



## Briefing: Covid-19 support package for self-employed workers

### Background

The Bectu sector of Prospect is the trade union for freelancers working in the creative industries. We represent thousands of self-employed and freelance members, mainly working in film, TV and other creative industries.

The reality that many of our members are now facing is the prospect of months without any work whatsoever. The creative sector has almost completely closed down, with productions cancelled or put on hiatus and theatres and other venues closing their doors. Our self-employed or freelance members working in this area often have no contractual protection against this happening and have been let go until the crisis is over. A minority had income insurance but the vast majority have no cover from insurers that would encompass a scenario like the one we now face.

These are highly skilled people working in an industry that contributes over £100bn to the UK economy and is one of the main drivers of economic growth. When the crisis is over, we will need this sector to be ready to help in the economic recovery, and that means retaining the skilled workforce who are the bedrock of its success.

We welcome the government's announcement on Friday (20 March) that it would pay up to 80% of employees' salaries if they were kept on by their employer. However, many sole traders, people working from contract to contract and those operating as limited companies are completely excluded from these measures.

Current government advice is for freelancers and the self-employed, including those on zero-hours contracts, to sign up to Universal Credit which equates to around £94 a week compared to up to £2500 per month being offered to those who are employed. This is simply not an equitable or sustainable situation.

The government must act quickly to ensure a level playing field for the self-employed and freelancers which treats them the same as those workers who are employed.

Our members' concerns include: how they will cover basic costs such as utility bills and food, renters with children who say that their landlord relies on their rent as income and don't know if they will be able to get a rent holiday. People are also deeply concerned about how long this will go on for and whether the creative industries will recover and for those who are new entrants whether their career is already over. For those who are established in these professions they are concerned about whether they will return to work and their financial position in the future.

Bectu's parent union Prospect [wrote to the chancellor on 10 March](#) outlining concerns of our freelance membership. Bectu wrote [again](#) to the chancellor on 19 March about the film and TV industry and Oliver Dowden, the culture secretary, about the arts industry.

A [survey of creative freelancers](#) which ended on 16 March **before widespread restrictive measures were put in place** found that 71% of freelancers were already concerned about paying the bills. Nearly 3,000 (46%) respondents had already lost money as a result of the virus. From 1,500 respondents who came back to us in detail: 456 reported already losing over £5,000, 457 reported losing £2,000-£5,000, 591 said they had lost up to £2000.



Many reported that estimates for future loss of earnings were difficult because of the uncertainty about the length of potential disruption. However, 131 people said they were facing losing over £40,000, 437 said they could lose £20,000-40,000 and 783 people said they may lose up to £20,000.

### **The solution**

The government have so far responded to a number of concerns we have raised on behalf of freelancers and self-employed members including:

- Mortgage holidays and some measures for renters
- Delay of the introduction of IR35
- Delay of the 31<sup>st</sup> July self-assessment tax deadline
- Removal of the minimum income floor for Universal Credit

However the main priority of income replacement remains unanswered.

**We stand ready to work with government on a solution to this problem that works for our members and others in their position.**

We understand that this is more complicated for self-employed workers than it is for employees, but we strongly believe that these workers are entitled to the same level of income support that employees receive.

Our proposal is that the government uses the tax data from previous tax returns to build a picture of an average total verifiable income across different streams for each worker who claims. This must be mindful of the different methods in which self-employed workers earn income. The government would then pay grant payments covering 80% of this income (based on an average of the last year or the last 3 years, whichever is higher) with a cap of £3000 per month.

We have suggested a higher cap than for employees for three main reasons:

- The first is that there is no prospect of any employer topping up these payments as there is for employees.
- The second is that there is no guarantee of an immediate return to work once restrictions on working are lifted as there is with employees.
- The third is that the seasonal nature of many of these industries means that missing the period from March onwards means missing a significantly higher proportion of income than employees would miss.

We believe this is a fair system that can be rolled out swiftly to protect self-employed workers and the economy against the impact of Covid-19. If there are technical issues we stand ready to work closely with government to resolve them.



## Case Studies

### John - live events lighting technician

I'm a lighting designer. I work on tour. I am product specialist in lighting software. I lost £5000 in one day when two tours and a trade show closed down. I was on someone's stand as a CAD software specialist. I usually fall back on the venues I work in London and they are all now closing. Insurance has become a question whether it is force majeure.

*"I don't know how long  
I won't be working  
for"- John*

Lafayette (a London venue) said it is going to close until June –I was scheduled to work all the month of April. I've got two days of work this work installing lights into a museum. I'm falling back on work I can do remotely but it is sporadic. So at the moment I've got not really anything coming in. I've got whatever money I've got in the bank. I'm looking at selling my car.

I'm one of the lucky ones. Landlord has been very sympathetic. I don't know how long I won't be working for. June is a long time to not be working. If we knew for certain when we would all be going back to work we could plan for it.

I don't even have a contract – I am a sole trader – usually verbal. Specific payment terms discussed over email but no contract.

It's a house of cards that has come tumbling down a bit. It's been a long time since I've had to claim benefits. I assume I don't qualify for sick pay. The venues have closed and I feel like I'm left hanging.

### Sarah – Art Technician

I'm freelance as a sole trader. I do contract to contract – can be on two different jobs in one day. We never have contracts. I'm trying to set up right now an emergency fund for art technicians because a lot of people are cheque to cheque and they are now completely screwed and can't pay their rent next month. I know of only 3 employers that are going to be paying a tiny bit of money.

*"Every freelancer I know  
has no work now"- Sarah*

Art technicians – we work in art galleries, museums. I work for collections and artist studios. I am doing the physical side of art and artefacts – putting things on display, the wall from the ceiling or in the garden somewhere. We are a large part of the art and artefacts business. Last Tuesday I had two jobs cancelled – one that was in May and another in June – about two weeks work each. A lot of work is booked and then a lot of last minute stuff and it is by demand stuff. The end of this week I am working with a big project where the employer is going to pay me for the first bit of work and I am supposed to be working for the next three weeks. And that's it, no other work for the year.

Every freelancer I know has no work now.

Normally work at least 3.5 weeks out of a month – not that far off being full time.

I'm lucky that my partner is a full-time employee. I'm covered for about 2.5 months without having to tap into savings.

**If you have any questions please contact:**