



Digital, Culture, Media and Sport Committee

House of Commons, London SW1A 0AA

Tel 020 7219 6120 website www.parliament.uk/cms

Rt Hon Steve Barclay MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email

1 April 2020

Dear Steve,

Government support for creative industry professionals

I am writing to seek urgent clarification regarding apparent loopholes in the packages the Government has put in place to support workers during the ongoing COVID-19 crisis.

Whilst the Committee welcomes the Government's commitment to support those whose employment has been affected by COVID-19, we have received a significant number of representations from freelancers and other professionals within the television and film industry, and other creative industries, who do not qualify for any of the support schemes. These people are facing months with no income and no source of financial support. A summary of the main issues which have been raised with the Committee are noted below:

Self-Employment Scheme

Many freelancers, although technically self-employed, are on PAYE fixed term contracts because they are employed for a fixed period to work on one particular show and then move on to the next job at the end of the production period. It is rarely through choice and usually because broadcasters and/or production companies prefer freelancers to be on PAYE. This means that these individuals are registered by HMRC as being technically 'employed' and thus do not qualify for the Self-Employment Scheme.

Job Retention (Furlough) Scheme

As mentioned above, freelancers often move from job to job, sometimes with gaps of days or even weeks between employment. This means that there is a large number of people who, although on PAYE, were not on a payroll on 28 February 2020 and thus do not qualify for the Job Retention Scheme. Many people who contacted the Committee in this very situation have missed out on qualifying by only one or two days.

Personal Service Companies

Many other freelancers are in a position where, upon advice, they set up their own Personal Service Company and, for a number of years, have operated by invoicing for their services through the PSC and pay themselves through dividends. As a result, they do not qualify for either of the aforementioned schemes as they are neither self-employed nor employed.



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Universal Credit

In addition, many freelancers do not qualify for Universal Credit. Several have stated that they have money put aside in the expectation of paying tax in April but that this will be held against them. If an applicant or their partner has more than £16,000 in savings (regardless of whether it is held aside to pay tax), they will not qualify for Universal Credit at all. There currently is no way to explain to HMRC what these 'savings' are for, and if people have to start using them to support themselves, they may be unable to pay their tax in future.

I would be grateful if you could outline to the Committee what steps the Government will take to ensure that freelancers within the creative industries set out in this letter are supported. I would also appreciate clarification on how professionals in creative industries (such as music, theatre, etc) might best contact Treasury officials to bring Government attention to these outlier cases in future.

Whilst we acknowledge that HM Treasury is incredibly busy, we request an expedited response on this urgent issue by Wednesday 8 April so those affected can be informed as soon as possible.

Yours sincerely,

Julian Knight MP

Chair, Digital, Culture, Media and Sport Committee

cc. Rt Hon Oliver Dowden MP, Secretary of State for Digital, Culture, Media and Sport
Rt Hon Mel Stride MP, Chair, Treasury Committee