employed people.

We have also recently increased our Local Authority Discretionary Fund from £30 million to £120 million. Through this fund, councils can target additional support wherever they consider it most effective in the context of their local economy and business community. As such they have the option to provide direct support for self-employed or home working travel agents in their area if they consider it necessary.”

### **Scottish Parliament Action**

A number of the Scottish Parliament’s Committees undertook inquiries on the impact of COVID-19 in the latter months of Session 5. For example, relevant to this petition would have been the following committees:

- Economy, Energy and Fair Work Committee had an [inquiry on the impact of COVID-19 on Scotland’s economy, including businesses and workers](#). The Committee took written and oral evidence from a variety of sectors on the impact of COVID-19 guidance and restrictions on businesses and self-employed.
- The Culture, Tourism, Europe and External Affairs Committee had had an inquiry on the [impact of COVID-19 on Scotland’s Culture and Tourism Sectors](#). Travel businesses featured in the tourism aspects of this scrutiny.

### **Key Organisations and relevant links**

- [Find Business Support website](#) - information on support available to Scottish businesses
- [Scottish Government Guidance](#) on international travel to Scotland

- [Scottish Government Guidance](#) on travelling within the Common Travel Area (UK, the Channel Islands, the Isle of Man and Republic of Ireland)

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