

Written evidence from Culture Central

A collective response to the Governments Self-Employed Financial package due to Covid-19

1) Introduction

Culture Central is a sector support organisation for the Arts, Culture and Heritage Sector, with over 40 members, predominantly in the Greater Birmingham region, however this response has included input from non-member organisations and individuals across England.

2) Executive Summary

The news of the scheme to support self-employed and freelance workers has been welcomed across the sector and it appears, with the limited information so far, covers a significant proportion of the cultural sector workers, however there are a number of people who fall through the gaps and will suffer potential hardship due to lack of cashflow and income.

These include individual directors of small LTD companies and those who have only recently registered as self-employed and yet to submit a full year tax return.

3) Evidence and Impact

In order to generate a collective and cohesive response individuals were asked if they were eligible, if they could wait for the funds and any general comments.

We received only 5 responses from the cultural sector, however, the evidence has been echoed by colleagues in the creative industries sector.

One response details that the individual was mostly paid by PAYE with limited self-employed income in preceding years, before becoming fully self-employed in February 2019 which would not be reflected in filings to date, yet would be reflected in their 19-20 tax return. There were also concerns about the calculation being based on average profit rather than income over 3 years than income as these payments may not cover the ongoing expenses.

Another outlines the fact that Directors of limited companies often only pay themselves a small amount via PAYE, with dividends making up income, it is understandable that there are people in that position who are well resourced, however, there are many small companies who have seen their work evaporate overnight within the cultural and creative industries and who will face a significant loss of income and hardship.

Feedback has also been received representing the acting community, which would again map across many sectors. Their income has been made up of 3 different sources of income, over a number of years, often switching between PAYE paid work, zero hours contracts and self-employment. People within this group will be unable to access any support equivalent to the paid and self-employed support.

The responses also reflected the challenge with payments not being made until June, again, the balance of allowing people time to submit returns and creation of the system was understandable, however it needs to be raised that some of our freelance workers do not have the cashflow safety net for 3 months.

4) Recommendations

Eligibility criteria to be published urgently and calculations and eligibility to include estimated or actual earnings from 19-20 where applicable.

Consideration of income for 80% payback rather than profit

Consideration for equivalent support for small limited company directors currently paid through dividends

Cashflow and grant funding specifically available for those who slip through the gaps.