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2. Health and social care (<https://www.gov.uk/health-and-social-care>)
3. Public health (<https://www.gov.uk/health-and-social-care/public-health>)

Speech

Chancellor outlines new coronavirus support measures for the self-employed

The Chancellor Rishi Sunak today announced the next economic steps to help the self employed.

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From:

HM Treasury (<https://www.gov.uk/government/organisations/hm-treasury>) and The Rt Hon Rishi Sunak MP (<https://www.gov.uk/government/people/rishi-sunak>)

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26 March 2020 (Transcript of the speech, exactly as it was delivered)



Good afternoon.

Today I can announce the next step in the economic fight against the Coronavirus pandemic, with new support for the self-employed.

Our step-by-step action plan is aiming to slow the spread of Coronavirus so fewer people need hospital treatment at any one time, protecting the NHS's ability to cope.

At every point, we have followed expert advice to be controlled in our actions – taking the right measures at the right times.

We are taking unprecedented action to increase NHS capacity by increasing the numbers of beds, key staff and life-saving equipment on the front-line to give people the care they need.

That is why it is absolutely critical that people follow our instructions to stay at home, so we can protect our NHS and save lives.

Our action plan to beat the pandemic is the right thing to do – but we know people are worrying about their jobs and their incomes.

Working closely with businesses and trade unions, we have put together a coherent, coordinated and comprehensive economic plan – a plan which is already starting to make a difference:

- big employers like Brewdog, Timpsons and Pret have already said that our Coronavirus Jobs Retention Scheme means they can furlough thousands of staff, rather than laying them off. And we are publishing this evening detailed guidance on how the scheme will operate so that other businesses can take advantage, too
- small businesses are already benefiting from Coronavirus Business Interruption Loans of up to £5 million, which are interest free for 12 months – with 30,000 enquiries in just four days
- local authorities are already informing more than 700,000 retail, hospitality and leisure businesses that they will pay no business rates this year
- and the new hardship grants scheme, providing cash grants of up to £25,000 for the smallest businesses, is now up and running

So if any business is struggling, and worrying they may need to lose staff, I would urge you to log on to businesssupport.gov.uk, and look very carefully at what support is available before deciding to lay people off.

I'm proud of what we've done so far, but I know that many self-employed people are deeply anxious about the support available for them.

Musicians and sound engineers; plumbers and electricians; taxi drivers and driving instructors; hairdressers and childminders and many others, through no fault of their own, risk losing their livelihoods.

To you, I say this: You have not been forgotten. We will not let you behind. We are all in this together.

So, to support those who work for themselves, today I am announcing a new Self-Employed Income Support Scheme.

The government will pay self-employed people, who have been adversely affected by the Coronavirus, a taxable grant worth 80% of their average monthly profits over the last three years, up to £2,500 a month.

This scheme will be open for at least three months – and I will extend it for longer if necessary.

You'll be able to claim these grants and continue to do business.

And we're covering the same amount of income for a self-employed person as we are for furloughed employees, who also receive a grant worth 80%.

That's unlike almost any other country and makes our scheme one of the most generous in the world.

Providing such unprecedented support for self-employed people has been difficult to do in practice.

And the self-employed are a diverse population, with some people earning significant profits.

So I've taken steps to make this scheme deliverable, and fair:

- to make sure that the scheme provides targeted support for those most in need, it will be open to anyone with income up to £50,000.
- to make sure only the genuinely self-employed benefit, it will be available to people who make the majority of their income from self-employment
- and to minimise fraud, only those who are already in self-employment, who have a tax return for 2019, will be able to apply

95% of people who are majority self-employed will benefit from this scheme.

HMRC are working on this urgently and expect people to be able to access the scheme no later than the beginning of June.

If you're eligible, HMRC will contact you directly, ask you to fill out a simple online form, then pay the grant straight into your bank account.

And to make sure no one who needs it misses out on support, we have decided to allow anyone who missed the filing deadline in January, four weeks from today to submit their tax return.

But I know many self-employed people are struggling right now, so we've made sure that support is available.

Self-employed people can access the business interruption loans.

Self-assessment income tax payments, that were due in July, can be deferred to the end of January next year.

And we've also changed the welfare system so that self-employed people can now access Universal Credit in full.

A self-employed person with a non-working partner and two children, living in the social rented sector, can receive welfare support of up to £1,800 per month.

The scheme I have announced today is fair.

It is targeted at those who need it the most.

Crucially, it is deliverable.

And it provides an unprecedented level of support for self-employed people.

As we've developed the scheme, I'm grateful for the conversations I've had with the Federation of Small Businesses, the association of Independent Professionals and the Self-Employed, and a range of trade unions, including the Trades Union Congress.

But I must be honest and point out that in devising this scheme – in response to many calls for support – it is now much harder to justify the inconsistent contributions between people of different employment statuses.

If we all want to benefit equally from state support, we must all pay in equally in future.

These last ten days have shaken our country and economy as never before.

In the last two weeks we have put aside ideology and orthodoxy to mobilise the full power and resources of the British state.

We have done so in pursuit of a single goal: to protect people's health and economic security, by supporting public services like our NHS, backing business, and protecting people's jobs and incomes.

What we have done will, I believe, stand as one of the most significant economic interventions at any point in the history of the British state, and by any government, anywhere in the world. We have:

- pledged that whatever resources the NHS needs, it will get
- promised to pay 80% of the wages of furloughed workers for three months up to £2,500
- deferred more than £30 billion of tax payments until the end of the year
- agreed nearly 17,000 Time to Pay arrangements for businesses and individuals
- made available £330 billion of loans and guarantees
- introduced cash grants of up to £25,000 for small business properties
- covered the cost of statutory sick pay for small businesses for up to two weeks
- lifted the incomes of over four million households with a nearly £7 billion boost to the welfare system
- agreed three-month mortgage holidays with lenders and nearly £1 billion more support for renters through the Local Housing Allowance
- and today we've announced one of the most generous self-employed support schemes in the world

Despite these extraordinary steps, there will be challenging times ahead. We will not be able to protect every single job or save every single business.

But I am confident that the measures we have put in place will support millions of people, businesses and self-employed people to get through this, get through it together, and emerge on the other side both stronger and more united.

Thank you.

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