

Secretary of State (tbc)
Old Admiralty Building,
Admiralty Place,
London, SW1A 2DY

Insert date

Dear Secretary of State

Labour's Plan to Make Work Pay - Worker and self-employed classifications

We are writing to you to make you aware of some concerns we have in the cultural and entertainment sector about the Labour Party's pledge to streamline employed classifications to workers and self-employed within 100 days of Government.

While we welcome the Labour commitment to extend employment benefits to as many people working in the United Kingdom as possible, you may not be aware of the current status of performers. Performers in the UK are classified as workers for national insurance (classes 2 and 4) and self employed for tax. This position was protected in *AD McCowen & SA West v The Commissioners of Inland Revenue* [1993] and has been accepted since then. The HMRC has extensive guidance on its website outlining how this works but essentially the rationale behind this position is that because a performer has to take steps to build a business and incur the costs of maintaining that business beyond attending rehearsals and performances, that like self employed workers they are able to claim business expenses against tax. This classification reflects the performers' itinerant pattern of work; number of separate engagements that may be consecutive or concurrent, periods of unemployment and a requirement to do activities in their own time such as learning lines or new skills. There may be substantial costs in preparing and attending multiple auditions and there is a real risk that they will incur a financial loss as a result.

This status quo has been integral to improving the diversity of performers in the sector. Those performers who do not have a personal or family financial safety net are able to offset some of the costs associated with building their business thereby allowing them to reduce any negative financial impact while they do. This has meant that people from certain groups who historically have a history of economic and opportunity exclusion (working class performers, global majority performers and disabled performers particularly) have been able to choose to perform as a career. As a sector we have worked hard to encourage diversity in our performers but to remove the self-employment classification would introduce a financial barrier to those very people.

Our sector consistently performs better than any other in the United Kingdom. We are growing at a faster rate than the rest of the economy and we are world-leading for our performers, facilities, venues, technicians and creatives. Our ecology offers the rest of the world the opportunity to deliver the best product whether it is on audio or film, or delivered live to an audience. Performers provide the visual diversity that reflects all parts of the world and to

undermine that offer by removing a financial safety net that helps ensure we remain competitive would be unwise.

We understand that there is a commitment to consult on the implementation of this policy before a Bill is laid before Parliament. However, as a sector we wanted to draw your attention to our concerns now so that we may work with your Department to ensure that everything is done to protect this position for our performers. We want to work with the Government to ensure that self-assessment for tax is protected as performers are bought under your new Worker classification and gain the new employment benefits they so deserve.

We look forward to hearing from you to discuss this matter further.

Insert signatures and organisations here

CC: Secretary of State, Department for Culture, Media and Sport