

Response by Equity to the Get Britain Working White Paper

January 2025

About Equity

1. Equity is a trade union of 50,000 performers and creative practitioners, united in the fight for fair terms and conditions across the performing arts and entertainment industry. Our members are actors, circus performers, singers, dancers, designers, directors, models, stage managers, stunt performers, puppeteers, comedians, voice artists, and variety performers. They are generally considered self-employed. Equity's membership is among the youngest of any UK trade union: the most common age is 28 and most members are under 41.
2. Equity is the only UK trade union to offer an in-house social security advice service, which has operated for several decades. We run a twice weekly helpline and a casework service. We have considerable frontline experience advising self-employed Universal Credit claimants working as creative professionalsⁱ.

Summary

3. We welcome the announcement in the White Paper that the existing offer of support for the self-employed will be reviewedⁱⁱ. This provides an opportunity to abolish the minimum income floor (MIF) and to improve the Jobcentre staff's understanding of self-employed work, pay and expenses in the performing arts entertainment industry.
4. We are disappointed at the retention of the sanctions regimeⁱⁱⁱ. Our members already spend on average 12 hours a week working to get work^{iv}. Those who are jobseekers face sanctions for spending working time on this and are told to take down their professional social media and websites.
5. If the government wishes to create an employment support system which supports individual claimants to build a career of their choice, which matches their skills and training, and shift the focus away from benefits and conditionality, the government must abolish the minimum income floor (MIF) in Universal Credit, a policy under which UC is calculated according to an assumed level of earnings, even if actual earnings are much lower.
6. Equity supports an overhaul in the approach of Jobcentres to supporting workers. Our research, detailed below, shows that Jobcentre staff are not given the training to understand self-employment and the short-term and last-minute pattern of freelance work in the performing arts. This compounds the problem that the benefits system, such as through the MIF, is not set up to support self-employed creative workers.
7. We welcome the government's intention to consult widely with young people and disabled workers affected by the proposals. Equity's social security advice service provides advice to countless members in these groups. Three percent of Equity members identify as deaf or disabled and we have a dedicated Deaf and Disabled Members Committee.

Abolish the Minimum Income Floor (MIF)

8. The minimum income floor (MIF) in Universal Credit (UC) stifles self-employment and pushes claimants into poverty. The government says in its White Paper that employment support has thus far been *“too focused on benefits and compliance, which can push people away from support at the expense of real help that meets their needs.”* The government wishes instead to create a system which provides *“help for people to get a job, upskill, and get on in their career...”* The MIF is a punitive policy which achieves exactly the opposite of providing real help which meets a claimant’s needs.
9. *“The UK’s creative industries are world-leading, showcasing the best of its creativity and culture to the world.”*^v The government’s Industrial Strategy in Invest 2035 identifies the creative industries as one of the eight industries it plans to develop to increase inward investment and national wealth. Adequate and tailored employment support for artists is essential to the success of the creative industries. The MIF stands in opposition to this aim and must be abolished.
10. The Child Poverty Action Group^{vi} and the TUC^{vii} also call for the abolition of the MIF, and separate industry research highlights that the MIF is a problem for creative freelancers^{viii}.

What is the MIF?

11. The MIF is an assumed level of income in the UC calculation for those self-employed people who are deemed by UC to be ‘gainfully self-employed’. After a 12 month grace period, the level of income is assumed, regardless of the person’s actual income. In months of low earnings, it significantly reduces UC payments, including payments for children and housing costs and as such is more punitive than the highest level sanction.
12. The level of social security payments usually depends on how much a claimant has earned: the more you earn, the less Universal Credit you receive. For the gainfully self-employed, the system assumes a minimum income, usually 35 hours per week paid at national minimum wage. If you earn less than this, you will still only receive the amount of Universal Credit you would receive if you had been paid for 35 hours at national minimum wage.
13. Meanwhile, if you are not gainfully self-employed, there is no minimum income floor and you will be paid an amount of Universal Credit based on your true earnings. However, UC rules say that not being gainfully self-employed means that a low-paid claimant must look for other work outside their profession, and means they miss work opportunities within their profession as a result.
14. A robust anti-fraud test already exists within UC and that could remain to ensure that bogus self-employment is avoided^{ix}.

Not Here to Help^x, a report for Equity by the University of Warwick

15. Research for Equity by researchers at the University of Warwick shows that the MIF undermines performers’ careers and pushes them further into poverty and reliance on social security. 674 Equity members responded to a survey and six focused interviews were conducted. Some key findings were:

“Universal Credit (UC) and the Minimum Income Floor (MIF) are not designed to respond to the conditions of work in the sector.”

“Under the current social security system, Equity members are penalised by the MIF because of the precarious and insecure nature of work thrust upon them by the industry, instead of being supported to build a sustainable career in spite of this.”

“Nearly half of those who have been subject to the MIF are considering leaving the industry altogether.”

“Those implementing the system do not understand work in this sector, and struggle to navigate the complex rules of UC and the MIF. This creates additional barriers to accessing support.”

16. The research shows that UC undermines the entertainment industry through the MIF by driving self-employed claimants away from the sector. Inevitably this will most affect those without independent means, further worsening access to the industry by working-class artists. The research recommends the MIF is abolished and that a full evidence-based review is undertaken of the effectiveness of the social security system in supporting atypical workers in this industry. Members tell us:

“With the MIF, my UC payment would only have been £71 per month. I had no choice but to persuade UC I was no longer gainfully self-employed and to become a jobseeker.” M, actor, scriptwriter and street performer

“My work coach told me that actors and singers are better off as jobseekers on UC.” M, actor and singer

Government research on UC and the self-employed

17. The only published government research into the MIF is overall negative.^{xi} The only positive effect of the MIF in growing earnings was in workers who could choose to work more hours that month and get paid accordingly. That is not the case in project-based work which is characteristic of the entertainment industry. The research found that:

“Overall the MIF was perceived to have a limited effect on the behaviour of claimants who participated in this study.”

“Importantly, claimants wanted to increase their earnings, but were mixed in terms of how likely they thought they were to be able to do this in the future. Fluctuating incomes were common for the self-employed and created difficulties for managing the MIF and other aspects of UC rules.”

“There was evidence of the MIF helping to change behaviours and grow earnings. Examples were noted of claimants increasing the amount of time they worked (and therefore earnings) to meet or exceed their MIF level, and this was mainly noted by those earning above their MIF.”

18. Recent Ipsos research for the DWP on claimants who chose not to claim UC as part of the managed migration from tax credits found that the self-employed were more likely to not want to go to the jobcentre and were worried that UC would lead to an uncertain financial situation^{xii}.

Diversity

19. Working class people are under-represented in the creative industries^{xiii}. The lack of financial support from UC to those without independent means directly affects who we see on our stages and screens and whose stories we hear.
20. Disabled workers are turning to the work capability assessment in order to avoid the MIF.

“When I was forced to moved to UC [from being a disabled worker on PIP and Working Tax Credit], I would have been happy enough to be gainfully self-employed. But the minimum income floor turned that upside down. I could no longer have the dignity of being seen as a worker, instead I had to get signed off and be assessed as LCWRA. Otherwise the MIF would have reduced my UC from £1200 a month to £345. With my rent at £500, that would have driven me away from work.” E, disabled storyteller, actor, teacher, director living in West of England

Fundamentally different approach in Jobcentres

21. Equity welcomes a fundamental change in the approach of Jobcentres to supporting the self-employed. Through our casework and research, *Not Here to Help*, members consistently tell us that Jobcentre staff do not understand self-employment or the creative industries. We and our members again offer to work together with DWP to improve understanding of the industry amongst staff.

“Working Tax Credit took away all of the potential patronising element of receiving state benefit. It has the word ‘Working’ in the title, so it acknowledged that I did in fact work. From April 2024 the Minimum Income Floor kicked in and as I was deemed to earn £1500 per month, even though I didn’t and still don’t, I didn’t receive any further UC money.” Actress, singer, teacher and arts facilitator since 1979

22. *Not Here to Help* describes the nature of work in the industry:

“Equity members work across the cultural and creative industries. These sectors are dominated by project-based modes of production which rely on a flexible workforce, that is ready and trained to work on projects as and when they occur. This means that workers are reliant upon numerous short-term contracts moving from one project to another. In order to do this, they juggle multiple projects simultaneously and engage in a range of work both within and outside the sector to sustain themselves between (and often during) professional projects and contracts...”

These conditions of work and employment have led professionals working in this sector, despite high levels of skill, to be amongst the most precarious...

The work is sporadic and precarious; workers generally find other types of employment to sustain themselves, although these jobs also need to be flexible to allow time to attend auditions and do the work necessary to gain more sector specific work. Performers can be informed of an audition the night before, leaving little time to prepare or notify other employers. ”

23. Jobcentres are missing other opportunities to support the self-employed in the creative industries. Staff do not understand self-employment or the industry and their attitude adds to the MIF as a driver away from this work for UC claimants. Industry-specific training about self-employment could rectify this.

“My work coach told me that all my pre-rehearsal work [auditions, researching the role and learning lines for a 3 month tour] was fluff.” A, actor

24. Spending on average 12 hours a week working to get work, and needing to be available at short notice are not compatible with UC’s current work-related requirements system. Members frequently report UC staff requiring them to attend Jobcentre appointments, instead of scheduled auditions and rehearsals, under threat of sanction. The effect is devastating for claimants and has negative impact on their paid work. Describing their interactions with a Jobcentre work coach, one member said:

“I am a creative professional but have to pretend not to be to get any money. I am increasingly despairing. I am stuck in two worlds and on one hand trying to deal with this and on the other trying to pretend it is not happening and things will be fine so I can keep working without falling to pieces.”

25. Equity members reported that they have little trust in DWP staff. They experience a low quality of advice from staff in Jobcentres and the UC helpline, and no support at all with their career.

“I credit being here today with not having to deal with the job centre”. UC claimant moving from Working Tax Credit

26. Members frequently report UC staff having little understanding of the sole trader experience:

“The work coach insisted I provide weekly pay figures. There is no such thing in my work.”

“The work coach told me I cannot declare regular expenses such as singing lessons. I am a singer and I need regular singing lessons for my continuous professional development. The work coach said the lessons were ‘for me not for my business’. In the end, I just didn’t declare lots of allowable expenses.” A, actor and singer

27. Similar feelings deterred tax credits claimants from claiming UC as part of managed migration^{xiv}.

28. It is imperative that the newly established National Careers Service takes into account the shortcomings of Jobcentre support to self-employed workers and does not replicate them. If the government’s aim is that the National Careers Service provide *“personalised support to help people get into work, build skills and get on in their career”*, we would suggest that the MIF is fundamentally at odds with this aim.

29. Equally, support provided via the planned Youth Guarantee programme must work hand-in-hand with a social security system that supports young people to pursue freelance careers in the creative industries. While the Youth Guarantee – and Creative Careers Programme – aims to give young people the training and advice to pursue their career, the MIF threatens to rip the carpet from under them once they take their first tentative steps into self-employed work.

Conclusion

30. There must be a fundamental change in the treatment of self-employed workers in UC and across the employment support system. We urge the government to abolish the MIF and consider how its interventions announced in the White Paper support self-employed and atypical workers, so that working-class and disabled artists are not further excluded from the creative industries.

For more information please contact Victoria Naughton, Social Security & Tax Officer: vnaughton@equity.org.uk.

ⁱ 257 active member cases in relevant social security areas

ⁱⁱ Para 160, White Paper

ⁱⁱⁱ Para 174, White Paper

^{iv} Not Here to Help, a report for Equity by the University of Warwick

<https://www.equity.org.uk/campaigns-policy/policy-work/universal-credit-report>

^v Invest 2035: the UK's modern industrial strategy, <https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy>

^{vi} <https://cpag.org.uk/news/universal-credit-three-step-plan>

^{vii} <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>

^{viii} Creative Industries Policy Evidence Centre 'Good Work Review' (2023),

https://pec.ac.uk/research_report_entr/good-work-review/

^{ix} The gainful self-employment test in Regulation 64 of The Universal Credit Regulations 2013

^x Not Here to Help, a report for Equity by the University of Warwick

<https://www.equity.org.uk/campaigns-policy/policy-work/universal-credit-report>

^{xi} Exploratory qualitative research into the early experiences of the minimum income floor, Ipsos MORI, 2018, <https://www.gov.uk/government/publications/exploratory-qualitative-research-into-the-early-experiences-of-the-minimum-income-floor-mif/exploratory-qualitative-research-into-the-early-experiences-of-the-minimum-income-floor-mif>

^{xii} Move to Universal Credit Non-Claimants (formerly tax credits customers) Research

December 2024, A report of research carried out by Ipsos UK on behalf of the Department for Work and Pensions. <https://assets.publishing.service.gov.uk/media/675ad122fd753588dc3a5a0c/move-to-uc-non-claimants-formerly-tax-credits-customers-research.pdf>, page 44-45

^{xiii} <https://www.equity.org.uk/news/2024/working-class-creatives-at-lowest-level-in-a-decade>

^{xiv} "Self-employed participants also described being uncertain how business expenses are included in capital assessments", page 39, Move to Universal Credit Non-Claimants (formerly tax credits customers) Research,

<https://assets.publishing.service.gov.uk/media/675ad122fd753588dc3a5a0c/move-to-uc-non-claimants-formerly-tax-credits-customers-research.pdf>