



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

22 December 2020

Michael Sweeney
Chair, Creators' Rights Alliance
24 Bedford Row
London
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Dear Michael,

COVID-19 IMPACT ON CREATIVE INDUSTRIES

Thank you for your letter of 29 October regarding the impact of Covid-19 on the creative industries and live entertainment sector. I am hugely supportive of the cultural and creative industries, which make a significant contribution to our economy and society. I recognise the challenges facing creative professionals during the pandemic.

As you note, the Government has announced a £1.57bn Culture Recovery Fund to protect the cultural sectors through the Covid-19 pandemic. To date, more than £790m of grants and loans have been allocated to more than 3,000 cultural organisations in England. Organisations supported include galleries, theatres, museums, orchestras, music venues, comedy clubs and festivals. This funding will help to enable performances to restart, protect jobs and create opportunities for freelancers.

The Government has also extended the temporary reduced VAT rate for hospitality and tourism to 31 March 2021. This will continue to apply to admission to attractions across the UK, including concerts, theatres, exhibitions and similar events, supporting creative activity that is able to welcome an audience.

In order to support businesses to retain their employees and protect the UK economy, the Government has extended both the Coronavirus Job Retention Scheme (CJRS), which has helped to pay the wages of people in 9.6 million jobs across the country protecting jobs that might otherwise have been lost, and the Self-Employed Income Support Scheme (SEISS), which has supported the livelihoods of 2.6 million self-employed workers, until the end of April 2021.

On 5 November, the Government announced an increase in the overall generosity of the third SEISS grant to 80 per cent of average trading profits covering November 2020 to

January 2021, paid out in a single instalment and capped at £7,500 in total. This provides equivalent support to the self-employed as is being provided for employees through the Government contribution in the CJRS.

The new SEISS grant, combined with up to £14,070 worth of support for each individual from the first and second grants, places the SEISS among the most generous schemes for the self-employed in the world. Overall, it will provide an estimated £7.3bn of support to the self-employed through the period of November 2020 to January 2021. There will also be a fourth grant to follow, covering February to April 2021. The Government will set out further details, including the level of the fourth grant, in due course.

Those ineligible for the SEISS Grant Extension may still be eligible for other elements of the unprecedented financial support available. This includes tax deferrals, rental support, mortgage holidays, self-isolation support payments and other business support grants.

The Government has recently extended the temporary suspension of the Universal Credit (UC) Minimum Income Floor until the end of April 2021, providing certainty for self-employed claimants over the next few months. Self-employed UC claimants are also benefitting from the temporary £20 per week increase to the 2020-21 UC standard allowance, and if they are private renters, from the increase in the Local Housing Allowance rates to the lowest third of local rents. Overall, increases to the generosity of the welfare system to support low income households during this crisis are worth £7.4 billion in 2020-21. The government is not ruling out any further welfare measures for the future, but it is right that we wait for more clarity on the national economic context before making further decisions.

Thank you again for raising these issues.



RISHI SUNAK