

Freelancers and the cultural recovery out of Covid-19 in the West Midlands

**A report by the TUC Midlands Cultural & Leisure
Industries Committee, comprised of Equity,
Musicians' Union and BECTU (A Sector Of Prospect)**

Foreword

Culture is vital. Both for our economy and mental wellbeing. Regionally the cultural sector has too often been overlooked by policy makers. This lack of vision has frustrated our attempts to maximise our potential.

And now, following a decade of underinvestment and poor strategic vision, the Covid-19 pandemic threatens to sink the arts in the midlands.

The facts of the current crisis are striking. Oxford Economics have projected a combined revenue drop of £77 billion for the UK's creative industries in 2020. This equates to around 1 in 5 creative jobs being lost nationally, with the West Midlands hit particularly hard with around 2 in 5 jobs being lost.

We need action. Now.

The government must plug the gaps in the inadequate support system for the sector. And we need to get our act together regionally to ensure the midlands emerges from this crisis in a way that enables it to flourish and not fall further behind other city-regions that have taken the lead in recent years.

The TUC Midlands cultural unions, through our Culture and Leisure Industries Committee (CLIC), have been developing proposals for the sector over a number of years. Many of these suggestions were first proposed in the 2017 TUC Midlands Cultural Manifesto.

Given the present crisis, never has the need for these proposals, alongside urgent immediate support for cultural workers to get through the crisis been more important. I sincerely hope that all stakeholders come together and work with our cultural unions to secure jobs immediately and to successfully grow the sector in the longer term.

Lee Barron

TUC Midlands Regional Secretary

Executive Summary

Local authority cuts and a standstill in Arts Council England funding has undermined the resilience of the cultural sector to respond to the Covid-19 pandemic.

The main policy response for the cultural sector during the pandemic through the 'Cultural Recovery Fund' (CRF) has been inadequate. However, the majority of CRF money has been used to ensure basic organisational survival, meaning redundancies have been plentiful and workers have slipped through the net. Many workers have also simply failed to qualify for Self Employed Income Support (SEISS).

The underspend in the CRF should be utilised to establish a Creatives Support Scheme for affected workers.

Regionally we can't be allowed to fall further behind London, Manchester and Cardiff – all of which have had significantly more capital cultural investment than the West Midlands.

The 2017 TUC Cultural Manifesto six principles are a helpful indication of what we need going forward:

1. A Midlands film and television studio facility.
2. Trade union recognition and implementation of negotiated agreements as a condition of public funding.
3. An integrated local government policy framework to support live venues, festivals and street performers (including infrastructure, public transport, regulatory framework etc).
4. An increase in public spending on the arts in the Midlands until per capita regional arts spending is on a par with London.
5. Secure, properly paid, professional employment for cultural workers and arts educators.
6. Local control of all arts spending in the region (including ACE).

A 'Memorandum of Understanding' with the Coventry City Of Culture Trust reflects principles 2 and 5. Similar discussions are ongoing with the 2022 Commonwealth Games. It can be done to grow the sector in the medium to longer term.

Six Key Demands:

We call on all stakeholders to commit to the following principles of a West Midlands cultural recovery:

- ***Regional Fund drawn from CRF for the freelance workforce of £42million***
- ***Renew demands to progress a Midlands TV and Film Studio***
- ***Provide incentives to arts organisations to get people back into venues***
- ***Convene a genuine roundtable of all stakeholders to plan the recovery looking at a phasing timetable***
- ***TUC CLIC six principles of policy governance to feed into the recovery***
- ***An increase in the DCMS budget from 0.3% to 0.5% of GDP followed by extensive reform and democratisation of decision making in our sector***

The Questions

What future for the cultural sector in the West Midlands is there when the freelance workers who are the lifeblood of it seem to be being left out of any recovery plan and/or the monies being made available by Government?

Whilst there is no doubt that Covid-19 has caused significant damage to the cultural sector in the West Midlands, and the many organisations that support it, the money available to date through the 'Cultural Recovery Fund' (CRF) has gone **only** to organisations bidding for it, to enable them to survive, not to thrive.

Each region in the Midlands (East/West) has received around 14% of this pot versus London and the South East at 40%. This is an improvement on the Arts Council England (ACE) usual distribution which sees London receive 60% of ACE funding versus the rest of the country. There may or may not be a logic in this that those London based organisations receive more ACE funding so have more resilience, time will tell. The standstill funding of ACE monies over the last decade, and council cuts, especially those in Birmingham, where the cuts have been higher than elsewhere to the arts; have seen arts organisations having to earn more income from live performances and other activities by expanding their commercial operations. It has also meant continuing real terms erosions in pay for the creative workforce whether employed or freelance. Indeed, at the outset of austerity the cuts to cultural worker pay, terms and conditions, were made in response to funder demands in some cases. Since then, many workers have struggled to recover from it with some up to 20% worse off in real terms.

So, when arts organisations had to shut their doors, it meant the lack of resilience led to a significant Covid-19 hit. That's not the same as saying the sector as a whole, or those organisations are not viable, they are, but austerity didn't help their preparedness. Covid-19 has shone a very harsh but bright light on the funding issues for the sector; and none more so than for the hand to mouth existence that is the usual life for the freelance worker.

The CRF funding to West Midlands arts organisations, (some did not apply because they were concerned about how it would look in the future if they were judged to be unviable by ACE) does not necessarily equate to saving jobs. It does not equate either to creating jobs, or it filtering down to the mostly self-employed creative workforce on whom the sector depends, be it for new commissions, performances, or creative art. There is also a large pool of creative workers who are micro businesses who never engage with these formal cultural organisations. Nevertheless, they provide to us the arts, culture, entertainment, film, music, digital, and technical support needs, that keep the wider sector thriving and growing.

What of them? What does the future hold for them?

In a situation where there has been, or is little to no work, some 65% of MU members for example are in financial hardship, and many (Midlands self-employed overall - 46%) do not qualify for Self Employed Income Support (SEISS), it has left them high and dry.

We already know that many are finding other work outside of their sector in day jobs in care, retail, transport, and there is no sensing when, if ever, they may return. Their careers have been put on hold, sometimes permanently, as they seek these other jobs to pay the bills and just find a way to survive.

MU member, Louise Braithwaite, summed up her feelings when she had to find a low paid job as an agency care worker to replace the gigs she used to do by saying *"I spent my education and the quarter century of my working life doing the things we're supposed to do. I worked hard, passed exams, and gained professional qualifications. Then, as well as the concerts I did, I gave back to society by working for music charities in schools, hospitals, care homes, and the Community. I paid all my taxes. When the global pandemic struck, and my work disappeared, the government helped other people, not me. I got two fingers stuck up in my face."*

The Data

How many West Midlands freelancer creative workers are struggling financially?

We know from official statistics that 46% or 121,000 of the 261,000 self-employed workers in the region have received no Government help at all through the Self Employed Income Support Scheme (SEISS).

The data also suggests that many (87%) may have not qualified for support because they likely have second 'employed' jobs and were not able to meet the +50% SEISS trading income criteria to receive support. This paints a bleak picture of a casualised economy with very little financial security, where workers need 2 jobs to survive. Covid-19 and the lack of support has exacerbated things for these individuals.

The situation in the cultural sector is no better. CLIC union surveys* reveal that at least up to 40% of union members received no help from Government. Of course, these are self-selecting surveys so will not be entirely accurate but there is little evidence to suggest that the data for them is materially any different to other self-employed workers in the region. Certainly, anecdotally, union officials report similar stories from members about how musicians, actors, variety artists, and technicians have fallen through the SEISS gaps. It is almost certain that many will already have second jobs to supplement their meagre earnings from the cultural sector. Indeed, a recent MU survey about Birmingham Clean Air Zone (BCAZ) plans revealed nearly half of members earn less than £15,000 per year from music. So, like most of the poorest workers who have been left behind during the crisis, you can count many in the cultural sector in their ranks.

The TUC CLIC unions, Equity, BECTU (sector of Prospect), and the Musicians' Union, are dedicated craft unions where eligibility for membership comes only from working in these professions. Their members are largely drawn from the professional community that work in their respective parts of the cultural industry, whether full or part time. So, reasonable estimates, allowing for non-member coverage, can be made of the size of the professional workforce based on membership density and work available.

It is estimated that some 9,000 people work in these sectors professionally (part time or full time) in the region. If the 46% figure who have fallen through the net is applied to this group, it is estimated that it means some 4,200 have lost out under SEISS.

Equity & MU Member surveys

Equity:

- 26% have not been managing well financially since March.
- 28% are already working outside the industry
- 27% are currently applying for jobs outside the industry.
- 36% have not received help from the Self Employed Income Support Scheme
- 1 in 4 are applying or have applied for Universal Credit.
- 77% feel negative about their employment prospects over the next 6 months
- 61% feel negative about their chances of finding work over the next 12 months.

Musicians' Union:

- 47% have been forced to look for work outside the music industry
- 70% are unable to undertake more than a quarter of their usual work
- 36% do not have any work at all
- 65% are facing financial hardship
- 87% will be earning less than £20,000 this year
- 47% in Birmingham earned £15,000 per year or less prior to COVID
- 88% do not think that the Government has done enough to support them

Help Where It's Needed

Part of the solution for a roadmap to recovery is about addressing the current inequality of support for the freelance community, and dealing with the recovery phase properly.

It is true that those who have been employed have seen relatively more job security versus those who are self-employed during Covid-19. They have also been paid a 'wage', unlike the freelance community, albeit at a reduced rate of 80% of basic or average salary whilst on furlough. There is a difference however between basic and average salary when many contracts contain additional sums for regular extra sessions, or responsibility, or for media rights, that form part of the normal pay. For some, 80% of basic can mean that with no shows, no productions, less than 60% of actual pay is what they receive. It could and can be lower than this.

Nevertheless, despite CRF monies, despite furlough, many organisations have ploughed ahead with redundancies anyway, reducing their organisational size and overheads to survive. Especially when there is no end in sight of the pandemic and what that inevitably means for the sector. What it also means is fewer workers, fewer work opportunities, smaller scale productions, and so less work for the freelancers as we come out of the pandemic. Another reason for a properly co-ordinated recovery phase backed with Government money.

If the Government are not going to plug the gaps in SEISS, and CRF money is going to be used to ensure organisational survivability, rather than for creative or artistic excellence and development – the clue is in the title "Cultural **Recovery** Fund" - then these two thorny issues must be addressed.

Planning For Recovery

Where and what models for recovery should be looked at?

For freelancers, we don't have to look very far for an answer. Wales, for instance, created a regional pot of money of £7million for those who fell through the plentiful SEISS gaps. It was quickly exhausted but no doubt the thousands of freelancers who benefitted were grateful for something. It was a reasonably streamlined process to ensure those who asked got it, demand on the fund notwithstanding.

However, for proper support and recovery, it needs an ongoing pot, not a one-off. We'd need a historic phase, current phase, rebuilding and recovery phase, in order to ensure our cultural workforce is ready to respond when asked to step up to the recovery.

The region cannot be allowed to fall behind more than it already has in this sector. We are competing with London, Manchester and Cardiff – all of which have had significantly more capital cultural investment than the West Midlands. They all also have something we do not – a TV and film studio base that is a launchpad for work for the creative sector. Such a facility was a key ask of the Midlands TUC Cultural Manifesto of 2017 and its need has not diminished.

So, the key demand right now for the freelance cultural workforce must be a regional pot, drawn from the £1billion or so still remaining in the CRF, and to offer our freelance cultural workers a lifeline to stave off destitution and to keep them within the sector and ready for the recovery.

Given the numbers, we should be looking at a pot to cover at least the 4,200 freelance creative workers, and to project it to run until the end of 2021 for a recovery of our sector. What does this mean, well, with 4 phases (historic, current, rebuilding, and recovery), and with 4,200 workers, at 4 x £2500, it means a fund of at least £42million.

It is vital that the arts organisations themselves who employ the creative workforce are part of the solution. It is they who put on the shows, organise the labour, plan the productions. So, they should not be left to scabble around for resources which could lead to a lowering of expectations, and a fall behind that puts us in a worse place post-recovery than when we started. The whole of the sector - from engagers, employers and through to the workers - must decide the total demands to ensure the sector comes out of the other side in a fit state.

The **TUC Cultural Manifesto six principles** should play a key part in the discussions so that the 6 principles contained within that are part of the recovery plan:

- i) A Midlands film and television studio facility.
- ii) Trade union recognition and implementation of negotiated agreements as a condition of public funding.

- iii) An integrated local government policy framework to support live venues, festivals and street performers. (including infrastructure, public transport, regulatory framework etc)
- iv) An increase in public spending on the arts in the Midlands until per capita regional arts spending is on a par with London.
- v) Secure, properly paid, professional employment for cultural workers and arts educators
- vi) Local control of all arts spending in the region (including ACE).

It should be noted that with regard to principles ii) and v) the TUC CLIC unions have already signed a 'Memorandum of Understanding' with the Coventry City Of Culture Trust to ensure this happens. Similar discussions are ongoing with the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd, to achieve a similar end. So, it can be done.

Union National priorities: The cultural unions themselves at a national level have also identified key asks to ensure their members can get back to work.

The Musicians' Union has called for:

The gaps in the Government support SEISS to be plugged (Excluded UK).

Some of the remaining cultural recovery fund money in England being set aside to support cultural freelancers who have fallen through the gaps in Government support (eg as in Wales and Scotland). This could be given out by ACE, Help Musicians UK, or devolved to local authorities.

Some of the remaining cultural recovery fund money being ringfenced as project funding for individuals, i.e. Developing your Creative Practice (ACE) and Momentum (PRS Foundation).

An 'Eat Out to Help Out' or Seat Matching scheme to assist the live sector during the recovery phase, and encourage events to be put on next year under social distancing (which would otherwise not be economically viable).

Certainty for the live events industry around how and when they can get events back up and running, and a more detailed roadmap as to when social distancing could be dropped following the roll out of the vaccine.

Equity has called for:

The use of the underspend from the Cultural Recovery Fund to establish a 'Creatives Support Scheme', providing grants to low paid freelance and self-employed arts workers from Spring 2021.

Urgent consideration of the introduction or a trial of a Basic Income Guarantee for creative workers, so that creative workers can get the support they need to sustain themselves in the entertainment industry. Such schemes are being actioned in other countries including the Republic of Ireland.

Establishment of a Live Performance Production Insurance Scheme akin to the Production Restart Scheme for Film and TV.

An end to the age discrimination faced by older creative workers by amending the Production Restart Scheme for Film and TV to enable coverage for the over 70s.

A need over the next 5 years to address the structural problems with the UK's arts funding system to deliver a balanced and sustainable cultural industry, accessible to all. The first step should be an increase in the DCMS budget from 0.3% to 0.5% of GDP, followed by extensive reform and democratisation of decision making in our sector - outlined in Equity's 'Performance for All' policy manifesto.

BECTU (A sector of Prospect) has called for:

- Relaxing of the 50% SEISS limit
- Establishment of a sectoral Freelance Support Fund
- Removal or raising of SEISS profit cap
- Allowing tax returns submitted in January 2021 to be used for 4th round of SEISS
- Introduction of a Director's Income Support Scheme

SUMMARY

Six Key Demands For Cultural Recovery:

In summary, all stakeholders should be looking to do the following to ensure the West Midlands cultural sector is fit to recover, supported, and not left behind:

1. Regional Fund drawn from CRF for the freelance workforce of £42million
2. Renew demands to progress a Midlands TV and Film Studio
3. Give incentives to arts organisations to get people back into venues
4. Convene a genuine roundtable of all stakeholders to plan the recovery looking at a phasing timetable
5. TUC CLIC six principles of policy governance to feed into the recovery
6. An increase in the DCMS budget from 0.3% to 0.5% of GDP followed by extensive reform and democratisation of decision making in our sector

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