



Communications and Digital Committee

Corrected oral evidence: A creative future

Thursday 13 October 2022

12.25 pm

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Members present: Baroness Stowell of Beeston (The Chair); Baroness Bull; Baroness Featherstone; Lord Hall of Birkenhead; Baroness Rebuck; The Lord Bishop of Worcester; Lord Lipsey.

Evidence Session No. 5

Heard in Public

Questions 40 - 45

Witnesses

I: Chance Coughenour, Head of Preservation, Google Arts & Culture; Rishi Coupland, Head of Research and Insight, British Film Institute; Professor Melissa Terras, Professor of Digital Cultural Heritage, University of Edinburgh.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Chance Coughenour, Rishi Coupland and Professor Melissa Terras.

Q40 The Chair: We are continuing now with our second panel of witnesses as part of our session today. This session is probably more about digitalisation of culture and the increasing importance of data to the creative sector. We touched on this briefly in the last session. I hope that we can expand on this in this session. Can I start by asking the panel to introduce yourselves and also, if you are representing an organisation, say just briefly which organisation that is?

Chance Coughenour: Hi, everyone. I am from Google Arts & Culture. I represent it from the perspective of the head of preservation, which means that I am an archaeologist working at Google. It is an interesting role and I am really looking forward to giving my perspective on the background and the work that I have been doing, representing the organisation for the last six years, on how data in particular can be powerful as a way to make cultural heritage data more accessible and promoted online.

Professor Melissa Terras: I am a professor of digital cultural heritage at the University of Edinburgh. I have a background in both the arts and humanities and the computing and engineering side, as we were just hearing. I lead a lot of digital research support infrastructure for the arts and humanities at the University of Edinburgh.

For the past four years, I have been co-director of something called Creative Informatics, which is a major investment in innovation between the creative industries and the tech sector in Edinburgh and the south-east Scotland region. We have supported hundreds of SMEs in making that jump from being a small thing into developing products and services in technology.

Rishi Coupland: I am representing the BFI. I am head of research and insight at the BFI. We are the UK's lead body for film, television and videogames.

The Chair: Thank you very much and, again, welcome to you all.

Q41 Baroness Rebuck: Thank you for being here. I know it had to be reorganised, and it is really nice to see the three of you; I have been looking forward to it. We all know that creative and cultural experiences are increasingly digitised and accessed online, not least through the pandemic. I come from a publishing background originally, and I was astounded that, for certain high-profile authors who might have had a live audience in a bookshop or wherever of a couple of hundred people, once we put the same experience online, even though there may have been 600 or 700 live, it went up to 20,000 or whatever over the next month. It was an extraordinary learning curve.

However, I am not sure what data, apart from the sheer numbers, the publishing industry was able to derive from it. Since it was a marketing tool, there was not much monetisation going on either. This first

question is the scene-setting one, so I thought I might start with Melissa as our academic. Could you tell us a little bit about the main developments that you see in this space and what we might be looking at over the next 10 years?

Professor Melissa Terras: When you say "in this space", do you mean digitisation?

Baroness Rebuck: Yes, and the implications in terms of other things that we should be thinking about.

Professor Melissa Terras: It is important to know that digitisation in the creative industries goes back to the 1970s, and we have pockets of expertise in the UK. We covered films, TV and games previously, but galleries, libraries, archives, museums and publishers have also been in that space. In the past couple of years, because of the pandemic, we saw an acceleration of that. We covered before the skills gap and the issues there, but I would say that many people do not have the resources to capitalise on what has happened.

They do not have the in-house expertise. They also do not have access to the technology, or the time and the space to experiment. This is particularly coming to a head at this moment, where there are various pressures on industry, not just about tech but also the cost of living crisis and Brexit, in the movement of goods, services and people. We see traditional business models collapsing when we are at a stage when people cannot take the opportunity that digital gives them.

If I can point to one particular example, that is the collapse this week of the Edinburgh International Film Festival and its community in Edinburgh, which suddenly went into receivership. You go into receivership both gradually and suddenly, and that was a convergence of various things. They have been a partner with us in Creative Informatics. We have been helping them do very interesting things with digital over the past four years, but digital is not enough to save our creative industries at a time of great economic crisis.

There is a moment here where, if people are going to take advantage of digital and the new business models, we need to support them to develop the new business models at a time when the traditional ones are collapsing.

Baroness Rebuck: You make a very important point about the difference between larger organisations with the means, and the smaller cultural organisations that are, effectively, locked out insofar as they do not have a way either to digitise or to capture information and this whole question of monetisation. Melissa, was it your organisation that did some research into the Edinburgh Fringe back in 2020?

Professor Melissa Terras: Yes.

Baroness Rebuck: I thought that was quite interesting when you looked at performances and the way in which the creatives were not that interested in having a linear representation of their act but wanted to edit it and top and tail it. Your report said that there could be some

interesting creative opportunities emanating from that.

Professor Melissa Terras: Yes, absolutely. The Edinburgh International Festival and the Edinburgh Festival Fringe Society are two different things. They are partners with Creative Informatics and we worked with them very closely to support them in that sudden pivot to digital. Luckily with the creative clusters funding for Creative Informatics, we had a team in place at the end of 2019, so we were able, when the pandemic hit in 2020, to support our partners and to pivot. We also watched what was happening to the festivals, with the sudden cancellation of the festivals for the first time in over 70 years, making sure that they were supported where they could be, both in the social media space and the monetisation space.

Our team has done a lot of work in looking at alternative business models, using things such as Twitch or new mechanisms by which people can reach audiences, and seeing what happens and how both theatres and established places where performances would happen could put on revenue-generating events. We have also looked at individuals in that space—comedians, for example, and a lot of the Fringe festival is comedy—and how they managed to monetise or to keep income flowing at a time during the pandemic.

A lot of these people were supported by the Government during the pandemic, but a lot of the individual people were not, and a lot of the creative industry folks who are coming through are not supported by the available government mechanisms, so it was a real crisis point for them. We did publish that report. I can send it on to the committee if you want to see it. We carefully scraped social media. We also carefully scraped any news reports.

We synthesised in that, including some interviews with various people, how folks were coping and then what the opportunities were to do something new and different in a post-pandemic world, where we could probably see that there is going to be less travel. We could see that more people are going to be using digital, but how do you monetise that when most people expect to sit down in front of the internet and get things for free? We need to find a way to keep that revenue flowing through the system and getting to the creatives, to small and medium enterprises, and to individuals who have that spark and that idea of how to take things forward.

Baroness Rebuck: I totally agree, and it would be great if you could send us that research.¹ It would be very interesting. Chance, if I could come to you, Google Arts & Culture has brought extraordinary material to people's homes through some of the great museums and galleries. Generally, what are you looking at now? What is next for you there? What does the future look like?

¹ Added by Professor Melissa Terras: The report mentioned is Chris Elsdon, Benedetta Piccio, Ingi Helgason, Diwen Yu, Melissa Terras. 'Learning from the 2020 Edinburgh Festival Fringe: Recommendations for Festivals and Performing Arts in Navigating Covid-19 and New Digital Contexts'. 2021. Creative Informatics Research Report. DOI: 10.5281/zenodo.4775363

Chance Coughenour: In terms of where we have come from in the last almost 10 years that Google Arts & Culture has existed, it started very small, with very few institutions, but with the UK being one of the first players in that. I think it was the British Museum, the V&A and the National Gallery. It has now expanded to over 85 countries and almost 3,000 institutions. What we saw, even in the early stages of the pandemic, was that, when people could not visit a cultural heritage site or monument, or even a museum, that they wanted to, which was local or even international, we found that our prior investment in collaborating with our partners to bring Street View virtual tours inside museums really paid off. We saw a very large uptick in the ability of people who wanted to explore this.

Going forward from now over the next five to 10 years, I and many of my colleagues within the arts and culture sector at large recognise that the move to what was discussed on the previous committee about VR and AR is certainly expanding more, as is the digitisation of cultural heritage monuments in 3D. The ability to search for the Eiffel Tower, but to be able to see that in 3D in your home or in augmented reality, is a beneficial experience.

Even outside of the most well-known sites and museums, we also collaborate with very small institutions. The technology gives an ability to level up between small, medium and large cultural institutions. We sometimes do projects where we focus on a certain and particular theme, and that allows stories and collections from some of the largest museums to be shown alongside the smallest.

Baroness Rebuck: That is interesting. I am particularly interested in the smaller institutions, many of which might put on performances, installations or briefer exhibitions. Do you not have problems in terms of live artists, copyright and so on and so forth, or is that something that you have managed to overcome?

Chance Coughenour: It is a challenge, depending on the type of project and what it is about. Just yesterday, we launched a project where we released the culmination of the digitisation of the *Daily Herald*, which was a very important newspaper in the 20th century here in the UK. It was launched for the first time online, offering anyone the opportunity to explore those stories for the first time. There was a lot of curation done by the museum that we worked with.

I would say that it really depends on the topic. If it is contemporary art, that is something I am less knowledgeable about, but when it comes to cultural heritage monuments, I can certainly give more insight there.

Baroness Rebuck: If people visit these organisations on your website as opposed to their own website, is the data that you capture shared with the originating organisation?

Chance Coughenour: Yes, absolutely. We have institutions that are actively doing this. They can embed the stories. Essentially, Google Arts & Culture is a very small team within Google. Our engineers and partnerships teams are helping and collaborating with cultural

institutions to offer them a free platform to showcase their stories and their collections. Those stories can be embedded back on their own websites.

Baroness Rebuck: If they choose in the future, on Melissa's point about monetisation, to find a way of curating things in a different way, they could monetise that digitised material in the future, potentially.

Chance Coughenour: They could. I do not know the specifics. It is very important to explain that we enter into a non-commercial legal agreement from the outset.

Baroness Rebuck: That is what I was wondering.

Chance Coughenour: That is also part of ensuring that the IP and copyright of the content and assets from the cultural institutions remain under their control. We are only the hosts, but, of course, it is always up to the institution how it wants to use its collections.

Baroness Rebuck: Rishi, you are an expert on audiences. We have read a lot and seen a lot of performances that have been digitised in one way or another. Where do you see the next five to 10 years? How are things going to develop?

Rishi Coupland: You talked about the future of data and digital and combining, and one thing that I would flag is that we are already seeing the very strong presence of global, dominant digital platforms. They are liked by audiences; you can talk about Netflix, YouTube and Google. They are liked by investors, because the data feeds a positive loop, and subscription models, which most of them support, are very good financially as well. They have disrupted the market—as I said, audiences like them as well, so in some positive ways—and they are here to stay.

In terms of continued dominance and growth, Alex Stolz, in his report on the future of film, talked about dominant global platforms creating a bottleneck, which sounds like a contradiction: if you have these massive libraries of digital content available, why is that a bottleneck? It is a bottleneck because certain types of content flourish on those platforms and certain types do not.

I would not make a distinction between big and small. I will give you an example. As it happens, my brother is quite a successful YouTuber—far more personable than me. His channel took off during the pandemic. He does small history documentaries. I said to him, "Is this just a lockdown thing?" and he said, "I don't think it is, because I have looked at the data and I can see, state by state in the US, as lockdowns are lifted, what is happening to my audience in that state, and I can see that they're not diminishing". This is a one-person band who has amazing access to data.

You talked about levelling up. One-person bands can level up on digital platforms, and large organisations can do as well. I worked previously at the National Theatre and worked on its streaming during lockdown. The National Theatre has a stable business model and can afford to innovate in digital as well. Where the future is less clear is for organisations whose business model is being disrupted by digital. They make content that

audiences want, but, while their business model is being disrupted, they are not able to free up the capacity to innovate.

Bringing it closer to home, to the BFI, I would talk about UK independent film, for example, where the basic business model for UK independent film, which has endured for years, is now under severe threat. We would love to see more UK independent film on the dominant digital platforms. Those are globally competitive platforms and they are finding that they need to compete very hard to get on to those platforms. At the same time as costs are rising, because we are in the middle of a massive film and TV production boom in this country, which is great for the economy of the country, independent organisations can get squeezed out.

A very strong concern that I would have, based on reports that we have done, like the economic review of independent film, which was published recently, is that what is important to us in the UK is to retain a culturally important art form that has a UK voice that presents UK stories. You talked, Melissa, about who cannot take the opportunity. While their business model is being disrupted and they cannot quite attract investment to do it, they are not in a space to innovate, so that is a threat.

Baroness Rebuck: If the independent film maker is lucky enough to have been taken up by one of the big platforms, they will get paid. But without opportunities to make their work digitally available globally, they would not get paid for it, so that is the fundamental problem. What you are saying is that there are not routes to market for all the interesting independents that are up and around at the moment.

Rishi Coupland: Although digital platforms open up choice for audiences, not every kind of content flourishes on there at the moment. That is not to say that that content is of low worth. It is of high worth. We just know that the algorithms throw out certain content, and that not every kind of content can flourish there. In terms of the market offered by cinemas, cinemas offer tremendous GVA to the country. They are of huge value. You raised the issues that we are seeing in Edinburgh at the moment. We need a thriving market of both independent and commercial cinemas, because they provide a business model that can work with digital, but the structures and support need to be there for the sector.

Baroness Rebuck: So a hybrid model is important—both the physical opportunity to view as well as the digital. Thank you very much. We will move on.

Q42 **Lord Lipsey:** I can see the excitement that data can create in all the cultural industries, but I just wanted to turn for a minute to the problems—we are supposed to call problems “challenges” these days—that it faces. Are the main problems a lack of skills in people coming through? Is it a lack of government support? Is it—this may sometimes apply—that big bosses just do not get it by the time you have got to the head of a particular institution? By then, you have so many things on your plate and you were not brought up with this kind of stuff, so you

cannot really get the importance of it. I just wondered whether you would like to pick out which of those seem to be the biggest challenges and what we can do about them.

Professor Melissa Terras: My area of expertise is galleries, libraries, archives and museums. There is a culture there of some boards and some management not understanding all the nuances. If they can build up teams that they can trust, they can implement things.

We are at the end of 12 years of austerity in that sector. If you think about the effect of the pandemic on the museum sector, 20% of people were made redundant during the pandemic in the museum sector alone,² and now we are expecting them to innovate in digital. It is not just that they do not have the skills, but that the people were made redundant during the pandemic.

We are at a place where many of these institutions are in crisis. They are in crisis also because of the cost of heating and how they are going to keep their doors open. Many are talking about limiting the time that they can open over the winter, and then we expect them to find the money to digitise and do very brave and innovative things.

There is a moment here where funds can be provided for digital. I have been working in this space for 25 years. As we came up to the millennium, there was a lot of money put into digital,³ but now we see that individual institutions are expected to provide that funding themselves to digitise, and they just do not have it. They do not have the money to invest in the staff and to pay market rates. They cannot pay for an artificial intelligence expert to come in, because they cannot match the salary that they could make in industry. They cannot provide the training. They cannot provide the money for the training. The professional development opportunities are not available. They cannot provide the kit. They cannot provide the technology.

They are being asked to compete globally against some major technology companies that do have the kit, the money and the people, and they cannot do it to the level that users expect, because users learn when they go online from a broad range of digital. When you are coming up to the creative industries, especially the cultural heritage industries, they do not have the resources.

It is more a resourcing issue. Most boards and managers understand the need for digital, but they just do not see how to navigate in that space, because they do not have the resources when they really are literally working out how to pay their heating bills at the moment.

Lord Lipsey: That is a very good answer.

Q43 The Chair: I know that you have touched on this a little, but I am

² Added by witness: Source: Museums Association: <https://www.museumsassociation.org/campaigns/workforce/redundancy-tracker/#>

³ Added by witness: Via the New Opportunities Fund Digitisation programme, see <https://web.archive.org/web/20001017092458/http://www.nof.org.uk/tempdigit/index.html>

interested to hear if there is an issue particularly around the dominance of the big tech firms in terms of access to their platforms and the income that they are able to generate from advertising, and how that might compare with those that want to be able to access them and what monetisation they can create themselves. I just wondered whether anybody wanted to say anything about that at this point.

Professor Melissa Terras: I am quite happy to come in on that. As Chance knows, I published a study on Google Arts & Culture last year;⁴ maybe we can talk about it after. We looked at the diversity and inclusion of the platform, and at the uptake of it. The model is that the resources are created and shared. The proportion of audiences who go to Google Arts & Culture is much higher than those who go to individual institutions. The institutions welcome it, because it does direct traffic back to the institutions.

As to whether institutions can monetise that content, as I understand it, they do not get any payment from Google Arts & Culture. You can correct me if I am wrong on that. They cannot really make much money from the digitised content themselves. There are a couple of places in the UK that do. I would point you to the Tate and to the National Gallery. They very carefully look after their higher-resolution images, so that you can buy a print in any size, with any type of frame, of the thing that you like in their collection.

Most organisations do not have that mechanism set up. They are not able to monetise digitisation. A lot of digitised content has been made available for free under open licensing for researchers, which is right and proper in a lot of cases, especially when things are out of copyright. I just want to say that the way that the copyright laws intersect with all this is highly problematic too.

Therefore, people are digitising. They are putting stuff online and there is not a monetary stream that follows, even when they partner with Google Arts & Culture. Meanwhile, the audiences who are going there are making money for Google, because of the advertising and the revenue streams that they have built. It is a very different business model. I do not know, Chance, whether I have misrepresented anything or whether you want to come in on that.

Chance Coughenour: I would just like to comment on the fact that everything within Google Arts & Culture remains behind and separate from the ad revenue and ad generation business of Google, so it is completely free. We offer our partners free digitisation tools, and we do this on a scale from large to small.

On a large scale, I will give an example. The British Museum had a collection of 19th century glass plate photographs that were taken by a British explorer in the jungles of central America. Those photographs are

⁴ Added by witness: See: 'Digital cultural colonialism: measuring bias in aggregated digitized content held in Google Arts and Culture' by Inna Kizhner, Melissa Terras, Maxim Rumyantsev, Valentina Khokhlova, Elisaveta Demeshkova, Ivan Rudov, Julia Afanasieva. Digital Scholarship in the Humanities, <https://doi.org/10.1093/llc/fqaa055>

extremely fragile and represent the first photographs of this particular cultural heritage that was relevant. We provide the tools and training in-house to them, so that they can digitise it at high resolution. We offer them a platform in order to host and showcase it. We see ourselves as the tech partner, so we offer the technology for them in the ways that they want it to be used. They did not previously have the technology to do it, so we also 3D-scanned some of their plaster casts of the same cultural heritage to make it available online, and made Street View virtual tours of some of the archaeological sites in central America for audiences, including schools, that were visiting the museum. This was also the first online exhibition ever that was bilingual, so we made sure that it was available in English and Spanish.

That is just one example and I am happy to give others, but I would say that, when it comes to revenue generation, that is the part that we have been able to develop and build trust with our cultural partners over time, to ensure that we will help and support them to make their stories and collections accessible. We will provide them with the technology to do that, but we are not going to direct; it is how they want to choose to use that, if they are seeking monetisation.

The Chair: What you are providing in the cultural and heritage part of Google is, if you like, a pro bono type of service, which is helping these institutions become digitised and to get online. When you do that, Google is not profiting from that offer, as it were, but, once those institutions are seeking to monetise that, they would then enter into a commercial relationship with Google.

Chance Coughenour: No, not with Google.

The Chair: With YouTube or whoever.

Chance Coughenour: They would decide. Say, for example, we helped digitise an artwork at high resolution. Even though we provided the technology, they can choose to use that archival-quality, high-resolution imagery however they choose to.

The Chair: So that is where the relationship ends.

Chance Coughenour: Yes, exactly.

Professor Melissa Terras: Could I just come back in on that? In the study that we did,⁵ we scraped the entirety of Google Arts & Culture in 2019 to see what you were putting online, and 82% of the content is from American institutions. Less than 7% of the content is from institutions outside the US, the UK, the Netherlands and Italy. There are only a couple of institutions from Africa that were featured at the time, in 2019. Some countries are featured only by the pictures of Americans in those countries, especially about the space race and about NASA, and especially in the Middle East. So there are issues.

⁵ Added by witness: Source: 'Digital cultural colonialism: measuring bias in aggregated digitized content held in Google Arts and Culture' by Inna Kizhner, Melissa Terras, Maxim Rumyantsev, Valentina Khokhlova, Elisaveta Demeshkova, Ivan Rudov, Julia Afanasieva. Digital Scholarship in the Humanities, <https://doi.org/10.1093/llc/fqaa055>

I am not saying that that is something that cannot be overcome by more strategic pointing and relationships throughout, for example, African cultural heritage institutions. I am sure you are on it, but it is not equally distributed. That is my point just now.

Chance Coughenour: It certainly was not from the onset of the cultural institutions that we first started over 10 years ago, but I can happily say that, even since 2019, I have personally worked on and published a project that we worked on with the British Library and multiple institutions locally in Mali to digitise and make the Timbuktu manuscripts accessible to anyone in multiple languages for the first time.

We have also done this in Iraq with a local radio station, which was at the forefront in digitisation of cultural heritage sites. We helped bring their 3D monuments online, as well as artists who were creating artwork during the ISIS occupation of Mosul. These are just two examples, and we have many more where we have launched projects around the world. A lot of that probably stemmed from the fact that Google was a US-based company and a lot of the institutions in the US were some of our first partners as well, and then it has grown.

Professor Melissa Terras: If you do not mind me saying, digitisation is very expensive, and there is an expectation from users that everything will be online now, and it is not. Throughout Europe, only 10% of library collections are digitised and online at the moment, after 30 years of concerted effort and investment into digitisation across the library sector, so it is a huge issue.

We are very grateful for Google digitising what it has, but, if we want to do it in an equal and diverse manner, especially worldwide and thinking about things like decolonialisation, we need to make sure that there is funding for digitisation to start that pipeline of then being able to use that digital content to do something else with. If we do not, we are building a pipeline and, when you put artificial intelligence into the mix, it just keeps the pipeline getting narrower and narrower.

Baroness Bull: That is an important point and I am really happy you raised that.

Rishi Coupland: I might just add something, because you talked about monetisation and digital platforms. New digital platforms bring new and interesting funding models, and it is possible to monetise. For example, the streaming platforms are bringing a different model of funding for film and TV makers, which is called cost-plus, where they will cover the costs of production plus a profit margin for the producer. A lot of producers like that model. It is new and different from the way that film and TV have done it in the past. That is new and interesting.

Likewise, when I was at the National Theatre, we streamed during the pandemic on YouTube. The National Theatre decided to make that free and to rely on donations, which worked very well. Digital can bring innovative and new forms of monetisation and funding. The issue is that core funding and public funding, often as a core part of that, is still needed, because they cannot just suddenly jump to these new forms of

monetisation on digital platforms and expect it to cover all their costs or provide a long-term business model.

The Chair: You have just, very eloquently, provided a segue to the next category of questions. We also wanted to ask you about what support these different bodies and industries are receiving from the Government or the public bodies that are set up to represent different parts of the creative industries and to supply funding to them. You have talked about the fact that their existing business models are already being disrupted and that many are not in a position to be able to take advantage of these new opportunities.

It would be helpful to understand what is already available. What are they are not taking advantage of that is already there? Is there something that is not being provided that you would identify as something that you would prioritise as an action from the Government and all these public bodies that you would like to see taken?

Rishi Coupland: There is a wide range of support available and it varies sector by sector, because they are handled differently from the Government's point of view. There is direct funding and tax relief. In terms of support to adapt, there is a whole range of ways. For example, skills and training are being looked at through trade bodies, arm's-length bodies and regional and national bodies. There definitely is a focus on helping creative organisations adapt.

There is also some forward-facing funding. More and more of that is becoming available, where it is trying to be tailored to deliver or provoke innovation and new business models. We have just launched our 10-year BFI strategy, and we have a creative challenge fund and an innovation growth fund within that. They have to be done within the constraints of a funding envelope, so they are not as large as we would like, but they are providing some support as well.

There is infrastructure support coming in. UKRI, for example, can provide infrastructure. There are a couple of projects from the AHRC around heritage, where it is investing a lot of money, and CoSTAR, which is around virtual production. That can provide infrastructure that we want to make available to as many creative and cultural organisations as possible.

Festivals are now expanding more and more to support innovation. The London Film Festival, which has been in full swing, has a whole strand called LFF Expanded, which is all around immersive AR/VR, and putting that alongside traditional film, so that the industry meeting point and audience meeting point that that festival represents includes lots of cross-fertilisation and opportunities for development. There is a whole range.

The Chair: If there is so much variety of sources, what is the problem?

Rishi Coupland: The emergent fact is that, when organisations struggle with their basic sustainability and their basic business models, it is very hard to get them to innovate or to provoke innovation, because that requires resource and, often, investment in skilled people who can be

paid much more by the market, as you mentioned. How can they do it? It takes time as well.

Generally, the creative industries are quite used to the model where you have hits and misses, so to speak, and your hits finance your misses, but it is still very hard to push an innovation strand into that as well, because it disrupts the whole business model. It sounds counterintuitive when we are looking at adaptation and new, but we have to attend to watering the roots and to making sure that the basic core funding is there for very important parts of creative industries that require basic sustainability. Then there has to be an element of trust that they will innovate, or provoking them to innovate on top of that, but, without those roots, it is very difficult.

You talked about the basic costs. There is a will to digitise. There is a will to go online. I see it in everyone I meet, but it is very hard when the day-to-day stocking of the larder, so to speak, is a struggle. It would be very good to monitor those funds that are supposed to provoke innovation. Do they work? Are they working?

We have a global screen fund, which is funded for a year from DCMS, and we desperately want that to help organisations innovate and go global. If more support is needed, that has to come from an evaluation of those funds. Looking at the basics of what is happening in Edinburgh, is there enough basic root support in the form of tax relief and in the form of basic funding for these organisations to survive and then thrive?

Professor Melissa Terras: I am part of Creative Informatics, which is a part of the creative clusters programme, which encourages innovation. Our one is about data-driven innovation. We work very closely with the City Region Deal across Edinburgh. That has UK and Scottish government funding as well as funding from UKRI and BEIS. We are really at that nexus of watering the ground and trying to give people the space, the time and the support to innovate. It is about a break from the norm, if you want to give people the time and the space to learn new skills, to have the creative ideas, to experiment and to market-test them.

This has been hugely successful. We have been going for three and a half years at this point, and we have provided the committee with evidence as to the amount of money that we are putting into the economy. For every £1 that we put in, we generate £1.60 in additional funding, so it is building that innovation and growth, but we need to start at the grass roots. We start with training, support and handholding.

We work very closely with a group called CodeBase. I do not know whether you are aware of the Logan report⁶ in Scotland, but that is about how you turn Scotland into a technology nation. They have just got the tech scaler for Scotland and are setting up a whole range of

⁶ Added by witness: Source: this is the Scottish Technology Ecosystem Review, known as the Logan Report: <https://www.gov.scot/publications/scottish-technology-ecosystem-review/>

physical hubs across Scotland, where people can come and support various communities and different organisations. When they have good ideas and they get the training, they can support them with the business plans and with introducing them to people who want to fund or invest in this space, link them into other people and give them a chance to grow.

We see that through the training that we have done through Creative Informatics. We have trained over 300 people. We have set up over 100 SMEs through that programme. It is really important to give people the confidence. That is from a little bit of financial support, but a lot of handholding, training, support and introductions to a network that exists, which they might not have access to, especially if they are working-class.

We have to make sure that, if we want equality, diversity and inclusion to roll out through this, we really do that watering of the roots. That is where we need to put more money into things. I would also call out the pause in between these programmes. There was a creative clusters 1, we are in creative clusters 2, and we hear that there might be a creative clusters 3, but by the time the call goes out for creative clusters 3, most of the funding has run out for creative clusters 2; we will have lost those teams of people that have built up that five years of expertise in how to link with that community.

Any continuation of funding for innovation and making sure that there are not gaps of one, two or three years between these innovation programmes is really important, so that we can maintain our staffing, support and expertise, and the links to the communities that we have built up around each of the creative clusters that exist throughout the UK.

The Chair: You have provided us with a lot of information, which is really helpful. What would you prioritise as the big ask? We will have, later on in this inquiry, representatives from the Government and from these different public bodies that are responsible for helping the creative sector survive and thrive. What would be your big ask? What would you like us to put to them? If you were able to be sat here asking the question, what would be your ask?

Rishi Coupland: Maybe Google has shown us the way, because it has iterated what it does, based on analysis. If there are programmes that are shown to be a success, to double-down on investment would be the best approach. It is hard to ask for public money. There are so many causes for it. Where we have things such as the global screen fund or programmes such as the one you described, and they are proving to be successful, we should make sure that they can continue because we should reward success. We should reward things that are having an impact. That is one thing that we would ask for.

Professor Melissa Terras: We need the continuation of funding for innovation, and particularly using universities and higher and further education as a source that can support this, to understand what is going on and report on it, as well as to provide the stable infrastructures that can exist over a longer period of time where these funds come and go. This intersection between the academic community and innovation is

really important—so supporting and putting more resource into that, and encouraging universities to be hubs of innovation that are supported and targeted specifically to the creative industries, not just science and technology narrowly framed.

Chance Coughenour: I would follow by saying that, if the Government could encourage interdisciplinary education and training, connecting both STEM and arts and humanities skills, that is going to be the real driver for innovation in the creative industry. As an added point on funding, on the concept of flexible funding, it should be recognised that, when you want to create something new, it may not be a straightforward process. There should be room to possibly fail, experiment and go through the process of finding what is going to work and what does not.

I say that because, in my background, I remember when I was in the academic world and filling out proposals for funding, and what the impact, the conclusion and the objective were. There should be a little more room in that type of funding structure to make it possible for projects and research projects to, essentially, fail and/or proceed in identifying exactly what works.

Q44 The Lord Bishop of Worcester: Thank you very much indeed for your evidence so far. It has been fascinating. I represent the faith sector, not known for its technical innovation, but the pandemic thrust even the church from a 1960s Odeon culture—“This is the film, this is what time it is on and this is where it is on”—to a Netflix and Amazon Prime culture, where you can have any kind of worship at any time you want, from anywhere in the world. That made me more aware of what is offered elsewhere in the world. That is a way into asking you about how the UK compares with other countries currently.

Witnesses recently told us that many countries regard the UK as a leader in the creative sector, but there were several risks to its continued success, including talent-poaching from competitors, a lack of join-up between the development of skills and the opportunity to use them, a general lack of digital literacy and a whole raft of things. Can I ask about how you see the UK in comparison with other countries at the moment in this whole area? What are the risks to its position?

Chance Coughenour: The UK is a global leader—it has been and will still be, going forward—in the innovative and creative industry space, particularly in projects that I worked on related to cultural heritage preservation.

I will give an example. We did a project that was, essentially, looking at the impacts of climate change through the lens of cultural heritage. We did this at five locations around the world. The UK was one of them. Our local partner was Historic Environment Scotland. When we worked with them, as opposed to in Tanzania, Bangladesh, Peru and Rapa Nui, we helped sponsor teams and efforts with the local community to digitise their sites, create 3D models and collect the data to understand how to mitigate and protect their cultural heritage sites.

We found with Historic Environment Scotland that they were the leading part of that board, committee or group that we found. It then followed on with UK funding to connect Historic Environment Scotland with one of the sites after that. We saw that it received local funding to continue its work—which was at the site of Kilwa Kisiwani in Tanzania, for the record. I have witnessed that the UK is certainly going forward and looking forward to working with many institutions as it does that.

The Lord Bishop of Worcester: Can I just ask you to articulate risks to the UK's position?

Professor Melissa Terras: Risks are Brexit and our relationship with Europe. We are world-leading at the moment, but, with the current issues that are facing all businesses—not being able to tap into the European market or to send musicians across Europe on tours and things like that—there are very concrete problems with the creative industries and our relationship with Europe.

I would point to the EIT Culture and Creativity,⁷ which is a 15-year, £150 million programme that has just been awarded by the European Union. The University of Edinburgh is part of that. We are tapped into those networks through Una Europa,⁸ but a lot of partners throughout the UK are no longer able to apply for that type of funding, because of the funding structures that are in place post Brexit.

The Lord Bishop of Worcester: Sorry, I cut you off. You did not talk about the general position so far.

Professor Melissa Terras: We are absolutely world-leading and there have been pockets of great innovation, especially over the past five or 10 years. Pre pandemic, we were absolutely world-leading, and we saw that with the resources that are in place. Throughout the pandemic, we were able to be on the front foot.

There is a danger there when we are the people who are always broadcasting the culture and heritage to the rest of the world, and there has to be reciprocation if we want to make sure that that is a more balanced conversation, especially with a lot of the very live discussions about how we engage with a post-empire and post-Commonwealth world in some places.

There would be further opportunity both to help and support, and even to be putting funding into a lot of international initiatives for digital. The UK has not necessarily done that in supporting many cultures and institutions that cannot provide it themselves. There is huge room to build those reciprocal relationships, which involve technology and skills, so that we can do that transfer between the two.

Rishi Coupland: I definitely support the idea of us being world-leading. We did a research project with DCMS last year, which was in 15 international territories. There were huge surveys and focus groups, and we also scraped social media accounts in those countries, to answer the

⁷ Added by witness: This is: <https://eit.europa.eu/eit-community/eit-culture-creativity>
⁸ Added by witness: <https://www.una-europa.eu>

question, in this case, "What do people think of film, TV and video games that come from the UK?"

The answers were very instructive. UK content across a huge swathe of countries is valued and is seen as being distinct and different, especially on film and TV. Words such as "intelligent" and "funny" are ones that people associate with it. We like to feel good about ourselves, but this is what came back from the objective research, and we were only second behind the US overall.

In fact, that research evaluated that there was a worldwide audience of 290 million people who liked UK content and would like to see more of it. That is a huge business and cultural opportunity, but, at the same time, we are looking at a UK film content sector, in particular, that needs support. How do we join those two up?

That is where we should look internationally for different models. French film has a very particular model of funding and support, which has allowed it to succeed. We would be silly not to take any lessons from that. A slightly unusual one is that India is very interesting at the moment. I say India rather than Bollywood because the more interesting work is not coming out of Bollywood. If you look at Kollywood, for example, that is a sector in India where costs are rising.

The Chair: What is it called?

Rishi Coupland: It is Kollywood, the south Indian film industry, where costs are rising, as they are here. Film is still thriving there. It is thriving because, despite increasing costs that are putting them under pressure, they have a very strong domestic market, which has been built up and maintained across cinemas, but across their streaming channels as well. There is very high presence for south Indian films there as well, so they can circumvent these problems. Now they are exporting and getting more popular internationally as well.

We are world-leading. The potential is there. There is huge global interest in UK content, but we need to strengthen domestically what we are doing in order that organisations can take advantage of that. That is perhaps a missing link where we want to attend.

Q45 **Baroness Bull:** Rishi, I want to question you on something you said a while back. You talked about the business model of paid-for cultural content and cited the fact that National Theatre audiences had been willing to donate during the pandemic. It was a very clever ask at the end of NT broadcasts, very beautifully done, and we know that that core audience would probably have been saving money during the pandemic and very much wanting to save their institution.

Is there evidence that those same people or new audiences will be willing to pay for content going forward, or is the counter-evidence there that that was a pandemic behaviour and would not be replicated long-term?

Rishi Coupland: There is definitely a pandemic element to that. The National Theatre has now launched a paid-for subscription service. I do not work for it any more, so I do not know how well that is doing, but we

have BFI Player, which also expanded during the pandemic and is doing well at keeping those audiences. That is paid-for as well. We have a new ambition to expand on that.

It is very hard work to get your own digital platform going, but it does open up opportunities. For example, although I am not saying that this is the way that BFI Player will go, there are opportunities to bring some of the archived content into it. If you can establish that platform, there are opportunities to expand on it. It is not easy to build and develop one.

The Chair: Thank you very much again, all three of you, for your testimony today. It has been hugely helpful and we are very grateful to you for being here and for your time.