### **COVID-19 Member Update**

27 March 2020

## **Summary**

Chancellor Rishi Sunak yesterday (26/03/20) announced a new package of measures to support self-employed workers across the UK who have been impacted by the coronavirus. The new Self-Employed Income Support Scheme will see self-employed workers receive the same benefits as furloughed employees, positioning the scheme as one of the most generous in the world.

Thursday also marked the publication of a statutory instrument giving new powers for police to enforce the coronavirus lockdown. Police can issue a penalty of £30 to £120 to those who do not obey the lockdown rules.

Below is a summary of the day's events, as well as the steps ukactive is taking to represent more than 4,000 members across the physical activity sector.

## **Downing Street Press Conference**

Chancellor of the Exchequer Rishi Sunak hosted yesterday's press conference to announce a much-anticipated raft of new initiatives to support the self-employed. He was accompanied by Deputy Chief Medical Officer Dr Jenny Harries. Highlights included:

- The Chancellor highlighted the measures the Government has already taken to support businesses and families during the coronavirus crisis. You can access the Government's business support resource <a href="here">here</a>.
- The Chancellor unveiled a new Self-Employed Income Support Scheme, which will see self-employed workers receive a taxable grant worth 80% of their average monthly salary over the last three years, with a cap of £2,500 per month. For self-employed workers who do not have financial records dating back three years, the Government will use whatever financial records are available, even if the latter only date back one year. For those who had only just entered the self-employed workforce, the Chancellor suggested it would be too complex and too much risk of fraud to include them in the scheme, and so pointed to Universal Credit.
- The scheme will be accessible to all self-employed workers across the UK with annual trading profits of up to £50,000 with a self-employed tax return filled in 2019. It will be accessible from June at the latest, and give self-employed workers three-months' pay in

one lump sum. The scheme will initially be open for three months, before being reviewed and possibly extended.

- In order to ensure a maximum number of people can access the scheme, the Chancellor announced that self-employed workers who missed the January deadline to file their tax returns will have the next four weeks to file them. Self-assessment due in July will also be deferred to January.
- HMRC will contact all those eligible for the grant, advising them to fill out a form for funds to be transferred to their bank account.
- The Chancellor also highlighted that self-employed workers can access Universal Credit in full up to £1,800.
- Up to 95% of the UK's self-employed will benefit from the scheme. The Chancellor outlined those not covered by the scheme had an average income above £200,000.
- Sunak also said the Treasury was looking at measures for businesses that fall between the two schemes available for businesses, particularly those which are less creditworthy.
- The Deputy Chief Medical Officer recognised the potential health risks of prolonged isolation such as mental health illness, obesity and loneliness. But Dr Jenny Harries also suggested that lockdown could provide many with an opportunity to reshape their physical and mental health.

Overall, this is a further substantial measure from the Government, building on the support announced last week for those in employment. The measures announced echo the <u>call</u> made by ukactive, CIMSPA and Community Leisure UK – backed by Les Mills International – to provide support for the self-employed in the physical activity sector, with 80% of incomes up to £2,500 a month guaranteed.

However, there will continue to be questions for many in the industry, notably those who have recently joined the workforce or for whom early June is too late to cover costs. There is concern over the ability of Universal Credit to support those who aren't covered by these measures, as well as the delay in payment.

In addition, Sunak suggested that following this package, and the conclusion of the crisis, there would be reform of the tax and national insurance system around self-employment.

Overall, while this is a significant step for 69,000 self-employed within the physical activity sector, there are many still left uncertain over how to deal with the impact of coronavirus on their livelihoods. ukactive will continue to work with the Government to ensure maximum coverage.

HM Treasury also last night released more detail on the measures already announced, which can be found <u>here</u>.

#### Physical activity sector joint letter

As outlined in Thursday's briefing, the Chancellor's statement followed a joint letter from CIMSPA, ukactive, Community Leisure UK and Les Mills International, which can be read here. The key ask from the letter was parity for self-employed workers in having 80% of income covered up to a maximum of £2,500 – which was duly included in the measures announced yesterday evening.

ukactive will continue to work with these partners and the Government to ensure this package is available to all eligible members, and any queries are answered efficiently.

#### **Further Covid-19 updates**

With the Chancellor's announcement covering the self-employed, the Government will feel it has dealt with the majority of the population in preparing for the next three months of coronavirus impact. Updates from the Government are now likely to focus on public health measures, such as the testing programme or any further enforcement of lockdown procedures. There will likely be further announcements of the detail surrounding the measures outlined by the Chancellor once the details have been confirmed, as well as additional support for those mentioned today who are not currently covered.

#### **Join the Movement**

After Sport England launched a new campaign to inspire people to stay active during the coronavirus outbreak, ukactive is keen to hear of any initiatives from members designed to keep people active during the outbreak so that we can help to shine a light on the work of the sector.

Please share examples with the team at publicaffairs@ukactive.org.uk

# ukactive engagement with Government

ukactive is in constant dialogue with multiple government departments on additional support available for our members. This includes continued engagement with DCMS and MHCLG on issues such as rental payments, and discussions with DfE on continued support for children's activity providers.

All insights gained from this engagement will be fed back to members through the daily briefing. Please contact a member of the ukactive team if you have any specific questions on the above: <a href="mailto:publicaffairs@ukactive.org.uk">publicaffairs@ukactive.org.uk</a>