

From the Minister of Finance

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Dear Henry

FUNDING FOR THE ARTS AND CREATIVE INDUSTRIES & TREASURY SCHEMES

Thank you for your 19th October letter to me in relation to Funding for the Arts and Creative Industries and your earlier 16th October correspondence to the Economy Minister regarding the levels of support offered under Treasury schemes. I am responding on that issue given the lead role I have in liaising with the Treasury on its schemes.

I am acutely aware of, and sympathetic to, the significant pressures many workers and businesses are facing, which unfortunately will have increased for many following the new restrictions the Executive had to introduce on 16th October to curb the spread of virus. I am very aware that those sectors you mention in your letters have been among the hardest hit. This is at the forefront of our minds in the Executive as we consider our ongoing response to the pandemic.

Your letter to the Economy Minister specifically asked for an investigation into how to retain a Job Retention Scheme and a Self-Employment Income Support Scheme (SEISS) at pre-October 31st levels, including the earmarking of funds to minimise the impact of job losses. Like you, I too am concerned about the shortcomings and gaps in these schemes and have raised these directly and repeatedly with the Chancellor, the Chief Secretary to the Treasury, and Michael Gove.

These are however Treasury schemes and given the large scale of the wage support involved, and the fact that these schemes are administered via the tax system, only Treasury can put such schemes in place. While the Executive has taken a range of other steps to support those impacted by COVID-19 through the rating system and the number of grant schemes that have been established for example, this is not something the Executive can do.

As you will be aware the new Job Support Scheme (JSS) and an extension to the SEISS were announced as part of Treasury's Winter Economy Plan on 24th September. Since then there have been further announcements on the JSS. Firstly, the JSS has been enhanced for businesses forced to close or which have been significantly restricted, known as the JSS Closed. Until November, businesses that have previously used the furlough scheme, can still do so. However there are significant concerns that in the transition between the Coronavirus Job Retention Scheme (CJRS) coming to an end, and the JSS opening at the start of November, many will not get the wage support they most desperately need.

Therefore I wrote to the Chancellor to express these concerns to urge him to bring forward the start date of the JSS Closed to 16 October and it is very disappointing that the Chancellor did not heed that call, and that wage support for those new employees not eligible under the CJRS will not be available until the JSS Closed begins on 1 November.

In addition, the Chancellor also announced on 22nd October some further changes to the JSS Open where there will now be a reduction in the employer contribution to employee wages and in the time required for an employee to be in work since the scheme was first announced. This is welcome and will ensure employees continue to receive at least 73% of their normal wages, where they earn £3,125 a month or less and where employers will now have to contribute 5% of employees' wages for hours not worked.

Further to that the Chancellor announced a doubling of payments under the SEISS extension from 20% to 40% of average monthly profits, up to a total of £3,750, although I do recognise this is still lower than levels previously provided.

As an Executive we also continue to look at how we might best support businesses going forward and that includes the arts and creative industries and where as you indicate an additional £29m for cultural recovery has recently been allocated. I know however there are many businesses who haven't benefitted from previous support schemes or current schemes do not go far enough to meet financial pressures businesses are under. I have therefore encouraged Executive colleagues to urgently bring forward proposals for sectors they have responsibility for, to get much needed support to businesses and protect livelihoods.

I hope this response is helpful.

Is mise le meas

A handwritten signature in black ink that reads "Conor Murphy". The signature is written in a cursive, slightly slanted style.

**CONOR MURPHY MLA
MINISTER OF FINANCE**