

Written evidence submitted by Andrew Melleney

I am the director of a Personal Service Company providing my skillset to the Entertainment and Corporate presentation industries.

With the onset of the lockdown and subsequent distancing rules all of my bookings and upcoming prospective work was cancelled with little looking likely until the autumn at best. Hopefully it is understandable how events will struggle with attendance of audience members but even before this point is reached the teams of people, including those such as myself, have little choice other than to work in close proximity to install equipment in what are often temporary venues.

I have provided my skillset for over 20 years on a self employed basis. Initially I traded as a sole trader, but was encouraged to become a LTD firm for a number of reasons. Historically there was a tax incentive, something that should not be brushed aside, but in recent times the advantageous side of this has been much reduced. With the tax on dividends having recently increased and countered against the need to pay for all our own running costs such as insurances, accountancy, pension contributions, work equipment etc that an employee would take for granted it can be seen that a typical person in my line of industry on an average day rate will often be at no advantage.

The supply of services in my sphere of employment is driven by the availability of a massive range of skills dependent on the job or event. For the people employing us it would not be possible to employ a full range of such people full time, as such we are a true 'gig' economy. Work can be seasonable, short term, long term and be dependent on countless conditions outside of our personal control. Geographically I personally work all over the UK and Europe, bringing yet more difficulty in current situations.

The re-emergence of IR35 regulations have further complicated matters. I have been able to use my Limited status to be accepted for work where corporations are keen to satisfy their obligations that subcontractors are not going to create difficulties for tax their own liabilities, indeed this in some cases mean trading as a sole trader would mean the inability to take work. As such not trading in a Limited capacity would limit work possibilities in some instances.

The very nature of trading as a Limited company in protecting my personal liability should also be considered as a key reason for my trading as such. Our work involves working in often historic locations and buildings, installing and operating equipment using temporary structures often surrounded by members of the public. Venues and items within can be worth many millions and although fully insured for my work I want to ensure my family do not suffer through my work activities.

With the varied nature of work and events my income can vary widely month to month. As such I pay myself a low monthly salary as advised by my accountant and the pay myself a dividend as I can afford and require. This gives me flexibility and allows for the ability to build up reserves therefore have availability in leaner months. At present for example I had been building my account in readiness for a possible Brexit down turn upon the increased cost of UK suppliers entering Europe. Thankfully I have this available now to support myself and family along with the small furlough allowance. However, this amount was not ever expected to cover a 100% drop in income.

So, I am now in a situation where my funds are running out. On a personal level we will survive. I have a wife who works part time at a local school and 2 young children at primary school. I have money saved that we had planned to build a third bedroom with so my children could have their own rooms, however this means I do not qualify for Universal credit. Trading as I do I obviously

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qualify for a Furlough amount, however this is less than my mortgage and council tax alone. I have applied for a discretionary grant from Wiltshire council, but it seems unlikely I qualify having no fixed monthly buildings costs, with my shed being my storage and only premises. I have applied for a Bounceback loan but who knows when my area of expertise will be able to bounce back.

Having the same level of support as someone who submits their tax return as a sole trader would have made a massive difference to my present situation. I find the reasoning that it is 'too difficult' to work out dividend income assumes that we, and I assume many others, are turning over massive incomes and have great personal wealth. In fact we are no different, its just we trade under a different banner to being self employed yet in essence and at work we are all exactly the same. We are duty bound to file our audited tax returns through our accountants, so how is our obligation to provide the required information that hard to find?

In a time when the Government are keen to generate income I have been left in an industry that is in paralysis and with no means to help other industries through spending I can longer afford.

June 2020