

## **Written evidence submitted by The Film and TV Charity**

Submission to the Digital, Culture, Media and Sport Select Committee

### **Impact of Covid-19 on DCMS Sectors: *Issues for the film and TV workforce***

19<sup>th</sup> June 2020

#### **About The Film and TV Charity**

The Film and TV Charity works behind the scenes of the film, television and cinema industry in the UK. From research and writing to casting, production to publicity, broadcast to exhibition, we support the lives of everyone involved. We've been here since 1924.

We provide free, 24-hour confidential and independent advice and support to all corners of the industry on issues such as mental health, debt, harassment and legal advice; as well as grants to those facing hardship or to help talented individuals seize opportunity.

As an independent charity we often hear the stories that go unspoken. In February 2020 we published *The Looking Glass*, revealing the results of ground-breaking research into the mental health and wellbeing of people working in our industry, which found that nine in ten workers in our industry have experienced a mental health problem. We are now delivering the Whole Picture Programme, an ambitious industry-led plan for better mental health.

The Film and TV Charity was founded as the Cinematograph Trade Benevolent Fund in 1924. HM Queen Elizabeth II has been Patron of the charity since 1952.

#### **Covid-19 and the UK film and TV industry**

The Covid-19 crisis is having a devastating impact on the film, TV and cinema industry. To slow the spread of infection amongst the UK population, the Government has imposed stringent social distancing measures and the industry has taken action to protect its workforce, audiences and the wider population. In March 2020 almost all production stopped; festivals were cancelled; and cinemas closed.

The Film and TV Charity has supported individuals working in the film, TV and cinema sector for almost 100 years; but never before have these people faced such difficulty in their working and personal lives. Most of those working in the industry are freelance; almost all of them are now out of work. As a result of joblessness, the lack of Government support, and isolation – on top of the already very high incidence of mental health problems affecting this workforce<sup>1</sup> – we are now beginning to see what might fairly be described as collective trauma, as you might see after a natural disaster or similar event.

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<sup>1</sup> The Film and TV Charity's *Looking Glass* survey, 2020, showed that 87% of people working in film, TV and cinema had

The impacts are individual and personal, but also strategic, cultural and economic. Film and TV production has been in boom in the UK, with Disney, Netflix and Sky amongst the many who have made huge investments in the UK in the past 12 months. In 2018 the sector contributed £20.8 billion GVA to the UK economy. Without a committed, creative and diverse workforce we jeopardise the sector's return to growth and its enormous contribution to the UK's cultural and economic capital.

## The Film and TV Charity's response to Covid-19

From the moment the crisis started our **Film and TV Support Line** saw a huge spike in contacts from those deeply concerned about their livelihoods. In March we received more than 1,100 enquiries; more than we had received in the whole 11 months prior. From March through May we received over 3,000 enquiries.

The Charity immediately mobilised its long-standing **Hardship Fund**, typically used to help those in moments of personal difficulty, to support people in urgent need. From 1<sup>st</sup> March until the launch of the Emergency Relief Fund on 8<sup>th</sup> April (see below) we were able to support nearly 400 individuals with stopgap grants of up to £500 to cover essential living costs such as food and bills, to a total value of £140,000.

However it quickly became clear that tens of thousands of people in our industry's workforce would fall between the cracks of the Government's income support schemes, and that a more substantive solution was needed for those facing the prospect of joblessness for several months.

The Film and TV Charity and BFI partnered to create a new **Covid-19 Emergency Relief Fund**, which was announced on 24<sup>th</sup> March 2020 with an initial £1 million donation from Netflix. Further donations from BBC Content, BBC Studios, BFI (using funds from the National Lottery), Sky, WarnerMedia and generous individuals grew the Fund to more than £3 million. The Fund was open for applications from 8<sup>th</sup> to 22<sup>nd</sup> April and **distributed £3.15m in funding to nearly 2,000 individuals who fell between the cracks of the Government's schemes** and were otherwise unable to pay for accommodation, food and medicine.

In parallel we have sought to support the financial, social and mental wellbeing of our workforce at this very difficult time, augmenting our current services and introducing new services under the industry-funded *Whole Picture Programme* for better mental health:

- Offering new video therapy, CBT (cognitive behavioural therapy), and bereavement counselling
- Providing up-to-date advice on the Government's financial support throughout the crisis
- Creating a new Community Grants scheme to help individuals and grassroots organisations in the industry community to support one another
- Launching a new online mental health platform for everyone in the industry, employed and freelance

Now, we're focused on supporting the workforce through and out of this crisis, and helping our brilliant industry return to creative and commercial success.

## **Issues for the UK's film and TV workforce during and after Covid-19**

In this submission we wish to raise four issues affecting people who work in film, television and cinema; people who are the lifeblood of our phenomenally successful creative industries:

1. Poor data on the industry workforce, which has inhibited effective policy-making
2. That three-quarters of freelancers, who make up the majority of the film and TV industry, fell through the cracks of the Government's support schemes
3. The importance of mental as well as physical wellbeing as we recover from Covid-19
4. The strategic risks to our industry's diversity after Covid-19

### **Issue 1: Poor data on the industry workforce**

The Government's ONS data significantly under-reports the number of freelancers working in film, TV and cinema. It also possibly understates the overall scale of this workforce.

This has caused difficulty gauging the impact of the pandemic on the industry, and undoubtedly contributed to workers in film and TV being dramatically under-served by the Government's support schemes (see Issue 2 below).

In short this is because the Government's key tool for understanding employment, the Labour Force Survey 2017 ('LFS'), has two major shortcomings when measuring employment in the film and TV industry:

1. It measures the number of people working in a specified 'reference week', whereas the project-based and 'lumpy' nature of film and TV production means that in any given week up to 20% of people will normally not be working, and so would not be captured by the LFS<sup>2</sup>.
2. A proportion of the industry are what is known as 'PAYE freelancers' - i.e. on consecutive short-term contracts of a few months at a time - and would register on the LFS as 'employed' although they remain to all intents and purposes freelance.

The Labour Force Survey 2017 suggests that 180,000 people work in film and television, of which only 28% or 50,000 are freelance<sup>3</sup>.

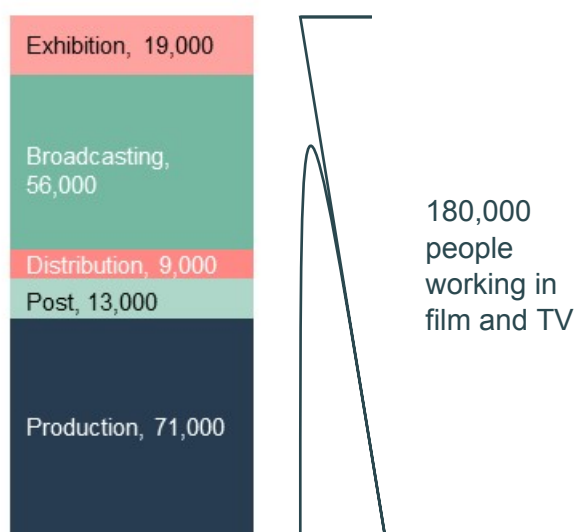
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<sup>2</sup> The Film and TV Charity's *Looking Glass Survey 2019*, conducted in 3 weeks during June/July 2019 (i.e. the busy summer production season) showed that 18% of freelancers had not worked in the previous week. This figure could be significantly higher in the winter season and hence we use an assumption of c.20%.

<sup>3</sup> Source: ScreenSkills Annual Assessment 2019

## Figure 1: The 180,000 people working in film, TV and cinema

Source: ScreenSkills Annual Assessment 2019, based on Labour Force Survey 2017



**We estimate that more than half<sup>4</sup> of the UK industry's workforce – 85,000-100,000 individuals<sup>5</sup> – primarily work on a freelance basis. This is up to double the ONS figure.**

It's clear that the UK's film, TV and cinema industry is highly reliant on freelance labour and that this talented and diverse workforce is the lifeblood of its creative and commercial success.

Freelancers work across all sectors of the film, TV and cinema industry, but are particularly highly concentrated in film and TV production; and post-production and VFX.

The term 'freelance'<sup>6</sup> is not well defined, and in the industry is used to include:

- Those operating as sole traders
- Those operating as one-person limited companies; and
- Those who work on consecutive, short and fixed-term contracts on PAYE

Our 1<sup>st</sup> April survey of the workforce, completed by 1,696 individuals, revealed that:

- Those mainly operating as sole traders comprise only c.36% of industry freelancers<sup>7</sup>;
- Those mainly operating as one-person limited companies make up 28%; and
- Those who mainly work as 'PAYE freelancers' on consecutive, short and fixed-term contracts make up the remaining 36%

<sup>4</sup> For comparison, across the wider UK economy the ONS estimates that 15% are freelance.

<sup>5</sup> BFI Workforce Analysis April 2020 suggests a total of 85,400 freelance workers in the industry; The Film and TV Charity analysis April 2020 based on data from its *Looking Glass Survey* June/July 2020 suggests a figure up to 108,000. A range of 85,000-100,000 is therefore provided.

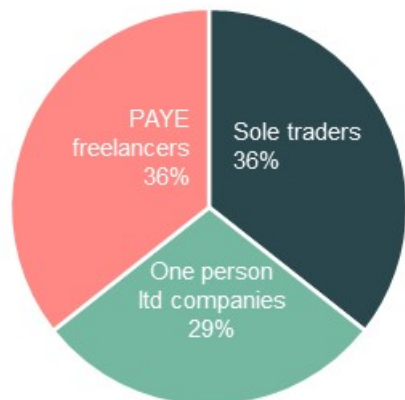
<sup>6</sup> The Government states that "a person is self-employed if they run their business for themselves and take responsibility for its success or failure. Self-employed workers aren't paid through PAYE, and they don't have the employment rights and responsibilities of employees." However, it also points out that an individual's status can be different in employment law and tax law; i.e. someone may be regarded as self-employed for tax purposes but employed for employment law purposes.

<sup>7</sup> Source: The Film and TV Charity Industry Survey, 31/3/20-2/4/20, n = 1,696 freelancers

This means that the Government's Self-Employment Income Support Scheme ('SEISS'), contrary to its title, has helped only 36% of total freelancers as sole traders, excluding the remaining 64% of our freelance workforce.

**Figure 2: Structure of freelance working in film and TV**

Source: Film and TV Charity Industry Survey, 31/3/20-2/4/20, n = 1,696 freelancers



Unfortunately it has taken the pandemic for both Government and industry to fully understand this model of work, and appreciate the vulnerable position in which it has put tens of thousands of people who have found themselves, overnight, without work, and falling through the cracks of Government support schemes.

## **Issue 2: Three-quarters of film and TV workers falling through the cracks of the Government's support**

The Film and TV Charity survey run 31<sup>st</sup> March to 1<sup>st</sup> April 2020 confirmed that **93% of freelancers are not working**<sup>8</sup> due to the impact of COVID-19, in some cases overnight, and face great uncertainty and at least several months before work resumes.

More than three-quarters (76%) said they were 'very' or 'extremely' worried about their income in the coming months. **Nearly half (45%) reported being worried about meeting basic living costs** (accommodation, food, medicine) over the next 3 months.

The Government's principal coronavirus support schemes for workers – the Job Retention Scheme ('JRS') and Self-Employment Income Support Scheme ('SEISS') – are welcomed, but it is clear that very many of the freelance workforce in our industry are not adequately served by these schemes:

- Sole-traders (36% of our freelance workforce<sup>9</sup>) will be eligible for SEISS; but only if they have their 2018/19 tax return (i.e. have worked for at least a year) and show trading profits at less than £50,000 per annum averaged over the three tax years 16/17, 17/18 and 18/19
- One-person limited companies (28% of our freelance workforce) may be eligible to furlough themselves under the JRS, but will only receive compensation for the salary element and we know that many pay themselves wholly or mostly in dividends

<sup>8</sup> Source: Film and TV Charity Industry Survey, 31/3/20-2/4/20, n = 1,696 freelancers

<sup>9</sup> Source: Film and TV Charity Industry Survey, 31/3/20-2/4/20, n = 1,696 freelancers

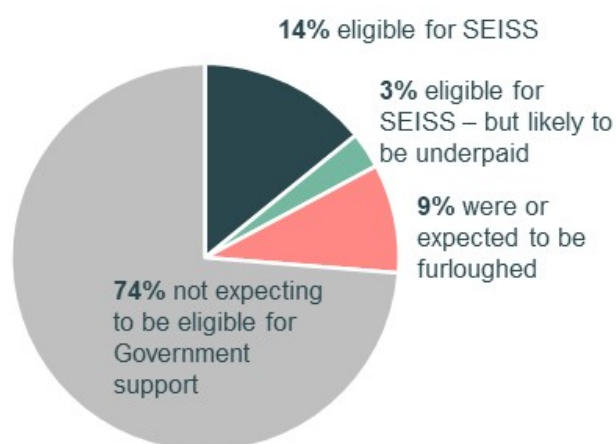
- PAYE freelancers (36% of our freelance workforce) will only be eligible to be furloughed if they were under contract on 28<sup>th</sup> February and released by 19<sup>th</sup> March and if those contracts were brought to an end because of Covid-19. Because film and TV production is seasonal and volumes are lowest in December, January and February, a proportion of freelancers were not yet working as the pandemic hit, and so found themselves without Government support

The Film and TV Charity found that **three-quarters (74%) of freelancers do not expect to be eligible for either scheme.**

Twenty-six per cent expect to receive some support; 9% by being furloughed; and 17% from SEISS. However **19% of those who are eligible for SEISS believe they will be underserved by it**; either because they did not work a full year in 18/19 (as new joiners, or those recently transferred into self-employment), or because they took sick leave or maternity leave in the last 3 years which will discount their average income over the last 3 years.

**Figure 3: Eligibility of film and TV workforce freelancers for Government support during the COVID-19 crisis**

Source: Film and TV Charity Industry Survey, 31/3/20-2/4/20, n = 1,696 freelancers



We have categorised the employment status of individuals within the freelance workforce and analysed the extent to which they are served by one or other of the Government's new schemes – see **Annex 1**.

This highlights the at-risk groups, including:

- **Sole traders with less than one year of trading** (estimated 9% of the industry's freelance workforce). This will include:
  - Those who have moved from employment into self-employment in response to industry's calls for retraining to meet skills needs; and
  - Early career stage individuals likely to be less financially resilient with high risk of leaving the industry and impacts on the future talent pipeline. This will undoubtedly include the much-needed diverse talent that the industry has worked hard to attract in recent years

- **PAYE freelancers not able to be furloughed** (estimated 27% of the freelance workforce) because they were not on contract on 28<sup>th</sup> February and released by 19<sup>th</sup> March
- **Sole traders who are under-served by the Self-Employment Income Support Scheme** (estimated 3% of freelancers) because:
  - They took either maternity/parental leave during the 3-year reference period; or
  - They took sick leave during the 3 years reference period; or
  - They are earlier in their career, and have built up their income over the past 4 years, in which case the average of the tax years 16/17, 17/18 and 18/19 will not reflect their current earnings (noting that these individuals are also likely to be younger, more diverse, and less financially resilient)
- **Freelancers operating as one person limited companies** (estimated 28% of the freelance workforce), a freelance arrangement that has been actively encouraged or even required by some employers within the industry for many years, who pay themselves primarily through dividends and therefore will not be appropriately compensated by the Job Retention Scheme

When the Chancellor announced the Self-Employment Income Support Scheme on 26<sup>th</sup> March, he promised that it would serve 95% of those who earned the majority of their income from self-employment. But **within the UK's film and TV industry only one-quarter of freelance workers have received Government support**. These individuals not only feel abandoned by the Government but there is a very real risk that we will see a high rate of people leaving the industry for more secure employment, harming our chances of successful recovery.

### Issue 3: Supporting mental wellbeing in the recovery from Covid-19

There is a growing body of evidence of the severity of the mental health impacts of Covid-19.

Unfortunately for those working in film and TV, this comes on top of the very serious findings of poor mental health within the industry revealed by The Film and TV Charity in research published in February 2020, which showed that nearly 9 in 10 people working in the industry had experienced mental health problems (compared to 65% of the general population) and that more than half (55%) had contemplated suicide.

**Figure 4: Eligibility of film and TV workforce freelancers for Government support during the COVID-19 crisis**

Source: Film and TV Charity's Looking Glass Survey 2019, n = 9,399



Our *Whole Picture Programme* is an industry-wide and industry-led strategy to address the underlying causes of this poor mental health, including problems of culture (including

bullying and harassment), working conditions (including abnormally long hours and pressure), and the support that is available to freelancers in particular, who up until now we have asked to be entirely self-reliant and manage their own risk.

More information is available here: <https://filmtvcharity.org.uk/why-we-exist/whole-picture-programme>, and this programme is being adapted to meet the specific needs of Covid-19.

On 14<sup>th</sup> May the World Health Organisation reported that substantial investment would be needed to avert a mental health crisis following Covid-19, and the organisation’s Director-General, Dr Tedros Adhanom Ghebreyesus said:

*“It is now crystal clear that mental health needs must be treated as a core element of our response to and recovery from the COVID-19 pandemic. This is a collective responsibility of governments and civil society, with the support of the whole United Nations System. A failure to take people’s emotional well-being seriously will lead to long-term social and economic costs to society.”*

We ask that the Government supports our efforts to support the mental health of our workforce, to avert the risk of long-term social and economic costs to which Dr Ghebreyesus refers.

#### **Issue 4: Strategic risks to our industry’s diversity**

Diversity and representation within our TV and film industry is crucial to our creative and commercial success, and yet we still fall behind on key measures including representation of gender, ethnicity, disability, parent occupation and work delivered outside of London.

**Figure 4: Diversity lags in film and TV**

Source: ScreenSkills Annual Assessment 2019; ONS Labour Force Survey 2017

	<b>Film and TV industry</b>	<b>UK economy</b>	<b>Film and TV industry lag</b>
<b>Female</b>	38%	47%	-19%
<b>Non-white</b>	10%	12%	-17%
<b>Limiting health problem or disability</b>	10%	14%	-29%
<b>Parents from non-professional or senior managerial occupations</b>	51%	59%	-14%
<b>Out of London</b>	51%	85%	-40%

Individuals from under-represented groups in the industry are being and will be disproportionately impacted by the Covid-19 crisis, and there is the risk (if not certainty) that the pandemic will send us backwards on diversity at a moment when it is more important than ever. If we are to return to growth we must rebuild our industry with the diversity, inclusion and amplification of a wider range of voices at the heart of our recovery strategy. This requires a collective and co-ordinated response, which can be both fast-acting and also strategic over the long-term.



Our emerging view of some of the specific **causes for concern for our industry's diversity** are the following:

1. Covid-19 has disproportionately impacted BAME communities, with higher rates of serious illness and death from the disease. This may make the return to work more difficult or risky for these groups
2. Under-represented groups are less likely to have the financial resilience needed to weather a long period of joblessness (recent work from the Institute of Social and Economic Research has shown that single parents and BAME families have been worst hit financially by Covid-19<sup>10</sup>)
3. Some may find it more difficult to access or take-up work opportunities when they do emerge, including:
  - a. Those who are themselves vulnerable or extremely vulnerable
  - b. Those who live with family members who are vulnerable or extremely vulnerable, including those in multi-generational households (whilst only 1.7% of UK households have two adult generations living together, this rises to 7% of British African households, 9% of British Pakistani households, and 10% of British Bangladeshi households<sup>11</sup>)
  - c. Those who have caring responsibilities, including parents of school age children who are currently caring for their children at home (the Charity's *Looking Glass* survey published February 2020 showed that 77% of female freelancers aged 30-39 had already considered leaving the industry)
  - d. Those with additional needs including disabled workers who may fear or find that reasonable adjustments are more difficult to secure under the new Covid-19 production protocols
4. The mental health of individuals identifying as BAME, disabled or LGBTQ+ was already under threat before Covid-19, and may suffer more because of it (the Charity's *Looking Glass* survey showed that 7 in 10 black men working in film and TV had been bullied, compared to 5 in 10 of all men; and that 73% of respondents identifying as BAME had already considered leaving the industry – before Covid-19 hit. The death of George Floyd and current civil rights movement is adding to the significant mental health borne by the black community in particular)
5. The recession that will follow the pandemic is likely to adversely affect diversity (data from Director's UK showed that 8% of female directors left the industry after the 2008 recession)

This is an important area for policy intervention, and we would welcome the opportunity to work with DCMS, the wider industry and our diverse workforce to develop our collective understanding of these impacts, and agree appropriate measures to prevent us going backwards on diversity, risking our industry's future growth prospects.

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<sup>10</sup> Source: <https://www.understandingsociety.ac.uk/research/publications/526144>

<sup>11</sup> Source: [https://www.housinglin.org.uk/\\_assets/Resources/Housing/OtherOrganisation/Multigenerational-living-An-opportunity-for-UK-house-builders.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/Multigenerational-living-An-opportunity-for-UK-house-builders.pdf)

## Conclusion

The Covid-19 pandemic has been devastating for people working in film, TV and cinema. As the charity supporting this workforce, we hear first-hand how much people have suffered, financially and mentally. In many ways the industry has pulled together to support those who have not been supported by the Government, and we're indebted to Netflix, BBC Content, BBC Studios, Sky, the BFI (using funds from the National Lottery) and WarnerMedia, amongst many generous individuals and industry friends, for their contributions to our Covid-19 response.

However the 4 issues above present a strategic risk to our industry's ability to recover from this crisis and damage our chances of being able return it to the creative and commercial powerhouse of the UK economy that it was before the crisis.

We would warmly welcome the opportunity to discuss these issues with the Committee.

## ANNEX 1: Analysis of Individuals Affected by Covid-19

SEISS = Self Employed Income Support Scheme

JRS = Job Retention Scheme

Red/Amber/Green rating indicates approximate perceived risk for the different categories of individual based on the Government's announced criteria for the SEISS and JRS; suggesting where additional support should be targeted.

Scale reflects a percentage of UK freelance workforce, as determined by the Film and TV Charity's Industry Survey, 31/3/20-2/1/20, n = 1696.

	Individuals	Notes	Outcome and Impact	Case Studies	Scale
1	<b>Individuals who are sole traders,</b> operate mostly through their sole trading entity, earn less than £50k pa profits on average over the past 3 years, and have completed a 18/19 tax return by 23 <sup>rd</sup> April 2020	<ul style="list-style-type: none"> <li>If do not have all 3 tax returns for 16/17, 17/18 and 18/19 HMRC will accept as many as are available (but will use all that are available).</li> <li>Some will have a sole trading entity but operate mainly as freelance PAYE; may believe themselves to be covered by SEISS but won't be.</li> </ul>	Served by SEISS		14%
2	Individuals who are sole traders and will get income support from SEISS but <b>compensation will not reflect current earnings level</b>	<ul style="list-style-type: none"> <li>EG A woman who took 12 months maternity leave 2 years ago will have had minimal earnings in 1 year</li> <li>EG If someone has been starting out and</li> </ul>	Potentially underserved by SEISS		3%

		building up their profits over time; 16/17 may have been a poor year but they could now be in a better position			
3	Individuals operating freelance on <b>short-term PAYE contracts who are eligible to be furloughed</b>	<ul style="list-style-type: none"> <li>If were working at 28/2/20 and released by 19/3/20 due specifically to the impact of Covid-19 will be eligible to be furloughed by current employer; at employers' discretion</li> </ul>	Served by JRS if on contract 28/2/20 and released by 19/3/20 and employer agrees to furlough		9%
4	Individuals operating freelance on <b>short-term PAYE contracts who are not eligible to be furloughed</b>	<ul style="list-style-type: none"> <li>May be either in between PAYE contracts or have had their contract end naturally and not due to Covid-19 and now have no work</li> <li>Most likely to be junior levels below HoD</li> </ul>	Unserviced by SEISS or JRS specifically due to Covid-19	<i>"I was a freelance PAYE casting researcher on a TV programme. As of last week I was laid off with no explanation of how I will pay my bills etc as I don't quite fall into either the self-employed bracket or the PAYE full time worker."</i>	27%
5	<b>Individuals who operate as one-person limited companies</b> (not sole traders)	<ul style="list-style-type: none"> <li>Deeply embedded practice in our industry</li> <li>Individuals will typically pay themselves minimal salary (e.g. £8,600 pa) or nothing at all and the balance of income in dividends</li> </ul>	HMRC has confirmed served by JRS if furloughed at 80% of salary excluding dividend payments	Senior 1 <sup>st</sup> AD (20 years plus experience in the industry) who works on international HETV. He hasn't worked for 6 months because his mother died in November so he left a job in October to spend time with her. He was scheduled to begin on a new job in early April. He works through a limited company. They have a 9-month-old child and his wife is not able to return to her job after maternity leave because of the present climate.	28%
6	<b>Individuals operating as sole traders who earned more than £50,000 profits on average over last 3 years</b>	<ul style="list-style-type: none"> <li>Large proportion of industry living in London (&gt;50%) plus need for high degree of flexibility in much production work incurs higher living costs for many than national averages; therefore this threshold may be less equitable for those in our industry</li> </ul>	Unserviced by SEISS; may or may not have sufficient savings		9%
7	<b>Individuals operating as sole traders who have worked for less than 1 year self-employed</b> (since 4 April 2019) and do not have an 18/19 tax return	<ul style="list-style-type: none"> <li>Will include those who have moved from employment into self-employment; often in response to industry's calls for retraining to meet skills needs</li> </ul>	Unserviced by SEISS.  Risk of industry talent drain of both (i) experienced individuals and (ii) new and	Sara Putt Associates reports that 3 of its most successful Foundation Trainees only started in the last year: <ul style="list-style-type: none"> <li>One had a six month contract to do Christmas and then did a couple of two</li> </ul>	9%

		<ul style="list-style-type: none"> <li>Will include very early career stage individuals likely to be less financially resilient; high risk of leaving the industry and impacts on future talent pipeline</li> </ul>	diverse talent.	<p>week contracts on HETV shows before being offered Top Boy which he was due to start on 30<sup>th</sup> March.</p> <ul style="list-style-type: none"> <li>Another has done a dozen back to back short-term jobs on a range of HETV and feature films since last summer and was due to start a 9-month contract on Temple.</li> <li>Another started last year as a rushes runner and progressed to production assistant on an HETV show which came to an end several weeks ago.</li> </ul> <p>All had made a strong start and were poised to go onto other high-end contracts but we may lose them to the industry if they can't survive while things are on hiatus. These are all entrants from underrepresented groups who have already had to overcome significant barriers to get to this point and who have great potential.</p> <p>Individual who was working PAYE last year as an editor in house and then at the end of the year (encouraged by her then employers) she went freelance. Her partner has a new small business that deals internationally with China so the income ceased at the beginning of the year. She has therefore had to cover all house bills for the last two months.</p>	
8	<b>Employees who have been furloughed</b> under JRS	<ul style="list-style-type: none"> <li>Likely to include some cinema workers</li> </ul>	Served by JRS		N/A
9	<b>Employees made redundant</b> , therefore not benefitting from JRS		Unserved by JRS and SEISS; redundancy pay may be limited for those on minimum hours contracts		N/A