

**DCMS Committee  
Inquiry into the Impact of Covid-19 on DCMS sectors**

Submission from the Association of Illustrators, 19 June 2020

**About the Association of Illustrators (The AOI)**

1. The AOI is a membership organisation founded in 1973 to support and sustain illustrators and the illustration industry. The AOI is based in London, with members across the UK and a small percentage globally.
2. The AOI has 2,700 members which is a significant proportion of the working illustration community.
3. The majority (est. 98%) of illustrators are freelancer operating as sole traders or limited companies. Our members work across the creative industries- in publishing, editorial, advertising, gaming, animation, medicine and research etc. They are sought by commissioners in the UK and worldwide and many are recognised as leaders in their field.
4. As you know, one-third of the UK's creative workforce are self-employed – much higher than the national average of 15%. This is even higher for our members.

**Previous Submissions**

5. This letter follows 4 other communications concerning financial support for Freelancers on [23<sup>rd</sup> March](#) and [30<sup>th</sup> March](#), and again on [18 May](#) articulating our concern about the lack of parity between the SEISS and JRS. We also fed into the Treasury Inquiry to the Economic Impact of Coronavirus [here](#).
6. This submission updates Government with findings from our survey of members and clarity on mid to long term support needed.

**The Impact on Our Members**

7. We recently undertook a survey to understand the impact of Covid-19 and the Government's support of freelancers on our membership. The survey represents 5% of our membership, and illustrators at all stages of their careers, from emerging graduates to established professionals.
8. Key findings are;

*8.1 Impact on Income*

73% respondent's income has decreased since the start of the pandemic. Unsurprisingly 97% of respondents are in some way concerned about the impact of Covid-19 on their household finances.

Extrapolating figures suggest our membership has lost income in the region of £5million due to Covid-19. The average loss was between £1,000 and £3,000.

Many respondents noted their income was lost from traditional, as well as non-traditional illustration work, for example live drawing, events, murals, and teaching. This comes after years of stagnant growth in fees, resulting in a real term decrease of income for many.

### *8.2 Impact on Wellbeing*

43% are highly or extremely concerned about the impact of Covid-19 on their wellbeing, and 91% are in some way concerned.

Overwhelmingly the impact on mental health was noted in an open question. Stress came from the financial impact, but also the uncertainty, challenging home environments and the juggle of work and childcare.

### *8.3 Support accessed through Covid-19*

42% do not think they are eligible for the Government's income support measures, with a further 27% not yet sure if they are.

62% do not think they will benefit from Universal Credit or the benefits system, with a further 27% not knowing if they are eligible.

60% do not feel the government is doing enough to support self employed workers and the organisations they work with. Only 7% think they are doing enough.

The main concern of the Government support cited was for those who are not eligible for SEISS as at the start of their careers ie those without a tax return.

### *8.4 Long Term Impact*

There was significant concern about the long term impact of Covid-19 on the illustration industry. This can be seen in two ways;

1. Creative paralysis. Many spoke of being creatively paralyzed due to the situation. Others articulated how the lack of commissions, or cancelled opportunities was stalling their careers, stopping them from taking the next step in their professional growth.
2. Self-employed lag. It will take self employed creatives longer than PAYE staff to rebuild their work and their resources. Support must stay in place to support this rebuilding, but also proactively stimulate commissions being re-started.

### **Government Support going forward**

9. We recognise the unprecedented support the Government has provided for Freelancers and PAYE employees, however as our survey shows, this must go further. The Government's failure to economically support a large proportion of creative freelancers must be addressed with urgency.
10. At a macro level, the tangible economic benefit of the creative industries, as well as the soft power the UK has nurtured over decades must be supported to thrive. On a micro level this unprecedented economic landscape means there has never been a more challenging time to be an illustrator, or creative freelancer.
11. We welcome the establishment of a taskforce to aid the recovery and renewal of the sector. We are concerned however that there is a blind spot for our, and other sectors which are unsubsidised and not directly linked to a live audience. We would urge the Commissioner to

consider an avenue to hear the particular challenges faced by illustrators, photographers, authors and others.

12. We strongly urge the establishment of a UK Creators Council, comprising membership bodies able to speak on behalf of a vast number of freelancers to address this gap, and ensure policies are relevant and effective at this most crucial time.
13. In order to address the suffering illustrators and creative freelancers are experiencing we consider remedial action is needed to address the gaps in existing policy, as well as radical ambitious plans which empower our innovative, ambitious industry with determined, committed policy. The post-war response included the Marshall Plan and industrial and social strategies for recovery, not least the creation of the NHS and, for culture, the Arts Council of Great Britain. Such an all-encompassing approach is now needed for our creative industries again.
14. We support calls for the development of an ambitious, specific, flexible DCMS Recovery Plan, backed by HM Treasury, aligned to a fresh Industrial Strategy to set a course for confidence, recovery and growth. Other countries, such as Germany, are already doing this, supported by substantial funding.
15. Therefore alongside the practical extensions and developments of the schemes put in place which we detail below we urge you to explore;
  1. Legislation to ensure contracts are clear and fair, creating a level playing field for creative freelancers.
  2. Protection of our world-leading framework for copyright and the protection of intellectual property in the digital world and ensure this is promoted robustly during the ongoing negotiations on our future international trading relationships.
  3. A universal income for creative freelancers allowing experimentation outside of the immediate constraints of commercial necessity.
  4. Subsidised housing for creative freelancers with necessarily erratic incomes.

## SEISS

16. We appreciate the early roll out of the scheme, and how easy it is to use as well as the extension. However it is of utmost importance that the **scheme is extended in line with the JRS scheme**. Freelancers are not second class citizens and should be supported In the same way.
17. We ask that you revise the scheme to;
  - a. **Support the recently self-employed** on the basis of expedited 2019/20 tax returns. This is hugely important for creative professionals beginning their careers who will be the engine of our industry in the future.
  - b. **Take gross income, not net profits into account**. The £2500 cap is in place, and it allows those with significant, justifiable outgoings to receive the support they need.
  - c. **Tapering the scheme** so that there is no £50,000 cliff edge, understanding that those freelancers living in high cost areas may not have savings to draw on because of the cost of

living.

- d. **Remove the 50% threshold** so that all income – both PAYE and freelance – is considered within the entirety of JRS and SEISS calculations during any second phase and that compensating payments omitted from the first phase are made to ensure that self-employed creative professionals are not disproportionately disadvantaged.

#### **Limited Companies and Small Business**

- a. The SEISS must extend to the self employed **operating through limited companies** and taking income through dividends, again with the £2500 cap.
- b. The 'Bounce Back Loan Scheme is welcomed, however as we noted in an earlier submission we have concerns about the 12-month interest-free period being too short in view of the time that it is likely to take for the creative industries to return pre-crisis levels. We ask that HM Treasury carefully considers an **extension of the interest-free period** to at least 24 months, and/or the introduction of a *de minimis* threshold above which repayments would be made.
- c. It is clear that the financial impact of Covid-19 will be felt most keenly in Q3 and Q4 of this financial year, and beyond. The support offered to small business, for example the VAT holiday and rate relief, **must be extended for 24 months** to allow these companies to become stable once more.

#### **Mental Health**

- a. It is clear that the mental health impact of Covid-19 is significant and may have a long term crippling effect on our industry. This must be addressed and we ask that funding is offered to **provide specific support to creative freelancers** who will experience very particular challenges in this area.

I hope that these insights are helpful. The range, and speed of support that the Government has offered to date has been hugely valued by those who can access it. I would be grateful for a response by [email](#) and would be delighted to engage further on these and other issues to find a solution to keep our wonderful industry thriving.

Yours sincerely

Ren Renwick  
CEO