

EAST information sheets

01 Employment Issues

Introduction

Artists naturally work most of the time independent from an employer. Whether as part of a group or as an individual most artists are self-employed. In addition few artists make money on the back of their core creative work alone. It is usual for individuals to supplement income with workshops, teaching, residencies or in art institutions. As artistic careers are often complicated with uneven income patterns it is necessary to work in a professional and organised manner in order to successfully manage a career. Part of this is to legitimise your self-employed status.

The benefits of this are:

It legitimises your practice: a professional outlook can gain you a good reputation and increase your success.

It allows you to apply and get paid by organisations (galleries, museums, theatres) who cannot legally pay an artist without a self-employment status.

It will help you manage your finances and correctly managing your money can allow you to take opportunities. There are many organisations out there who can help you. But if you don't know your own business finances how are they to do this?

There are perks and benefits to paying taxes legitimately. Did you know, for instance, you could claim back money on a new computer or equipment?

This information sheet can help you set up your artistic career as a business. It is set out in easy steps to follow and points to more detailed information for you to research.

Further information:

Arts Council England

Many useful articles. Try their information sheet 'Starting a business'.

www.arts.org.uk

an - The Artists Information company

Try their 'knowledge bank' for resources. You may need to register with them to view the material and some more recent articles may require a subscription.

www.a-n.co.uk

The Enterprise Centre for the Creative Arts (ECCA)

Try their resources section on starting out for lots of invaluable information.

www.ecca-london.org/resources/

The Design Trust

This site is for designers but contains useful information applicable to most creative roles. Try their guide to starting a business- <http://www.thedesigntrust.co.uk/chapter01.htm>

Get some advice...

Before you start trading, that is getting paid, it is worthwhile getting some advice and doing a little research. This may be as little as talking to friends/associates in the same creative field to find out how they run their business. For more professional advice there are many excellent resources out there specially designed to help people in your situation:

Try contacting your local cultural development agency. Arts Council England provide help and support for the arts nationally (and regionally specific advice). Also in London you could try The Cultural Industries Development Agency or CIDA who provide great resources and information on creative business matters.

Arts Council England (London region)

<http://www.artscouncil.org.uk/regions/homepage.php?rid=3>

The Cultural Industries Development Agency (CIDA)

www.cida.org.uk

The Enterprise Centre for the Creative Arts

London College of Printing (LCP), Elephant & Castle, London SE1 6SB

Tel: 020 7514 7985

Fax: 020 7514 8896

Email: info@creatingaliving.org

For more general business advice and support try your local enterprise agency or Business Link.

Business Link

Free advice and access to local business links. Also free guides to business start-ups. Click on 'starting up' on the home page (www.businesslink.gov.uk) or goto <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073858805&furlName=setup&furlParam=setup&ref=&domain=www.businesslink.org>

Enterprise Centre for Creative Arts (ECCA)

Provides a highly recommended guide to setting up a business which provides a list of enterprise/business link centres in London. http://www.ecca-london.org/resources/starting_out/7steps/.

During your research you may find your business skills are lacking in which case it may be advisable to look into education opportunities. For instance, your local college may provide course aimed at business start-ups and may provide concessions if you are on a low income.

Learn Direct

<http://www.learndirect-business.co.uk>

They provide online courses as well as courses based at their offices (to find your local centre got to <http://www.learndirect-skills.co.uk/features/news/learningwithlearndirect/>

Alternatively ring their free helpline on 08000 150 170 for helpful advice.

The Learning and Skills Council

A Government organisation providing information on further education opportunities.

www.lsc.co.uk

In addition to the places mentioned above you may want to try asking for help and advice from your Local council or regional government office. As well as general assistance they may have information on local grant schemes you could apply for.

If you claim benefits contact your local office to see if there are any enterprise schemes or 'new deal' opportunities. You could find help in starting up a business whilst signing on and claiming housing benefit/council tax benefit. See the section on benefits

below.

Get a Business Plan...

Writing a business plan may seem a daunting (and unnecessary) step to take when starting up. But careful planning and organisation will tell you if your aims are viable and can help predict financial difficulties ahead. Not only this, but any application you make for help with funding, either through an enterprise organisation or financial institution will demand one. Taking this step now will help you to succeed.

Briefly, a business plan should cover:

- Your Idea/objectives
- What makes your idea different - your USP (unique selling point)
- Market research into other similar businesses
- Your market projection
- Financial plans
- How you intend to measure success and grow.

Further information:

Any business start-up course (see above) will deal with this aspect. But, there are many resources online to help you with this stage

Try BBC Money 'How to write a business plan'

www.bbc.co.uk/money

The Design Trust - Why write a Business Plan?

www.thedesigntrust.co.uk/chapter07.htm

Enterprise Centre for the Creative Arts (ECCA) - Guide to Writing Business Plans

www.ecca-london.org/resources/starting_out/plans/

Money matters...

You can start a business with no money at all. But it makes sense to have a small amount of funds to begin with - £1000 is a sensible amount and would cover any expenses you may face in your first months of trading (remember you may not be paid immediately for work undertaken (Also some business banking accounts are only free if you keep your balance above a certain amount.) Try to avoid borrowing credit - the interest and repayments could become too much of a burden for fledgling businesses. Instead try borrowing from friends or family; applying for grants and funding (see below); or borrowing from a credit union (these community based co-operatives offer low rates of interest).

Some organisations specialise in helping young (under 30) people set up in business such as The Princes Trust and Shell Livewire. The Crafts Council also runs a scheme for creative business set-up providing help, advice and financial support.

Further information:

The Princes Trust

www.princes-trust.org.uk

Shell Livewire

www.shell-livewire.org

Craft Council Development Award

www.craftcouncil.org.uk

ABCUL (Association of British Credit Unions)

www.abc.ul.org

Arts Council England

www.artscouncil.org.uk/aboutus/myregion_london.html

The Department for Culture, Media and Sports

http://www.culture.gov.uk/Reference_library/Publications/archive_2007/guideartsfunding_june07.htm

Get a business bank account...

A business bank account will give your business credibility and an air of professionalism. More than that, separating your personal and business expenses makes sense when it comes to filling out tax returns or whenever you need to provide details of your business finances.

Banks are keen to recruit new members and perks available at different banks may include free banking for new start-ups and free advice from financial professionals. Shop around and see what suits you best.

Of course, banks can be selective in who they allow to join. You may be more successful in your application if you have a small amount of funds in place and don't require overdraft or loan facilities. The support of your Local Enterprise Agency or local Business Link office (see above for details) may also help but is not a requirement.

Get an accountant...

This may not be necessary. Small business or sole traders may find that their tax returns are straightforward and easy to fill in. But an initial meeting with an accountant can be free of cost and may be fruitful in terms of help and advice on the intricacies of tax law and expenses. Even if you decide that you won't need the services of a Chartered Accountant it may pay to at least have an initial meeting.

Further information:

Chartered Accountants Directory London Central
www.chartered-accountants.co.uk

London Society of Chartered Accountants
Tel: 020 7556 7053
E-mail: lsca@icaew.co.uk

The Institute of Chartered Accountants
Tel: 020 7920 8100
www.icaew.co.uk

The Association of Chartered Certified Accountants
Tel: 020 7396 7000

Register as Self-Employed...

If you are going to start working independently of an employer it is important for you to register with the UK government as self-employed in order to pay tax and National Insurance (NI). This MUST be done within the first 3 months of trading (working). Fortunately the process is simple and the Inland Revenue are extremely helpful.

Firstly, ring the Newly Self-Employed Helpline (08459 15 45 15) or fill in and post a P/SE/1 form (this, and much more information is available at <http://www.hmrc.gov.uk/selfemployed/iwtregister-as-self-employed.shtml>). You will be provided with a unique self-employment number which you should then quote on all invoices. You will automatically be sent a tax return to fill in the first April after you start trading.

Further information:

Read 'Starting a business' by the Arts Council. This leaflet provides information on tax, employing people, VAT etc.

Inland Revenue. This is an excellent site providing all necessary information for self-employed people including excellent FAQs.

<http://www.hmrc.gov.uk/selfemployed/iwtregister-as-self-employed.shtml>

Also How to fill in a tax return

<http://www.hmrc.gov.uk/selfemployed/iwtfile-a-self-assessment-tax-return.shtml>

If you are on benefits...

If you claim benefits there are ways to make the transition to self-employment easier. For instance you can apply for Housing benefit run on in which your benefit will continue for up to 3 months. Also if your income is below a certain level you may be able to apply for housing benefit and council tax relief. A word of warning though, benefit offices are notoriously slow in processing applications.

Other benefits are available to families (i.e., those with children. These include Working

Families Tax Credit and Child Tax Credit.

Further information:

Department of Work and Pensions

www.dwp.gov.uk

Housing benefit run-on

<http://dwp.gov.uk/lifeevent/benefits/ep-hb-ctb-isa-is.asp>

Housing benefit/council tax relief

http://dwp.gov.uk/lifeevent/benefits/council_tax_benefit.asp#caniget

http://dwp.gov.uk/lifeevent/benefits/housing_benefit.asp#caniget

Families and benefits

<http://dwp.gov.uk/lifeevent/famchild/>

Families Tax Credit and Child Tax Credit

<http://www.taxcredits.inlandrevenue.gov.uk/HomeNew.aspx>