

The Rt. Hon Rishi Sunak, MP
Chancellor of the Exchequer
11 Downing Street
London
SW1A 2AA

17th April 2020

Dear Chancellor,

The Federation of Entertainment Unions represents more than 120,000 people working in the entertainment and creative industries. We are actors, journalists, theatre workers, musicians, writers, entertainers, production crew, directors, designers and many other professions.

In the weeks since the announcement of the Job Retention Scheme (CJRS) and the Self Employed Income Support Scheme (SEISS) our members have become increasingly anxious that they may fall through the gaps that have been identified. A great many of them have been lobbying their MPs and no doubt many of their concerns have been relayed to you.

You will be aware that the creative industries are one of the UK's greatest strengths. Our industries have the potential not just to grow further and to revive our economy when the crisis has passed; they can also contribute positively to the regeneration of large parts of the UK and help to deliver the Government's 'levelling up' ambition.

The success of the creative industries is, without doubt, built on the hard work, talent and flexibility of its workforce. This workforce, our members, experience patterns of employment that are insecure and unpredictable. Portfolio careers are common, mixing PAYE work and self-employment, as are large fluctuations in annual earnings and expenses, with an average income of around £10,000 being the norm. We have a large proportion of new entrants and graduates in their first year of self-employment as well as parents, carers and disabled workers who have gaps in their earnings. Some sections of our membership are incentivised or required to work through limited companies or personal services companies. A large proportion of the creative workforce live in London, the South East and in other areas of the country where the cost of living is higher – some will have annual profits in excess of £50,000 but will be the only earner in their household.

We believe there are seven solutions that would both enable as many creative workers as possible to survive this period of crisis and help the industry to retain their talent and skills.

● **Parents & Carers:** Adapt the SEISS to incorporate a declaration for those with gaps in income to exclude those years of self-assessments to account for maternity/parental/caring responsibilities.

● **Those who fall below the 50% of self-employed income threshold to qualify for SEISS:** Enable HMRC to assess all income, PAYE and turnover through self-employment to give a more accurate picture of earnings.

● **Those who regularly work PAYE contracts as their main source of income but were not in a contract on 28th February and did not start another contract immediately after that date:** This is by far the biggest issue for PAYE freelancers. A potential solution would be for the Treasury to set up a new **Freelance Worker Income Support Scheme** using the PAYE data they have to calculate average earnings for people who declare as 'PAYE freelancers' and compensate them at the 80% rate directly without going through an employer's payroll system (this could be done like a tax rebate).

● **New graduates/new entrants into the industry:** Allow new entrants to complete a tax return now to HMRC for the period that they have been working in 2019-20 or assess them as having an assumed income to enable receipt of the capped 80% monthly amount of £2500.

● **Limited Companies/Personal Service Companies:** Allow dividends to be included in the SEISS alongside furloughing for the PAYE element of income through the CJRS.

● **Income and expenses fluctuations:** Remove the £50,000 cap to provide parity with PAYE workers and assess turnover rather than profits.

● **D/deaf and disabled workers:** Provide clarity that SEISS payments will not compromise the receipt of other welfare payments.

We would welcome discussions with you and your advisors at the earliest opportunity to take forward these suggestions and hope that together we can deliver the best possible support for creative workers.

With best wishes

Christine Payne,
Equity General
Secretary & FEU
President

Philippa Childs
Head of BECTU

Michelle Stanistreet
General Secretary,
National Union of
Journalists

Horace Trubridge
General Secretary,
Musicians Union

Ellie Peers
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Maureen Beattie
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