



HOUSE OF COMMONS

Culture, Media and Sport Committee

Oral evidence: Creator remuneration, HC 1808

Tuesday 19 September 2023

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Members present: Dame Caroline Dinenage (Chair); Kevin Brennan; Clive Efford; Julie Elliott; Simon Jupp; Jane Stevenson; Giles Watling.

Questions 1 - 90

Witnesses

I: Richard Combes, Head of Rights and Licensing and Deputy Chief Executive, Authors' Licensing and Collecting Society; Andy Harrower, Chief Executive, Directors UK; John Hollingworth, Actors and BECS Member, British Equity Collecting Society Ltd; and Reema Selhi, Head of Policy and International, Design and Artists Copyright Society.

II: Caroline Norbury OBE, Chief Executive, Creative UK; and Nicola Solomon, Chair, Creators' Rights Alliance.



Examination of witnesses

Witnesses: Richard Combes, Andy Harrower, John Hollingworth and Reema Selhi.

Q1 Chair: Welcome to this meeting of the Culture, Media and Sport Select Committee. This morning we are building on the Committee's ongoing work on music streaming to look at creator remuneration more widely. We are joined by Richard Coombes from the Authors' Licensing and Collecting Society, Andrew Harrower from Directors UK, John Hollingworth, a member of the British Equity Collecting Society, and Reema Selhi from the Design and Artists Copyright Society. You are all welcome. Thank you very much for joining us.

I will start with a question to John. As a working actor, what challenges do you and your peers face when it comes to being paid fairly for your work?

John Hollingworth: Thank you for inviting us here today. The simple answer is that there is a multitude of issues. Being a freelancer has never been more difficult given the twin strikes that are going on at the moment, the Writers Guild of America strike and the SAG-AFTRA strike. I cannot remember a time when work has been less certain among my peers.

Before coming here today, I got in touch with the 33 people who were in my year at RADA and asked who has work booked in the next three months. Four people came back and said that they did. That is a snapshot, obviously, but it is indicative of a wider pattern. I have never known so many people out of work.

So the first issue is having the work to do. The second issue is being paid for it. Being a freelancer has never been more challenging. Following up payments has never been more challenging. Negotiating with streaming platforms, which are varying the terms of the contracts that we are normally employed on, has also presented extra barriers to creator remuneration.

Q2 Chair: Clearly, challenges are faced at the moment because of the writers' strike out in the US. Above and beyond the obvious, what challenges is that posing to actors and performers here in the UK?

John Hollingworth: The financial problems are huge. Paying mortgages, surviving, getting by day to day—it is a struggle for many people that I know. It is also the uncertainty. It is a precarious profession to go into and that is widely acknowledged, but one hopes to be paid fairly and paid on time. The biggest problem I face is chasing up monies or getting my agent to chase up monies on my behalf. Much of the job, both for me and for my agent, is based on trying to get the next job. It is a struggle.



Q3 Chair: Is there a sense that performers in the past were paid a higher fee proportionately for the work that they did?

John Hollingworth: Certainly. When I started out and talked to the elder statesmen actors, who were perhaps 30 or 40 years and approaching the end of their careers, the benefits that they were receiving financially in terms of backend pay from well-known TV shows in the 1970s and 1980s was huge. Likewise, friends who were lucky enough to be in the “Potter” franchise still benefit from residuals that they can really live off, which not only gives them some financial certainty but gives them creative freedom.

If you know that you have money in the bank, you do not have to say yes to every job. You can chart a course through the industry and try to wait for the job that could be incredibly transformative. There are two levels of working. There is getting by and taking the next job as it comes, and then there is being lucky enough to choose to not work, to strategise, to try to find that job that might be absolutely transformative.

Yes, in short, the monies that come in now are many times less than what they would have been for the elder actors I learned from when I first started 15 years ago.

Q4 Chair: What do you put that down to? What is the reason?

John Hollingworth: Contract renegotiations, essentially. The contracts have changed. Backend remuneration has changed. As I have said in the evidence that I submitted to the Committee, my yearly payments—the statutory payments that are collected by CMOs on our behalf abroad—are starting to decline because of a lack of reciprocity, and that will only get worse.

That statutory money that comes to us is different from the contractual money that comes from the producers, from doing the job itself. The statutory payments that come in are a real safety net that keep people going. That is a huge point of difference. When I work in theatre and I see older actors having received a cheque for several thousand pounds, that is incredibly rare for somebody of my generation unless they are a leading talent, the face of a TV show.

Q5 Chair: As a country, the breadth of talent we have here is world beating. As you say, we have these big names, but what impact do you think this will have on the talent pipeline?

John Hollingworth: It is huge. It has never been more difficult to train as an actor. I was fortunate to go to RADA; I was fortunate to train with the National Youth Theatre, but there are few routes into the industry that you do not have to pay for. The National Youth Theatre of Great Britain is one that offers free training for actors.

I would not be sitting in front of you now talking about my 15 years of experience as an actor if I were trying to enter the same industry today,



because I simply would not have the money to borrow and survive and get through the drama training itself at a drama school with a recognised training programme to then enter the profession. It is an incredibly challenging time.

Q6 **Clive Efford:** To follow up on that, I found your answers quite striking there. You are not a bad actor in terms of what you have been in. You have been in "Batman", which is a big franchise; you have been in "Poldark" and "The Crown", yet you are talking about struggling with payments and the rate of pay.

In terms of the pyramid, there must be a lot more actors below you who do not get on those big shows or series that you have been in. It paints a grim picture for people who are less successful than you.

John Hollingworth: Absolutely. I was pleased to be asked to come here exactly for that reason. I have done 56 film and television jobs across 15 years. I have been lucky, but I am also happy to say that I am not wealthy. There is an expectation that actors can live on thin air and can survive until the next job, instead of getting fair pay for the hard work that they do and getting the residuals that they are very much in right of receipt of.

Yes, it is important that people speak out and say how difficult it is. It would be easy to assume, okay, I have been in lots of shows and have stood next to lots of famous people, but it is important to say that, even at my level, it is challenging year on year.

Q7 **Clive Efford:** Thank you. Reema, what historic factors are causing unfair creator remuneration?

Reema Selhi: Thank you very much for your question, and thanks very much to the Committee for having us here to speak today. I represent visual artists, which range from photographers and illustrators to fine artists whose works might be selling on the secondary market, for example.

One historic challenge that artists have faced is a lack of remuneration. It is the main problem that artists face in this country today. Artists have also traditionally relied quite a lot on public funding. Artists apply to the Arts Council for grants and for other types of funding to support their careers, but public funding can go only so far to sustain them.

Another part of the portfolio of earnings for visual artists is that most of these artists work freelance. It is rare to find an artist who is employed or salaried in any way. They rely on royalties from their work as a way of sustaining themselves. It is a way to pay pensions. It is a way to give themselves some leave, because absolutely no leave is guaranteed to an artist working as a freelancer.

The historic issue is that these pay opportunities through royalties are squeezed. Our royalty system is stacked against an analogue system due



to our copyright framework, but it does not account for the way we digitally distribute creative work. That needs to change.

Q8 **Clive Efford:** Does the collection of revenues threaten the existence of a company such as yours? If that revenue is under threat, if the flow is under threat, does that threaten your organisation's ability to do the job you do on behalf of the artists?

Reema Selhi: In a sense, it does. Collective rights management organisations—CMOs or collecting societies as they are known—are not-for-profit organisations. We only deduct a proportionate fee for the type of administration that we are doing to collect the royalties.

We have created a lot of cost efficiency, which has been beneficial for our members. When we first started our collective licensing scheme in 1999, we had to charge a 25% admin fee, because that was how much it cost for us to administer this brand-new system. Over 20 years, we have reduced that by 10% to a 15% admin fee.

The more members we have, the more cost-effective we can be. Fewer members and fewer ways of getting royalties to the works and to the people who are relevant mean a worse impact on creators. In the long run, the fewer creators who are paid and benefiting, the less diverse our cultural economy is.

Q9 **Julie Elliott:** Good morning, everybody. It is fact that creators are twice as likely to work as freelancers compared with anybody else in the economy. Why have the creative industries become so reliant on freelancers in any area?

Andy Harrower: Thank you for having me here. Directors UK represents TV and film directors. To remind you, you might think of a director and have Christopher Nolan or Greta Gerwig in mind, but the majority of our members make a modest income from directing, and royalties are an important part of that.

To your freelancing question, in the past, in the 1980s and 1990s, you would get a job at the BBC. It would be salaried. You would get all your training through there and you had a career path through the BBC. You had all that support around you. That world has changed to a more outsourced world, which has had many benefits, but freelancing is the way that most creators are now employed.

In fact, the benefits that that might have of being able to choose when you work, where you work and so on, in reality, particularly with the slowdown in work at the moment, mean that if you are lucky enough to be working, you are also stressing about where your next work will come from and how you will make money, pay your mortgage and so on, which goes back why we are here today: to talk about the importance of additional income sources to supplement your pay from whatever you are doing.



John Hollingworth: Often film and television companies are put together as special vehicles to limit their liability. They are put together as a legal tax entity to make the thing and then they are shut down quickly afterwards. That mechanism requires freelancers to come in and work for them. It happens a lot in film. The money is put together, it is corralled, it is green-lit, it is made and then that entity is disbanded afterwards. It is literally a special vehicle just to deliver that particular job. They work on a freelance model. That is a lot of films and some television, but not all.

Q10 **Julie Elliott:** Is the prevalence of freelance work a disincentive for people from poorer backgrounds, a disincentive to social mobility or diversity in the sector?

Andy Harrower: Absolutely. If I give an example, we did a survey a couple of weeks ago of our members to see how they were faring with the lack of work at the moment. If I may quote from a member who contacted us, they said, "The past 12 months have been the worst I have ever seen in our industry. I have had a seven-month gap between my current job and my previous job when I had no income whatsoever. The downturn in commissions has been particularly challenging and, as a disabled director, it has been even more profound. Disabled talent is seriously marginalised in our industry and is often the last in line for consideration". That is one example but there are many like that. The barriers to get into the industry without an independent income, and to stay in the industry, are probably higher than ever at the moment.

Q11 **Julie Elliott:** Do you see any advantages to the freelance model that seems so prevalent?

John Hollingworth: There are theoretical advantages in being able to choose when and where you work, but practically, from an actor's perspective, that decision is handed down to you. When you get the work, your only decision or power as an actor is to say no to a role. The idea of it being flexible and working around families does not work for a lot of actors. Yes, theoretically, but in practice it is trying to chase down the next job. Certainly, I have seen that as a barrier. I would not be able to train as an actor now. It is a difficult industry to get into and it is only getting more difficult.

Reema Selhi: Yes, absolutely. From studies in the visual arts sector, we have seen that artists earn on average £2.60 an hour when they work in publicly funded institutions. For the most part, there are no salaried artists; they always work freelance.

This is showing that affordability is a huge factor in breaking into the industry. Unless you are supported maybe by family or some independent funding, there is absolutely no way that you would go into a creative industry career now. It is dire.

Q12 **Julie Elliott:** What steps do you all think can be taken to make working



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in the creative industries less precarious?

Richard Combes: ALCS represents writers and is a CMO, like my colleagues from Directors UK and DACS. We have called for a solution and I know that others have. I believe you are hearing from Creative UK in the next session, which has also done a lot of work in this area. Given the huge reliance of the sector on freelance workers—DCMS estimates 30% but it is probably higher, given that people like novelists do not necessarily fall into that counting—we have asked for consideration of a freelance commissioner who has a dedicated understanding of the sector, someone experienced, credible and independent.

We saw in the pandemic that in times like that, despite the programmes that the Government put in place to support work, many freelancers fell through the gaps due to qualification issues. Given the importance of the freelance sector to the creative industries, that is too much of a risk to take without having someone with genuine oversight. Even outside of unusual times like the pandemic, due to the nature of the work and unusual income—it is feast or famine—and the taxation system and benefits, we need someone to give special consideration to how people working freelance navigate those and how it is different from a regular salaried position.

In terms of pathways into the industry, even flexible apprenticeship schemes do not necessarily fit with the way that many freelancers work in the creative sector. A commissioner could usefully pick that up.

John Hollingworth: I would like to speak to that, especially having come here to speak partly on behalf of the British Equity Collecting Society, which collects statutory payments that are due to actors for the work that is seen abroad. The money that it provides for actors, the fund that it parcels out to us, comes to all members once a year just before the midyear tax payment, twice if there is enough money for it. That is an absolute lifeline.

As I said in my evidence to the Committee, for me, £2,000 or £3,000 is a huge amount of money. It covers mortgages. It puts Christmas presents under the tree. It puts food on the table. If you ask how our work could be made less precarious, safeguarding the money that CMOs collect on our behalf is vital. We cannot underestimate it.

Our systems at the moment are falling behind because we do not have the royalty schemes that other countries have; their creatives are therefore paid more. As the Chair eloquently said earlier on, we are a world leader in terms of talent in front of and behind the camera. The amount of soft power that the creative industries bring to our country is widely acknowledged. We should all be proud of that, but we also need help to be better paid and to have our pay protected.

Andy Harrower: It is a particular problem with the streaming services and royalties or residuals, certainly in the UK. I can speak for directors.



You do not normally get royalties or residuals if you do a production for one of the streaming services. Typically, the director is a copyright owner in that production. The system is that, at the point when you sign your employment contract, you hand over that copyright and you assign that copyright to the production company, either for nothing or for a buyout of that right. How can you possibly know at that stage what value or how successful that programme will go on to be?

In Europe and elsewhere, they have dealt with it in different ways. You have the digital single market directive and the principle of fair and proportionate remuneration, which is now starting to be implemented and is having a positive impact, but it is highly imbalanced. At that point when you need to work, especially if you have not worked for six or seven months, you sign on the dotted line. You do not quibble about buyouts and that sort of thing. It is completely imbalanced.

Q13 Simon Jupp: That neatly passes us on to my line of questioning, which is about the strikes in America. John, how sympathetic are you to the situation in America at the moment?

John Hollingworth: Very. The simple answer is: I am very sympathetic. The four key claims that they have are broadly echoed by us. We have a concern about AI, but the big concern is about residuals. This is the big sticking point.

It is worth noting that, if you do a job, the contract in this country is different from a SAG-AFTRA contract. I am not a SAG-AFTRA member but I know a lot of British actors who are SAG-AFTRA members. I have been on a production with somebody who is a British actor but a SAG-AFTRA member. The monies that they are paid compared with the monies that I would be paid on my PACT-Equity contract is different by a factor of at least 10. If you think about it, in terms of the seriousness of the strikes that are going on in America, we are already so much worse off than those people doing the same jobs. Yes, AI is a concern but residuals is the biggest sticking point for us. It is a huge issue of concern for them and it is the same for us.

The PACT-Equity contract sets out a clear system of what you get for what you pay. Countless agents and producers I have talked to have found that the streamers are pursuing aggressive tactics, appending a lot of extra special stipulations to these contracts to try to remove the rights that the actors have and to own more of the product itself. That only leads to us, as actors and creators, getting a smaller share of the pie.

Q14 Simon Jupp: I do not want to delve into AI too much because a colleague will focus on that later in the session, but what impact is the action itself having on the industry and its reputation? Content still needs to be created. You have a hungry audience there, especially after years of pandemic when it was a tricky time for the industry for you and for everyone else. Is a lot of damage done here? It is not a self-fulfilling prophecy?



John Hollingworth: No. It is absolutely a real problem that is stripping jobs from British actors as we speak. Voiceover work is a huge and well-paid line of work that many actors pursue. Already, the AI technology has been proven by several presenters. You can Google any effective AI impersonation of a famous person. I am sure we have all seen deep fakes and have seen that it is easy to manipulate, especially if somebody is in the public image enough that their intonations and facial expressions are able to be ripped and used. Voiceover is a huge problem already. AI is taking jobs away in that aspect.

Animation is a hugely lucrative international market—animated films and dramas, kids’ work and animation for adults. Worryingly and similarly for the voiceovers, for that you can either rip off voices of actors who exist or conflate a confection of existing actors and make a new voice that is attributed to nobody and pay nobody for it.

Lastly, an uncertainty runs through our profession at the moment about image rights. I did a huge film the other year. As part of the filming, all actors and scenic artists—otherwise known as extras—had to be scanned by a series of cameras to have our likenesses captured for the visual effects arm of the film, to animate us, to take the actor’s body and composite together and create an army of thousands of people. They used actors’ images and scanned us all for that purpose. Contractually, I don’t know how that will be used down the line.

There are similar uncertainties as visual effects become a greater part of film and television and people are asked to do this more and more. The third point on that is about the uncertainty. We don’t yet know the battles that will be fought on image rights, protecting work that we have done or handed over in good faith that is then used in a way that does not remunerate us off the back end.

Q15 Simon Jupp: I have friends who do voiceovers. The concern is very much alive. Recently I saw that a radio station will use AI to do news bulletins, which is utterly terrifying on so many different levels.

I want to ask about the impact on UK creators of this strike if it goes either way and, also, how long do you expect it to last?

John Hollingworth: Andy and I were talking about this before we came in. There was an expectation that things might be resolved by November, which is traditionally the beginning of awards season. If people want to have their films in contention for the major award ceremonies, there is a deadline of 31 December for films to be released. There was a hope that that would be a driver for everybody to get behind a table. Also, people in the industry are speculating that streamers want the public to have a poor Christmas offer to make people think about how long the strike is taking.

Talking to agents and producers this week, the latest I have heard from people, in terms of an estimate of when it might finish, is May next year.



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Many people in the industry feel that there is a will to drag this out until the streaming and other platforms get their way to the huge detriment of actors. I have never known anything like it in 15 years in terms of the disruption and the fear and uncertainty about when it will end.

I should also add to that point that creators are actors, producers, directors and writers, but there is also a huge amount of incredible talent in the UK TV and film industry in crews, below-the-line talent, cinematographers. These people are also living in absolute crisis at the moment, waiting to find out when they can go back to work and what they can earn.

Q16 Simon Jupp: If I could put that question to Andy as well, about what is at stake here and how long it will last. Do you broadly agree with what John has said?

Andy Harrower: Yes, absolutely. In terms of the impacts, it is a contributory factor to many of our members not working at the moment. Also, the slowdown in factual commissioning is a huge issue as well. For many of our members it is probably as bad as things were during Covid.

Richard Combes: On the importance of the principle at stake here, it is absolutely fundamental. We are talking about the ability of a creator to follow the success of their work. As we have heard, the buyout model does not provide for that. Last week at the Trades Union Congress, the Writers' Guild of Great Britain passed a motion standing with the Writers Guild of America.

It is the fundamental point about the change in the way we consume content in this country. The Ofcom "Media Nations" report shows different generational shifts towards watching a lot more television, not just on streaming platforms but also on different devices.

This negotiation tactic, where it is a race to the bottom in terms of trying to find a model that offers the lowest cost to the provider, is different to what we have had traditionally with broadcasters and producers. It was more of a partnership, sharing the risks but also the rewards. It is a fundamental principle.

Q17 Chair: Thank you, Simon. It is a fairly mad irony here that during the Covid pandemic everyone fought so hard to try to keep film and high-end TV production going. At the time, I was in the Department and the film and TV restart scheme was a hard-fought lifeline. Now it feels like all that hard work is in some way sacrificed because of what is happening on the other side of the pond.

Briefly, what will viewers see as the impact on them? What will the consumers notice as a result of what will be a prolonged absence of content production?

John Hollingworth: Immediately, in the short term, less choice on the platforms, less large-scale productions. In the longer term—to pick up on



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your points about the Covid recovery fund—it takes a while to get these productions up and running. Because of the strike in America, because it forbids agents to send out scripts and to discuss projects with clients, there will be a slowing down of the projects that come after this. They will not come through the pipeline as quickly as one hopes.

It is important to note that there are a couple of examples of people negotiating directly with SAG-AFTRA to create individual agreements that allow them to get on with their work. A couple of companies are able to make work, respecting the SAG-AFTRA demands, which therefore allows them to get an exemption to make their productions. That is very much the exception to the rule.

The end user will see less choice and less content. Actors will have less work. It will take a while for things to get back to where they were, if indeed we ever get there, once the strike is resolved.

Andy Harrower: We need to be careful, though, not to position this slowdown as a result of the US strikes. A huge domestic commissioning slowdown at the moment is partially caused, so we are told, by over-commissioning post-Covid. We had this big rush to get production up again and now, apparently, we have productions sitting on shelves. We have also had the downturn in the ad market, which has affected the broadcasters. They are nervous to spend too quickly.

Q18 We should look at how commissioning cycles work because the impact when commissioning slows down or stops is that thousands of individuals are put in a terrible situation and, indeed, small production companies as well. I would like to find a way to work more closely with the broadcasters here to understand how those commissioning cycles work and whether there are ways to reduce those peaks and troughs.

Chair: Thank you very much. Giles to ask about the Smart Fund.

Giles Watling: Yes. Thank you very much. First, I have so many declarations of interest that it is almost embarrassing. I am the chair of the All-Party Political Group on Festivals, the chair of the All-Party Political Group on Theatre and I am the chair of the All-Party Political Group on Writers, of which the Authors' Licensing and Collecting Society is the secretariat. I am also a former actor and, therefore, I am in receipt of royalties occasionally. I think that about covers it.

Chair: You were very nearly Bond.

Giles Watling: Thank you. I was very nearly James Bond a long time ago. Before I move on to the Smart Fund, which is of great interest, to follow up on something Richard was saying earlier when talking to Julie Elliott about the freelance commissioner: how do you see that commissioner working? What exactly would they do? What would their function be?



Richard Combes: They can be a conduit between industry organisations like ours, the other panel that you will hear from after us and the Government. It is not necessarily a case of it solely being the preserve of the DCMS.

We talked about potential issues with taxation and benefits and the DWP as well. In policy terms, we will probably come on to it, but copyright and intellectual property are fundamental to the creative industries' and freelancers' pay. Be that centre of knowledge, expertise, trust and independence so that when we have this information to share, it is not all of us piling into different Government Department in different ways, but somewhere that is co-ordinated and that person can be that point of contact.

Giles Watling: It is a matter of putting all the expertise into one place rather than dispirit.

Richard Combes: Absolutely.

Q19 **Giles Watling:** Reema, I see you nodding vehemently on this. Do you agree about the creation of a freelance commissioner?

Reema Selhi: Yes, absolutely. It would be a necessary opportunity to tie in all the different issues that freelancers experience from copyright to taxation. The creative industry in particular and creators and performers already sit between quite a few different departments. This would be an opportunity for them to have a singular voice and have that voice represented more fairly.

Q20 **Giles Watling:** Thank you. You made that point adequately. Thank you very much.

I would like to move on to the proposal for a Smart Fund, which is where electronics manufacturers pay a small fraction of the value of each device they sell into a fund. This fund has been estimated to be worth between £250 million and £300 million annually. The idea is that, as you say, some of our creative artists work for as little as £2.50 or so if you amortise it out.

How do you see that working? What does the Smart Fund achieve over other proposals?

Andy Harrower: In terms of how it works, detail is to be worked out, but in 45 other countries around the world are similar systems and they have been working probably since the 1960s. It is well established. The technologies have evolved over the years.

Q21 **Giles Watling:** Who would decide at what level to set the Smart Fund? Who would oversee that?

Andy Harrower: Again, we could do that in consultation with the Government or some independent body. Reema has done a lot of thinking on this.



Reema Selhi: Yes. With the Smart Fund, we propose a solution that looks at creator and performer remuneration for a wide range of creators and performers. It is not just stuck to one industry. Also, we are not reinventing the wheel. We are looking at what has been successful overseas and we are trying to, basically, fix a gap in our policy framework.

At the moment, we get a lot of royalties for relatively analogue uses for creative work—photocopying, reprography and educational broadcasting—but we have not followed the way people actually access, copy and download creative content. As we have heard, there has been a huge hunger for content and the way people use it. Our policy framework and our copyright framework has not kept up to date.

With the Smart Fund, what we propose has already been done. Also, because we are in a unique position outside of the European Union, we can cherry-pick from the best parts of the schemes overseas. We can look to France, for example, where they decide who pays for their private copy levy through an independent commission, which is appointed by the Minister of Culture. Canada has a copyright board that decides what types of tariffs should apply to different devices; that could be, for example, the Copyright Tribunal in the UK.

There are lots of different ways of doing this and we welcome working with the Government to model something fitting for the UK.

Q22 **Giles Watling:** Would the distribution of these funds be controlled by the collecting societies?

Reema Selhi: Yes, absolutely. The framework is already in place. We already have the knowhow. We have the ability to do data collection and to understand customer and consumer needs. We would do that within our collecting societies. We already have a framework for collective licensing that goes for different types of repertoire. The mechanism is there.

Q23 **Giles Watling:** What would happen if the industries became dependent on the Smart Fund and the demand for these electronic devices falls? Has anybody thought that through? It is as likely as anything.

Reema Selhi: As Andy said, the private copy levies that we are modelling this one on have existed since the 1960s. What is quite sustainable about this proposal is that, rather than looking at a particular type of device or way of distributing content, it follows whatever is used to distribute that content at that time.

France has recently introduced applying the levy to refurbished smartphone devices. In other countries, they are looking at using cloud storage as a way of raising money for that levy. In the 1960s it was on blank media. So it can be sustainable and follow the types of distribution that people use. There would not necessarily be an over-reliance on a particular type of distribution.



Q24 Giles Watling: Things have moved on massively since the 1960s. One of the issues that occurs to me is that, if there is a Smart Fund levy, there would be a natural propensity of the device manufacturers to raise their prices and, therefore, deter the consumer. Have you considered that?

Reema Selhi: Yes, we take the interests of the consumer seriously. We are all smartphone device owners—I have one in front of me—and so are creators and performers. We know that they rely on those as well to carry out their jobs. Absolutely in no way do we want to put anyone in a position where they are paying more for their devices.

We have conducted an awful lot of research on this looking at the cost of devices that have been subject to these levies overseas. We carried out a study looking at the cost of these devices over a 10-year period to see if there has been any inflationary impact. The economic study showed that there was none at all. If anything, people in the UK still pay more for their devices than people in countries that have these levies in place and so there has been no risk of selling overseas.

In some countries where the tariffs have changed over time—at one point a tariff had dropped down to almost zero after a court case—no saving was passed on from the consumer. We have also heard from one of our societies in Austria that, according to consumer research, because the private copy levies have been in place for so long, no one knows about them. On the other hand, the creators and performers who benefit from it do and it means a lot to them.

Q25 Giles Watling: There are nodding heads all along. Have you had a response from DCMS and Treasury on this? What are their views?

Reema Selhi: We have spoken to different Departments and, again, this comes into the idea of what a freelance commissioner could do. We have been shuttled a little bit between different Departments. We spoke to the Secretary of State for Culture at the time, Nadine Dorries, who suggested that the Digital Markets and Competition Bill could introduce this type of mechanism.

The Minister for Digital was concerned about the impact on consumers and so we conducted this wide-ranging economic study on consumer impact. We have shared that with DCMS. Unfortunately, we have not progressed the conversations any further than that. We would like to.

Q26 Giles Watling: This strikes me as an excellent scheme, but has the tech sector been lobbying against these proposals? It might well do.

Reema Selhi: We are keen for tech to be involved in this. We see this as a way for technology to be quite purposeful. They very much benefit from creators and they want to encourage creativity with their devices. We see this as a partnership as much as anything, but every time we have reached out to tech companies as well as the technology trade body Tech UK, we have not had a response.



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John Hollingworth: I suppose we are all aware of cost-of-living pressures and the fact that it is a difficult time for everybody. The amount of the levy would be down to the legislator and down to further discussions with different committees, but people would not mind paying £2 to £3 when they buy a smartphone or a smart TV or a similar device every four, five or six years, if it guarantees that the actors who are able to be watched on that device benefit from that Smart Fund. I cannot emphasise enough that small regular payments make a huge difference to actors and creators all through the country.

Giles Watling: Of course, it is terribly important to nurture that creative juice, if you like, at the beginning. It is our soft power export. Thank you, Chair.

Q27 **Chair:** Thank you, Giles. On that, have any of you had feedback from contacts overseas where this is a thing about any meaningful impact that it has had on their organisation or on their own careers?

Reema Selhi: Yes, absolutely. We have had so much positive feedback about how it benefits the creative sector. Small amounts of royalties are incredibly important to sustain. They are the lifeblood of creatives and performers.

Further to that, in some of the countries that have these schemes in place, a deduction is made for cultural and social funding. This is effectively creators and performers giving up 10% of the royalties that are collected each year. Germany and France, for example, raises around €300 million from this levy system; 10% to 15% of that is deducted and goes into national arts and culture funding.

There is a huge range of benefits. It is not just the creators and performers whose royalties are being exercised but all society. It has helped education, access to culture, access to music and schools, for example. That is the tip of the iceberg of what these schemes have achieved overseas.

Q28 **Chair:** Who administers that sum of money? Who decides where that goes?

Reema Selhi: It differs from country to country. In some countries, it goes directly into national funding. We would love to have the discussion with the Government about how that could work in the UK. It could be supplementary to Arts Council funding, for example.

Q29 **Jane Stevenson:** Good morning, everyone. I do not have a declaration of interest, but I was a freelance classical musician for 25 years so I feel your pain on certain aspects of being self-employed in the arts.

I want to turn to AI again. I heard Johnny Cash singing "Barbie Girl" a few weeks ago. The Committee visited ABBA Voyage to see what tech is already capable of. I found it slightly horrifying, John, when you said you had all been scanned, what I found horrifying that that was not included



in your contracts on that film; there was no specification. Are artists giving away their entire body image to be used for whatever purpose indefinitely?

John Hollingworth: With the specifics on that job, I would have to go back and look over my contract to be doubly sure that I had not signed the rights away. That is one of the problems. If I have done 56 jobs in 15 years, some of those contracts run to 50 pages. On a conservative estimate, that is 1,000 pages of contracts that I should look through. Of course, anybody who is serious about the work they do should go through everything with a fine-toothed comb, and I am lucky to have an agent that does, but yes, it is a huge threat to us. It can happen a lot.

You can also be asked to do something on set and you are not able to contact your agent. You might be abroad. It might be the weekend. Somebody might assure you that this is completely fine. This can be seen as a potential erosion of your rights because one hopes that it would be governed in the contract with which you have agreed the job, but you do not know.

Also, there is a fear that once this stuff is in a server or a databank somewhere, will it be deleted? Probably not. Therefore, will it be used in the future in ways that we cannot yet foresee? That is likely. Yes, it is a real and present threat.

Q30 **Jane Stevenson:** Do you feel the law is way behind? What legal measures need to be taken immediately to tighten this up?

Andy Harrower: Making sure there is no exception for copyright when content is ingested into AI databases is absolutely critical.

Richard Combes: I think I can speak for the panel. We all very much welcome the Committee's intervention and its recent report on the text and data-mining proposal and the principles that you set out. Recently the Science and Technology Committee in its "Governance of AI" interim report made what seems like an obvious statement: we need to establish the rights of content creators and enforce them.

We have a system called copyright. It has survived successive waves of technology and change. We find ourselves in a situation at the moment that is not unlike what I was talking about before. This is seen as a cost that is best avoided even though, by most analysis, taking things from the internet, copying them and putting them into a training set engages copyright.

We are having a debate. Various cases are pending. There will be a long philosophical debate about how this is different to what we see as traditional copyright, but that fundamental principle that the Science and Technology Committee articulated is exactly right. These are content rights that need to be respected and enforced and they are part of the existing law.



- Q31 **Jane Stevenson:** To what degree can we differentiate how much change? Reema, I know there are artists who—it is not their exact work but people take an overview of what they have done and manipulate it into games backgrounds and lots of other things. What can we do to help artists?

Reema Selhi: There are quite a few different issues in that situation. A lot of artists see that their work has been ingested as part of AI training. Then the outputs look so incredibly similar to theirs that it effectively competes with them in the marketplace. A lot of artists have said that the normal commissioners they go to would rather go down the AI route than pay a human to make that work. That is absolutely terrifying. This idea of having a freelance commission, which can also look at how the nexus of copyright law and also supporting freelancers in the creative industries, is important.

An artist was saying to me that he wanted to distribute work that he had made, which used a little bit of ChatGPT, for example, on a gaming platform. The gaming platform was so concerned about the legality of using ChatGPT that it rejected that content until it was changed. There is uncertainty around the legality of it, and the fact is we are not in a position where licences in the background are in place to give that certainty. We need to be able to licence effectively these AI development companies. Without that certainty, people further down the chain will suffer. Artists will not even be able to use the technology because we do not know where the rights sit.

- Q32 **Jane Stevenson:** This needs addressing globally as well because it is cross-border, I presume.

Andy, in theory, could directors put Rudolph Valentino or other people out of copyright from a long time ago into a new film? Do you know anyone being tech-clever like this? I can think of so many problems down the road.

Andy Harrower: Ever since we went from silent movies to talkies, directors have been working with changes in technology. It is not new. Directors will always want to use technology to support the creative process, but that is an important word. It is about technology supporting the creative process, not replacing the creative process, and dealing with all the copyright issues that we have talked about as well.

Yes, technically, anything is possible. Probably stuff that was not possible three months ago is now possible. It is moving that quickly.

- Q33 **Jane Stevenson:** It is moving so quickly. This is why I feel we are not quite keeping ahead. Will other jobs be under threat? Will AI be able to completely change the lighting of a scene without a person?

Andy Harrower: I am not a technical expert on production but, yes, I expect there will be some jobs in the industry that could go as a result of some AI uses.



Q34 **Jane Stevenson:** Back to John, would you be comfortable if someone wanted to make a digital double of you, where would you be happy signing away rights or future rights? Will actors be pressured into going too far with this?

John Hollingworth: There has to be a deeper look at it. To answer your specific question, I don't mind my likeness potentially being used as long as I am correctly paid for it. We keep on coming back to remuneration and fair pay for the work. If somebody wants to take out a licence, in the same way as if I agree to having my rights bought out of a TV show for 10 years, if there is an AI payment that I will get—especially if it will be administered in a statutory way by a collecting organisation on my behalf that will therefore only benefit me financially—I suppose I would want to be paid for doing my job, as all the creators we all represent would do, I am sure.

There is also that fear about how they might use the work and what limits or what uses they might put it to. That lack of control is certainly worrying. I know that some French legislation is coming in that looks at this. I am not an expert on it at all, but I know that it tries to formulate an explicit statement for what constitutes or forms AI involvement. Also, I presume it will look at how and in what way this might be taxed. Perhaps that could be looked to, depending on how that shakes down.

Q35 **Jane Stevenson:** Thank you. If someone owned your virtual person, presumably they could put you into films that you would not be comfortable making and would not agree to make if you were presented with those options.

John Hollingworth: No, quite so. We do video games brilliantly in this country. The industry is huge, as I am sure the Committee members all know. Since the days of Andy Serkis creating Gollum for the "Lord of the Rings" films, we have done motion capture extremely well on sound stages up and down the country. It is a short hop between capturing somebody for a video game and then using that for other purposes. Similarly, to speak to my voiceover point earlier, it is easy to swap out the voices of those actors and use somebody who is not paid and who is a confection of other voices from unknown sources in a way around which it is difficult to work out a charging structure.

Q36 **Kevin Brennan:** Reema, did I hear you right that Tech UK and organisations like that have not responded at all to your proposal for the Smart Fund? I find it pretty shocking that they have not even bothered to respond. Why is that?

Reema Selhi: Technology companies wish to avoid this topic. A lot of technology companies in Europe already pay these private copy levies. The same companies would be expected to pay in the UK. In those countries, in the economic studies that we have looked at it looks very much like the levy paid is absorbed by tech companies.

Q37 **Kevin Brennan:** Richard, could a freelance commissioner look at shared



parental leave for freelancers? A brilliant campaign was led by Olga FitzRoy, who is an award-winning recording engineer. My former colleague Tracy Brabin introduced a Bill into the House to introduce shared parental leave for freelancers under the hashtag #selfieleave. Could a commissioner try to promote that?

Richard Combes: Absolutely. That was my point about garnering enough expertise and understanding to get into the depth of issues like that. That would be absolutely the right sort of area for them to cover.

Q38 Kevin Brennan: Andy, you mentioned productions sitting on shelves. We are going to do a report on film and high-end television, which has not commenced yet. Could that be happening because people use it as a tax-avoidance mechanism? Is that why the productions are not played out?

Andy Harrower: I don't know if I am qualified to answer that. We have seen headlines in recent weeks about Disney canning that production in Australia for tax avoidance purposes. I don't know if it is the same with UK broadcasters. I suspect it isn't.

Q39 Kevin Brennan: We might like to dig into that when we get to it.

Returning to AI and what James was asking about, to offer you a few slogans, Reema, that we might have around this, "AI is a wonderful opportunity", but with all the problems we have heard about, I would say, "No AI without EI." No artificial intelligence without emotional intelligence. The human factor has to play a huge role in any policy development in this area.

Secondly, AI can be an incredibly wonderful servant but will be an absolutely terrible master if we allow AI to become the master of our fate as the human race, not to put it too apocalyptically, if that is a word.

Thirdly, therefore, the Government's responsibility is to develop the correct guardrails around the development of AI to make sure that it is governed by EI and becomes our servant and not our master, so another basic slogan is "Image rights are human rights." If somebody's image is used and manipulated, as John said, they should, first, have to give their permission for that and, secondly, be paid accordingly for that usage and have some sort of moral right control over how that usage is taken on. What do you think about those ideas, Reema?

Reema Selhi: That is a big topic and I feel like we could discuss this at length. In short, all those ideas are absolutely necessary and fundamental for the survival of our creative sector. We can often overlook how much rights—copyright, moral rights—are important to individuals as a way of remunerating themselves, sustaining themselves and allowing them to be part of our creative industries.

Freelancers do not have pensions. They do not have shared parental leave. They need that type of remuneration and control over their work to do their jobs.



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It is also important for us to not have a race to the bottom. Lots of the AI developments that we see and lots of the big companies and applications are effectively extractive. They extract the content that has already been made available online and turn that into a product. It is quite terrifying that we allow them to do that.

We need to wake up to the fact that this novelty and this excitement comes at a cost. Unless we put certain safeguards in place, it will be a race to the bottom and we will give the cow away for free. We should not do that to our industry.

John Hollingworth: The AI issue is allied to the private copying issue that we have come here for. We are talking about fair remuneration for works that artists have made. We need to protect our income streams as actors and creators. We need to protect the money that comes in. They are not unallied issues. We all welcome further engagement with DCMS and the IPO on how to improve legislation and ensure that we get fair and equitable payment to creators and performers.

Q40 **Kevin Brennan:** Ought current copyright law be able to cover the challenges posed by AI or is new legislation required to make clear issues like, for example, image rights? For example, what happens if an AI company ingests the entire music catalogue of the world and then somebody can go in and search for Johnny Cash singing “Barbie Doll”—or whatever it might be—and that then does not create anything but generates something based upon others’ creative output? Currently, people are not applying for a licence for that. Do we need new laws or should the current copyright law be able to deal with that?

Reema Selhi: We need both. First, we need to leave copyright exceptions alone. By meddling with them, we have unfortunately created a bit of a watch-and-wait situation in the UK. A lot of mostly US-based companies are waiting to see what will happen.

Q41 **Kevin Brennan:** Explain what exactly that means for the Committee.

Reema Selhi: Yes. Our copyright legislation effectively said that creative works cannot be text and data-mined by AI companies without their permission. The proposal from the Government was to completely revert this and create a wide exception. Then there was a U-turn on that. Having such a back-and-forth policy discussion has left a lot of big tech companies waiting to see what happens and push, hopefully, for deregulation. So we are very supportive of the Committee’s proposals that we need to scrap that proposal for a copyright exception.

On the other hand, we do also need to look at what other countries are doing. They are proposing mechanisms for fair remuneration. As John said, there is a proposal in France that a levy—like a private copy levy—can be utilised for AI. It is building on these blocks and foundations of having fair remuneration, statutory compensation schemes, which are getting wider and wider, and applying to AI use. We are quite far behind,



and we need those foundational models of statutory remuneration schemes in place, which will help us to benefit from AI.

Q42 Kevin Brennan: In our recent report we said that the Government need to regain the trust of the creative industries in relation to this, and I think you have laid out some of what you think they should be doing. What would be helpful to the Committee would be clarity on where you think the law needs changing—I am not just talking about the Smart Fund but more broadly on copyright in response to this challenge—and where the Government could, just by being clear, get rid of a lot of this doubt.

My fear is that this may be seen as an opportunity to take a more laissez-faire approach in the hope of gaining some kind of tech advantage, which in my view is a myth. Unless you have a powerful and well-respected stable copyright framework operating in your country then, ultimately, people with intellectual property rights will not want to work in your jurisdiction.

I see a lot of nodding across the piece. Does everybody agree with that?
Andy?

Andy Harrower: Certainly, yes.

Richard Combes: I think there is a danger with various lawsuits pending that we have a policy hiatus, where everyone is waiting to see what the first judgment says, which inevitably will be appealed up and up, so it could be a very long process.

Q43 Kevin Brennan: Do you think the Getty Images case will be the one that is key? As I understand it, the one reason why the Getty Images case worked so well is because on every image that they have copyright ownership of there appears their little watermark, if that is the right phrase—hallmark almost. When an AI ingests that and tries to reproduce an image it does not know what that is, because it is not intelligent. Therefore, it simply reproduces a bowdlerised version of that watermark, which gives you the breadcrumb clue that this has been taken from a Getty Image unbeknownst to the company.

Are there any technical solutions like that, that might work, Reema, across the piece to make it more difficult for AI companies to hide the origin of the images and other things that have been generated?

Reema Selhi: There are opportunities for us to see on certain AI development applications what training material has been used, but not on all of them. I think transparency is fundamental. We must lift the curtain and see what has been used. As I said before, it is extractive. AI must be trained on something. It does not create out of thin air and that “something” is the lifeblood of our creative industries.

Q44 Kevin Brennan: In relation to music I think that, first, licences should be granted voluntarily and should not be compulsory. Secondly, there is an opportunity here, given that we know that they basically ingest the entire



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music catalogue and then each time someone does a search for something, as we discussed, it generates something and it is impossible to reverse engineer it back to know exactly what happened in the first place. There is a case for a licence that would pay out broadly, that would be distributed by collecting agencies, but that also could have some cut out of it to support new artists coming up. Anyway, I am just taking the opportunity to float one of my pet ideas. Is there anything else anyone would like to add on AI before I hand back to the Chair?

Richard Combes: I think we should strenuously avoid any sense that it is about having progressive technology or the creative industries. I think that is the danger of where the debate has got to. We can definitely have both, but we just need a slightly more nuanced conversation than we are having at the moment.

Q45 **Chair:** Do you think that any kind of regulation needs to be thought of in a global approach, given the fact that AI using John's image, for example, can be created anywhere in the world, even if we had quite restrictive measures in place?

Richard Combes: I think necessarily it does, because of the nature of the technology, but also you want to avoid safe havens, if I can put it that way. You can have bad actors because the local copyright regime allowed it, so clearly there is a need for a broad global approach to this as well.

Q46 **Kevin Brennan:** To be clear on that, in terms of the current situation as I understand it the tech companies at the Intellectual Property Office are saying, "We do not think we need a licence and if you try to say we need to then we will go to Singapore or Japan," who are trying to be outliers on this. It does seem that we cannot wait for ever for an international agreement on copyright, which would take 20 years. We must make sure we are clear about the principles under which we should be operating.

Richard Combes: That is my understanding as well, although I believe there are some companies that are interested in looking at models of how licensing might work. If we can get a bit more into the detail of that we might have exemplars of how this could work, which might be the key to unlocking this much bigger debate, where everything is freighted around litigation and policy at the moment.

Q47 **Chair:** Thank you. That brings us to the end of this part of the session. If any of you have anything that you want to say as your parting words we are all ears.

Andy Harrower: I would like to say one thing, and it is to Giles's point about whether it is a risk that the creative industries could become dependent on the Smart Fund. The reality is that, sadly, the creative industries are dependent on underpaid workers and creators, and that is why we are here today. The Smart Fund would be an incremental bit of income to help address that.



Giles Watling: Good point. Thank you.

Kevin Brennan: Sorry, Chair, I should have declared that I chair the All-Party Parliamentary Group on music and my brother is a member of Equity.

Giles Watling: I was a member of Equity forever, but yes.

Chair: We could be here all day. If any of you have anything else that you think about afterwards that you wish to add, please do drop us a line and we will consider it in our report. Thank you very much for appearing in front of us today.

Examination of witnesses

Witnesses: Caroline Norbury and Nicola Solomon.

Q48 **Chair:** For our final panel this morning we are joined by Caroline Norbury OBE, the Chief Executive of Creative UK and Nicola Solomon, Chair of the Creators' Rights Alliance. You are both very welcome.

Before we return to the issue of remuneration, I want to talk very briefly about the creative industries more generally. Of course this weekend we have seen some very serious and disturbing accusations about Russell Brand's behaviour, and we understand of course that the police are now looking into some of these allegations.

As a first step, our Committee has decided that we will today write to media outlets—including the BBC and Channel 4—to understand the actions that they are taking as we consider some of the issues around these allegations. They have been widely described by reporters in the press and on social media as an open secret, and quite often these secrets are shared between friends and colleagues just to keep each other safe. My concern is when people in power are aware of rumours or stories yet do not act then a culture is allowed to permeate.

I want to start, Caroline, by asking you how confident you are that TV companies and their suppliers can investigate these historic accusations, and to what extent you feel that safeguarding these days is improved for people working in the media?

Caroline Norbury: I will take the second part of your question first, because my background is as a film and television producer 100 years ago, and I would say that visibility of these issues and the seriousness with which they are now taken is vastly different from my time working in production. I think that there is a much lower tolerance level. However, if you look around, that is true in society as well. Also people and businesses are far more aware now of the need to put in the proper structures and systems and to model the right behaviour and so on.



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We have going back decades of improved management discipline about how you build teams and what good looks like and so on; however the challenge in the creative industries is that it is a highly atomised sector. Most businesses employ under nine people. It has a huge freelance component. How you get work quite often depends on who you know, which networks you are in, how you navigate those networks, and what your reputation has been previously. All those things point to a massive power imbalance.

One of the challenges that we have at the moment is that while large companies—there are a number of them and they are significant and global—might have amazing HR departments and do all the right training, the reality is that so many of the ways in which we work continue to be project-based, literally a business that is here today, gone tomorrow, based around that film, that gig and so on. There is no trail, so it is very difficult to work out who is accountable, and everybody is always thinking about basically, “How do I get out of this and go on to the next job?”

You will know this, but for the benefit of others on the Committee who do not, one of the things that we have been doing in the last two years to deal with this is to set up a roundtable across most of the major industries within the creative industries to look at the issue of bullying, harassment and discrimination, and I chair that group. It works across film, television, music, advertising, theatre, fashion and video games, and we have around the table all the big industry associations, bodies, the unions and so on. What has happened in the two years since—you were the person who set it up, so you should know about it—is that all those industries have now introduced codes of practice. There is a lot more attention on training. We are working on sharing resources and so on. There are some parts of that broad spectrum where they did not have any code of practice at all, so we can see that there now. However, there remains the problem around freelancers, and there remains a big issue around power imbalance and this point around the business that you were contracted to work for no longer existing, which is quite common in music, film and television.

One of the things that we have called for and have subsequently set up is an independent standards agency for the creative industries. I met with representatives from all the UK broadcasters last week, who all affirmed their support for the next stage of CIISA. Where we are with CIISA is that we have had an interim chief executive for probably about six to nine months. I managed to secure some early finance to pay for her. I have asked the broadcasters, and we have asked music and theatre, to stump up to pay for the next bit of the development of CIISA, which will require us to look at what the financial modelling might look like in the long run. The broadcasters, music and theatre have all stepped up to the plate. We have asked for tiny sums of money, but that will result in the creation of a full business plan, which will set out how an independent standards agency will work.



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The reason this is so important goes back to my point about how atomised and freelance most of the workforce are. They do not have people to speak for them on their behalf. They do not have an HR department to go to, to raise this. We need to get this up and away. We have it in many other industries. There are some people who have yet to come to the table. I think, particularly if you are a global player, there are things that they need to weigh up around a UK-only approach.

However, what the #MeToo movement showed was how these things pop up time and again, and what we are constantly doing at the moment is playing whack-a-mole. We think we have dealt with something, and then something else pops up and we have to whack that, and then somebody else pops up with yet another story. We must take seriously putting in place something that is significant, that has consequence and that can undertake some form of independent investigation and shine a light on what has happened and why things have happened the way they have.

At the round table that I chair we made sure that we received the testimony of many artists and actors, women and men, who had experienced bullying and harassment. I have spoken to a lot of people offline as well about it separately. What they all asked for is not necessarily to litigate. What they want is to be heard and they want that behaviour to change.

What is important is for the industry to recognise that we share these people. Somebody who works for the BBC might work for Channel 4 next. They might then be working in BBC Music; they might be working at Paramount. They move across all these things. It is not about individual businesses doing their bit. It is about everybody stepping up as leaders to have a shared endeavour approach to supporting the people who they make their money out of.

Q49 Chair: Which bits of the creative industries have not stepped up to the plate?

Caroline Norbury: We have yet to hear from all the streamers that they are supportive of CIISA. Some of them have, but not all of them.

Q50 Chair: Finally on this, how do you think CIISA will be empowered to improve outcomes, meaningfully and tangibly, for employees who are facing bullying, harassment and discrimination? What are the teeth that it comes with?

Caroline Norbury: It is a hard question to answer. The first thing it can do is provide that independent source of advice and support. While I am sure you will have heard—I did not manage to come into all the evidence earlier, and maybe you heard it through other sessions—there are lots of helplines and lots of charities around to help and support people, but lots of people do not trust them. It is not the full solution. Having something that is independent of the industry is important.



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In terms of teeth, what CIISA is not going to do is to replace what is out there already. If you have an issue with a production company or with a record label it is not going to replace what you could get in-house, but it is for people who fall in between those gaps who are not represented. It will not have any legal powers and we are some way off needing that—well, we might need it, but we are some way off that conversation. What we want is for the industry to own this problem and solve it. Basically, what we are trying to do is, through a transparent review of cases, provide some dispassionate review of evidence and be able to publish it, initially within the parties who are concerned, but who knows whether that then becomes available more publicly. We need to do more work around what the ramifications are of that and what the powers might be and what we can and cannot do.

The ability to have that conversation and look at what has happened hopefully will mean the right step in terms of culture change. That is what we are after, at the end of the day. What we want is for people to behave better and to behave properly. That is about culture change. That does need process and systems, but it also needs us all to get ourselves in gear and do the right things at the right time.

Q51 **Julie Elliott:** Good morning. In the first panel we heard a lot of concerns around remuneration from the various areas of the industry that were represented, particularly around freelancing and the gaps in payment and so on. Do you view this as an issue across all the creative industries? We only had a few in this morning.

Nicola Solomon: Maybe I should answer that. I am here on behalf of the Creators' Rights Alliance. We have about 20 organisations across the creative industries representing probably 500,000 creators. Yes, I think it is an issue across all the creative industries, some more and some less, but it is highly atomised and highly freelanced.

One of the issues that has not yet been commented on is we have often heard DCMS called "the Ministry of Fun". This is about people taking creative work seriously and what creators do seriously as work, and not being able to cite this fantasy of the artist and say, "You would do this anyway. You would do it for no pay." Although in some cases that may be true, it allows people to offer far less than a working, living wage for the work that people do. That itself is a culture that we need to constantly challenge.

Caroline Norbury: Freelancing has worked well and worked to the advantage of many people, and there are some people who make a good living out of it. It also works well very often for the contractor. Because so much of the work is project-based everybody comes together, they produce something, they disappear, and they go and do something different. All those things are good. The challenge is exactly as Nicola has said. There is a misconception that somehow because it is enjoyable, you should not get paid properly for it.



There is always a ready pool of people who want to come in, so that creates a fear among those who are already in, but it also means that those people who are not yet in the club are potentially willing to perhaps do things that, had they a few more years' experience, they probably would not work in that way. I do think that, overall, it is very easy to home in on all these problems, but we need to look up a bit and look at the world of work more generally. The creative industries have always been a vanguard sector, the canary in the coalmine. They are always doing something that is new and innovative. What we have been doing, in terms of how we organise our workforce, is always at that point of innovation, but if you look around other business sectors, that project-based approach is becoming more common. I think we need to take this workforce seriously and think about how we deal with it structurally.

One of the problems during Covid was that the measures that were in place did not meet the needs of all the freelancers that were there, and there were loads who fell between the gaps, to quote an often-used phrase by me. Part of our conversation with Treasury was that it did not quite understand a lot of the employment structures. It did not know, for example, that lots of people in television must set themselves up as a company to be contracted. What it also could not do is press a button to get any money to them, because of the way that they are described.

There is a need to look at the workforce more generally and the descriptors we use and the buckets for all sorts of other things—paternity rights, sick pay and so on.

Q52 Julie Elliott: If I can interrupt, we have had a lot of evidence in other inquiries about the numbers of people in the creative industries who during Covid went off and got other jobs, because they had no income and have not come back. It was not just the way they had set themselves up; there just was no money and they had to go, and we have lost a swathe of people. I think it was a little broader than you are describing—but sorry, I interrupted.

Nicola Solomon: I was going to suggest exactly that. I am a chief executive of the Society of Authors and 70% of our members received no Covid support. The word here is not just freelance, but portfolio careers. Many of our members are employed, self-employed and are a limited company. They are doing all those things and because of that they did not fit into any of the boxes. They are spending a great deal of time on paperwork. I completely agree with Caroline that we need to look at the whole world of work, but particularly for our members it is a very challenging time.

Q53 Julie Elliott: Can I press a little more? You have said that it is affecting everyone who is working in this freelance type of project environment. Are there any examples where pay and conditions are working in those areas, and are there any things that could be replicated across the broader industry where it clearly is not working, where people are not being paid properly and having these huge amounts of time where they



are not being paid?

Nicola Solomon: This is a 'winner takes all' economy. That is the problem, so people take large risks and some people do very well. We heard people in the last session say that most mid-range actors used to do okay, and I would say that about most mid-range writers. What has happened is that the people at the top are getting much more of the money and the people in the middle and at the bottom are getting less. Consequently, it is not the case that there is a swathe of people across all these industries who can now get a decent living out of it. I would come back to some of the problems we are talking about with the case yesterday. We are all to blame. We are all setting such a store on celebrity that that tiny stream is doing disproportionately well and there is ridiculously disproportionate interest in them, and the rest of them are not able to build up their careers. I think it affects right across the industry. There are small patches where things go better, but it is a problem for all our members.

Q54 **Julie Elliott:** Caroline, do you have anything to add of things that are perhaps happening that are good examples in this freelance world that other groups could build on?

Caroline Norbury: If you look at most television and film companies, they have been working with freelancers for a long time. I think it is Nicola's point: some of them have done really well, and lots of them have not, but then there are so many other advantages to being freelance and what I do not want to do is demonise it. People make a decision to do that, rather than to do something else which is a bit more 9 to 5.

There are lots of reasons why people will do that. As you were saying in terms of music, for example, people move between teaching and play for an orchestra, and they might have other jobs as well. Because there is no one size fits all, because there is nothing standard, it is very difficult for me to give you something off the top of my head that works really well, because it works well for that team or that person. I am sure we can get back to you. Through our members we can look for some case studies if that is of interest to you.

Chair: That would be lovely. Thank you very much.

Q55 **Jane Stevenson:** I find it interesting the point you made about the number of people who will always come in and undercut people essentially. If you are desperate to get in—you are a young artist or whatever in the creative sector—I do not know what the answer is when pay is linked to celebrity in many ways. If an actor starts making a name for themselves, obviously they are going to attract production and work, but for those on the up, where do you see the answer to this where there is no quality control of who should get helped up and who should not?

Nicola Solomon: There are several issues and certainly questions about entrance into the creative industries are very difficult, not only because it is very hard to get into any of the creative industries if you do not have



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private money, and that is getting worse. Clearly, for anyone looking at these areas, they are inherently risk-based.

When the Authors' Licensing and Collecting Society did work on author incomes it showed that many people were being supported by another family member. That means that we do not have the equality and diversity in our creative industries that we want, because people simply cannot afford to go into it. At that level that is important. We also need some safety nets to ensure that these people who, because they want the work, are in a very poor bargaining position—often individuals against huge platforms or against huge multinational companies—have some support. There are a few things that we could suggest for that.

The first one is about legislation around baseline contract terms. You have probably seen our CREATOR fair contract terms campaign, and I can talk a bit about what that covers. These are all points that are in other people's legislation; they are not new. Contracts should be written. Many people do not have written contracts. They should have residuals and fair remuneration for every use or exploitation of their work, including new uses—that was talked about a lot in the last panel. Their work should be exploited—we see people tied into contracts where they cannot get their work back and it is not being exploited. They should get proper accounting that is understandable, and it is quick and it is paid. They should have reasonable contract terms and reviews.

Our members as authors sign contracts for the life of copyright—for their life plus 70 years. That is probably too long, bearing in mind that most books do not have a commercial life of more than about 10 years. They should be credited for all uses of their work and ownership of their moral rights should be unwaivable. They should know where their work is used—and that comes into AI—and their terms should be reasonable. This is exceptionally important, not only because it is a halfway step. We might want to look at our own Unfair Contract Terms Act, which does not apply to creators or to copyright, which is just an extraordinary exception, which needs to be dealt with.

There are other things as well. We need support, we need training in negotiation and paperwork; those are things that unions are uniquely placed to do, but we often cannot negotiate for them because of competition law. That stops our collective bargaining. We need to look at rebalancing that law so that people can collectively bargain for creative workers. We need strong licensing, and I know we will talk about AI later. We need our own strong copyright regime, which I am sure we will talk about as well, and we need better benefits right the way through—parental leave, pensions. Everyone in a workplace employment is paying into pensions, but our members are not paying into pensions, and they are coming to the end of their working careers and finding that they are struggling.



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We run the contingency fund at the Society of Authors. The number of people applying to us has gone up massively; the grants that we give are around £1,500, and the letters of thanks we get would make you weep, because people are saying, "This has saved my life," and "This has made a huge difference." I suspect for most of us in this room £1,500 would not make the difference that it is making for these creative workers.

Q56 Jane Stevenson: I was a freelancer for 25 years so I appreciate it can be feast or famine. There are many people I am sure for whom that money is enormously important. The terms that you are campaigning for, is there anywhere else in the world where a similar scheme is up and running? Is someone doing it well that we should be looking to?

Nicola Solomon: Every single one of these terms is in force somewhere in the world and indeed many of them are taken from our own Consumer Rights Act, which would not allow the kind of contracts that people are forced into. I think that we have a fantasy that these are two businesses having a fair negotiating position, but you try to negotiate with a platform over their standard terms and conditions, you try to negotiate when you are going to be an extra in a film about the terms and conditions that are being offered to you.

Instead of looking at whether someone is a consumer or a supplier we should look at their relative size. There are countries that do this, which would give you contract protection if you are just a different size of company. Yes, many of these are in France, many of them came under the previous Digital Economy Act. Yes, we know as was discussed before, that there are many countries that have equitable remuneration for all users of one's work. France has very strong contract terms and does standard contracts for creators.

Every single one of these works well in other places and could be put together in a very simple way. These are things that good companies do. There is nothing radical in this. When we look to other organisations the responsible organisations will say, "Yes, of course we expect these things from contract terms," but because this is a world of dreams there are also plenty of cowboys out there.

Q57 Jane Stevenson: Do you think this will need government to intervene?

Nicola Solomon: We do need government to intervene to make this into law. These are just fair terms that could work for creators and in fact for probably all freelancers, but they also work specifically in relation to the fact that creators also have intellectual property rights that can easily be taken away bit that you cannot understand the value of at the time you are giving them up. Yes, of course you allowed your body to be scanned when it did not seem they could use it for anything useful, and then what? You have given those rights away.

Q58 Giles Watling: Good morning and thank you so much for coming today. Caroline, you mentioned earlier about how atomised freelancers are and,



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like Jane, I know because I was a freelancer for most of my professional career. It has been suggested by the Authors' Licensing and Collecting Society and others that there should be a freelance commissioner. How do you feel about that? What do you think that could do, and how would that work?

Caroline Norbury: I think it is a jolly good idea. It does need to be placed in the context of what I said earlier, in terms of a broader understanding of what 21st-century work looks like and how businesses are structured differently now, and how they are funded differently. I do not think we have done the hard work of looking under the bonnet to see what it is that we need to change.

Matthew Taylor did the Good Work review perhaps five years ago, which I think got some traction. He made several recommendations there, and a lot of his work was looking at gig work. Going back to your point, absolutely I think a freelancing commissioner is a good idea, because it creates visibility for the sector.

Q59 **Giles Watling:** In the earlier panel they said it would focus all the concerns into one individual and they could start to deal with some of the issues that Nicola raised just now.

Nicola Solomon: I completely agree. We need more joined-up thinking. One of the things that is interesting, if you look at the PEC report and other reports on good work, people talk about this and are beginning to notice that freelancers are there. Then their solutions become very much about employment and very much about large employers, so you look and think, great, they have understood the problem, but it is complex and an atomised problem. A commissioner can raise all the problems and the unintended consequences. It is difficult to get money to individual freelancers. Across the various Departments that we already must deal with in relation to our members I think it would be a very good idea.

Caroline Norbury: It would be good to have a champion, for example, who could go in and talk to DWP.

Q60 **Giles Watling:** That is what I was going to ask. So the freelance commissioner would be a champion, in your view. Thank you.

I want to move on to social mobility within the creative industries. It was said that the creative industries are particularly poor for social mobility, and mobility across the industries is statistically the worst among any occupation or industry, comparable for instance to medicine or law. As we heard in the last panel the median pay for a creator is £2.60 an hour so do you think that remuneration and conditions are a factor? Caroline first, if I may.

Caroline Norbury: There are many factors. The first thing is visibility, so lots of children leaving school would not know what a job in a creative industry looks like. Until we start to scope out what a career pathway looks like, it is very difficult for children or young people who frankly have



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not had a privileged education to have any idea what on earth people are talking about when they talk about a job in the creative industries.

Q61 Giles Watling: Sorry for interrupting, but there is an immense desire every time I visit schools for kids to be famous, which is not necessarily about the creative industries.

Caroline Norbury: Exactly. When I do Speakers for Schools, talking to young people about my job, they do not know what an art director does. They do not know what a sound recorder does, they do not know what a mixer does. There are so many roles and they do not have any visibility of them.

Increasingly what you find in most state schools, particularly primary schools, is that creative skills is an enrichment activity, not part of their everyday. Most young people at a secondary school will be lucky if they get to go to one theatre production in the two years of their GCSEs. In any private school they would be going every other week. It is common. They have the facilities. Making sure that creative education and creative skills are part of the everyday schooling existence for all children is the first thing we do to improve social mobility.

The other really challenging issue, and I do think it is getting a bit better, is that so much is centred in London. If you do not have a pad or somewhere to stay in London, it is very difficult to get your first couple of gigs. It is changing—there are more creative clusters all around the country, everything from BBC in Salford to Channel 4 and so on—but there is still a long way to go.

There was some interesting research done by PEC—I will get the correct figures to you rather than the ones off the top of my head. From memory, though, something like one in four jobs in the UK will be in the creative sector in the south-east in the next 10 years, as opposed to something like one in 14 in the north. I think that speaks to the dominance of London and the south-east.

Q62 Giles Watling: Yes, I did my bit of sofa surfing when I started out. Nicola, any points to add?

Nicola Solomon: I completely agree, we do need to concentrate also on creative education. It is very concerning that lessons in music, dance and so on are going. I think you are not seeing creative careers. I agree it does not look very stable or secure. Before I went to the Society of Authors I was a solicitor in private practice for 26 years and I was shocked to go into the creative industries because it was so white and so un-diverse compared with law. I commented on that to a friend who said, "Yes, but don't be surprised. No aspirational parent is going to send their child into the creative industries. That will be the luxury for the next generation, but if you have worked very hard for an education this is not what you are going to recommend as a stable career. Everyone is going to tell you it is too risky." We must make this seem like a proper career



with a proper career path. For all our members, they are absolutely reliant on the next job; they are only as good as the next job. One of the reasons we have huge mental health issues in publishing and other sectors is if somebody does not take your book you get what is called a rejection slip. To want to go into that is not the way forward. Yes, I absolutely do think that lack of good pay is one of the issues here.

Q63 Giles Watling: Thank you. I would like to move on. You mentioned diversity; 48% of the workforce overall in the UK are women and DCMS say only 37% of jobs in the creative industries are filled by women. Those are the figures I have—you seemed to question that, Nicola, but those are the figures I have. If they are correct, how do we improve this?

Nicola Solomon: That really does depend on industry by industry, and we must remember that figures for the creative industries confusingly often do not include creators. They include people who are working in companies, but they do not include people who are providing those services, who are freelancers, who are working from home, in the publishing industry. They may not include authors. They will only include the people who work in publishing houses, so I do slightly question those figures, but again it is around providing better, flexible in the right places, jobs and it is about how we count those jobs. Counting creators is a very complicated thing to do.

Caroline Norbury: I wonder whether some of those figures are because software development is included in the figures. I do not know because I have not seen the data, but I think that might be what that is.

Q64 Giles Watling: Yes, it has skewed the figures.

Caroline Norbury: It is true that there are not enough women leading. There are a lot more now, but we are still not 50-50. It is interesting that if you look at advertising, for example, there are very few women creative leads in advertising agencies. I did meet a man once, but most HR departments in these big companies are women, but not always. I think again if you look at what businesses are doing around gender and pay the direction of travel is in the right direction. There is still a problem around pay equity.

Giles Watling: I have noticed a big change over the last 20 years. Thank you very much. Thank you, Chair.

Q65 Clive Efford: Thank you for coming to give evidence today. Nicola, I will ask you, but Caroline, feel free if you want to add anything.

We have reported in the past on the real-terms cut in funding for creative industries—50% per capita since 2010. We are now lagging way behind our European neighbours. How has that impacted on the cultural creators over that period?

Nicola Solomon: Cuts in public funding affect everybody. Again, this comes back to recognising the importance of creativity in terms of the huge financial benefit it brings to the country, but also recognising what



else it brings—empathy, understanding, knowledge and connection. It is not only just creative workers who are affected by this; it is everybody who is affected by the lack of public arts output of one type or another. It also makes it even more difficult because to apply for funding, especially if you are a small organisation, is an enormous amount of paperwork and if the chances of success are quite low and the amount of reporting is quite high, it is not worth doing it. It is difficult for emerging and other creators to get in without better funding for something that is of fundamental importance.

Q66 Clive Efford: In terms of people bidding for money, would you say that the number of people bidding for a smaller pot of money has resulted in a lot of effort going into making these bids that is using up their own resources and that affects their capacity to be able to do that?

Nicola Solomon: Absolutely, when the success rates are very low and the amount of work you have to do is very high. Again, it does mean that bigger organisations are more able to bid, which is good because they will employ creators and filter down, but smaller organisations are not.

We also are concerned that it means that there is not enough emphasis on making sure that if an organisation has applied for money, that money does filter down to creators and that they are paid proper rates, for example. There often is no scrutiny other than saying, "You have to pay proper rates." Yes, it can be very difficult and definitely puts people off applying.

Q67 Clive Efford: So if larger organisations have more capacity to be successful in that bidding process, does that also add to the problem we hear about a lot—that the regions suffer, and it does not filter down to those areas?

Nicola Solomon: Yes. You probably know a bit more than me about it, but there has been an effort to try to get more money out to the regions, and that has been successful in many areas. We are seeing some hubs that are working well together. There is still a preponderance in London and the south-east, but I do think there have been some improvements in those areas, and the public funding has helped with that.

Caroline Norbury: The challenge is that the biggest cuts have come in local government funding, which has been decimated in the last 10 years. That funding would probably, but not always, have gone to more grassroots organisations. There is a double whammy there, in terms all the conversation we have just had about diversity and inclusion. Those are the organisations that are hardest hit. You have seen a massive loss in local government funding.

We have also lost a substantial amount of money with the loss of European funding, which has not been replaced unfortunately by the Shared Prosperity Fund. Previously, that would have funded a range of skills programmes in creative businesses; it paid for most of the



redevelopment of Newcastle/Gateshead; and other huge cultural organisations have seen that capital investment lost. We have not been able to replace quite a lot of money for the sector.

Q68 Clive Efford: Presumably, post-Brexit, the Government have not stepped in and replaced that money.

Caroline Norbury: There has been some, but in terms of the total amount of money, I do not think I have ever seen a figure that could tell us that. It has been very difficult to get a figure about how much money went from Europe into culture in the first place.

Q69 Clive Efford: I will not go any further down that rabbit hole. It speaks for itself.

Can we turn to the impact of Covid? What has been the longer-term impact of Covid on the creative businesses and workforce more specifically as the support has tapered off?

Caroline Norbury: A couple of things. First, a lot of people did leave the sector and have not come back, so we have lost a swathe of freelancers. Secondly, there is a disparity in terms of how things have picked up in London not necessarily being replicated in other parts of the country. For example regional theatre is struggling a lot more than West End theatre. People are not booking ahead as much as they used to.

Q70 Clive Efford: Is the behaviour of audiences changing?

Caroline Norbury: Partly, yes. Partly also it is because of the amount of product that is out there to book. The theatre sector tells us that people are leaving it until the last minute to book, rather than booking ahead, which is very difficult if you are running a small and very underfunded and under resourced venue. You have that added anxiety and insecurity.

What we also hear particularly from the music industry is that people are going to fewer gigs, and when they do go they are going to bigger gigs. We have lost a swathe of grassroots music venues. Again there has been a small amount of investment to adjust for that, but these are venues that have decades of heritage. That also then has a big impact on the new talent coming in, because the places that they would have perhaps played are no longer there.

There are a lot of things resulting Covid. The Government did a brilliant thing in terms of the Cultural Recovery Fund. It was in there, they listened, they stepped up to the plate, but what Covid unmasked was a precarity and a systemic underfunding of many years, not down to any particular party colour, and it exposed these challenges that the sector had had. It is almost as though we have moved on without addressing all that precarity. That is what we need to think about.

Q71 Clive Efford: Would you agree with the Public Accounts Committee that the Department did not understand what it was supporting and how effective its money was? It did not understand the structure of the



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cultural sector.

Caroline Norbury: I have not read what the Public Accounts Committee said, so I am just giving you my experience of that time, which was that the Department was very supportive.

Q72 **Clive Efford:** If you can comment on it, I will just read this section. The report highlighted that, “the Department lacks a comprehensive understanding of the coverage and impact of its funding on parts of the sector which found themselves without funds”.

Nicola Solomon: I think that is definitely true. There were patches. I think you did a very good analysis of where we are now, but I would add that another area is that all the reserves have gone—their working, performance or production funds—so they are not taking risks. They are not doing as much new work as they would have done, because they want to get audiences, and audiences go for the familiar.

Caroline Norbury: To your question, what is definitely true is that we lack perhaps the detailed information and data that we require to make long term decisions.

Q73 **Clive Efford:** When you say “we” who do you mean?

Caroline Norbury: We as in the sector and the partnership between the sector and the Government. One of the things I do a lot of work in is investing in the creative sector, and I cannot give you a single figure for how much private investment goes into the creative industries. It does not exist. All the information that we have about freelancers is fragmented and very difficult to amass so we can decide what we think about all of this. There is a definite need for more investment in research and data that fits the way in which the sector works, rather than the way in which the ONS wants to measure it.

Q74 **Clive Efford:** You have said that the Cultural Recovery Fund was a big success during Covid, but what about post-Covid? How have the Government and the arm’s length bodies performed there? Have they been able to respond to the situation we are in now?

Caroline Norbury: So going to the CRF as the first thing, part of that money went out as grants to people, and some of it went out as loans. You now have quite a few cultural organisations that have significant debt, which, given what we are just saying about audiences still not being quite there, is yet another challenge for them to manage. We need to think about how we address that. My understanding is that is not going to be written off and they are going to have to work out how to pay that back.

One way of addressing that is taking a much longer approach to funding. It is very challenging building any business if you do not have visibility of revenues and income. If we had a 20-year investment plan, we could perhaps deal with some of the fragility that I have mentioned, because



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we would have a long-term patient capital approach to it. That is definitely missing.

Q75 **Clive Efford:** Has that been put to the Government as a response to the post-Covid issues?

Caroline Norbury: I have definitely said those words many times, yes. Generally, I do not think anybody would disagree with that. I mean, it is a bit motherhood and apple pie, but what we have not done is made the move from, "That's a good idea" to, "Okay, so how do we do that?" We are not in that position.

Q76 **Kevin Brennan:** Caroline, going back to what the Chair was asking about with the new Creative Industries Independent Standards Authority, you said that not all parts of the creative industries have been equally supportive in terms of getting this thing going and up and running. You mentioned the streamers. Can you be a bit clearer about that? Who is in and who is out at the moment?

Caroline Norbury: My understanding is that Amazon are supportive. We have not had the same response back from either Apple or Netflix yet.

Q77 **Kevin Brennan:** In relation to the music industry, how supportive have they been with this?

Caroline Norbury: Via the BPI, my understanding is that all the major labels are behind it.

Q78 **Kevin Brennan:** Thank you for that. I thought it was useful to clarify. It is interesting that we should be having this discussion while this Russell Brand stuff is going on in the media. Sorry to mention his name, but you have this ridiculous agenda against the BBC and so on that is run every time this happens, even though he has not worked for them for 15 years, Isn't part of the problem the sector itself and the way that the talent must never be challenged and must always be looked after? That is what you hear, if you have ever worked around the creative industries on a production, whether it is a TV production or a film production, or whatever it is. The talent must be looked after, whatever they are up to.

Caroline Norbury: That is a pretty broad brush.

Q79 **Kevin Brennan:** So what is your broad-brush answer?

Caroline Norbury: Yes, but not always.

Q80 **Kevin Brennan:** It is a cultural problem, isn't it? A deep-set cultural problem.

Caroline Norbury: There is so much investment. People decide it's going to be that person and there is so much investment in that person, in that thing, and a sort of madness sets in. I do think a lot of it is to do with the informality piece. You made a good point about the diversity in the legal profession, but that is because the routes in are very structured, there are steps, you get certificates.



Q81 **Kevin Brennan:** I am not talking about diversity now; I am talking about that mantra.

Nicola Solomon: First, I think things have changed a lot, so I think people are not quite so keen to protect everybody, but the problem is exactly that. It is a vast investment and where we have this issue is in giving too much of the share to too few people. Often paying that amount is not getting the returns, and we would be better investing more across the range in our creative industries.

Q82 **Kevin Brennan:** For years of course—at this point I will be critical—the BBC used to come to appear before us and say, “We cannot reveal what we pay the talent. The talent money must never be revealed and put under public scrutiny,” despite the fact that it is underpinned by licence payers’ money. And now productions are moved out to independent production companies, such as BBC Studios and others, to avoid revealing what “the talent” are getting paid, for fear that the talent will go in a mass exodus to better-paid shores than the BBC. Isn’t what I am describing fundamentally the underpinning culture that allows monsters to flourish?

Nicola Solomon: I think there is a lot of fetishisation around performers anyway. The idea that you can only flourish if you are a monster is also very problematic. I do think things are changing. I think that cultures are looking at themselves, but as I say I think that everybody also has a responsibility to not buy into that—the people who buy it, watch it and read it also.

Caroline Norbury: It is instructive that more and more people are coming forward. They are saying, “This is what happened to me.”

Q83 **Kevin Brennan:** This is where CIISA, this new body, can help and hopefully not just help individuals but help to change the culture. Is that something that would be an appropriate ambition for this new organisation?

Caroline Norbury: Absolutely, and diversity is important—

Q84 **Kevin Brennan:** Of course. I never said it was not.

Caroline Norbury: No, but part of the reason we are—

Q85 **Kevin Brennan:** I said it was not what I was asking about at that point.

Caroline Norbury: Yes, but part of the reason we are where we are is because we did not have a diverse group of people around the table calling it out.

Q86 **Kevin Brennan:** Okay. That was not what I wanted to ask about, but it is related.

Going back to AI, which we discussed earlier on, I laid out a little manifesto for it, which was basically that we should have no artificial intelligence without emotional intelligence, human intelligence; that we



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should ensure that AI is a servant to humanity and not a master of humanity; that we should make sure that in public policy terms we have appropriate guardrails in place for how it operates; and that image rights are human rights, and that therefore they should be protected in law if they are not covered by current copyright law. Would you agree with that as a partial manifesto on this subject?

Caroline Norbury: You have written the manifesto.

Nicola Solomon: I have a few more bits to add though.

Q87 **Kevin Brennan:** Do you want to add your bits?

Nicola Solomon: First, I completely agree.

Kevin Brennan: Do not make it too long. The punchier the better.

Nicola Solomon: We need to say that all uses must be paid for. It is concerning how much ingestion has been done, and indeed that some of the tech companies are trying to argue that what they are doing is not copyright infringement. To answer a question you raised earlier, I do think we need the IPO to stand up and say that it is copyright infringement, and if people do not agree on that we need to have some legislation to ensure it is copyright, and people need to be paid for those uses.

I think that we need transparency as to what has gone in and transparency as to what is coming out. We need to stop deep fakes, we need to ensure that you can protect your own work, that you can refuse to have your work used in the machine if you want to, and that you get paid for uses.

I think we need to ensure that we have good enforcement mechanisms, and—this goes across many of the things that we are asking for—that if what we are talking about is micropayments, it is useful that we can have good licensing regimes. We need those, but we also need good enforcement regimes.

Q88 **Kevin Brennan:** Circling back on to that point then, if we end up having more and more licensing agreements around output that is produced by AI from ingesting other people's creative works, but which is very difficult to reverse engineer to identify the authorship of those original works, would you be in favour of a licensing regime that not only attempted to distribute whatever came from that licence to existing authors and existing musicians, songwriters, actors, but also attempted to carve out a little bit the very point, to support new talent coming through?

Nicola Solomon: That is exactly the idea of the Smart Fund, and many countries do this in collective licensing. Yes, for new talent but also for ways to support them so for the organisations that help empowerment that we can train them, that we can train them in negotiating, that we can support them right through their careers, not just in emerging. Right



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the way through their careers people need to be supported and I absolutely do agree.

Q89 **Kevin Brennan:** You can nod if you agree, Caroline.

Caroline Norbury: I agree. Declaring the data assets that LLM models are run on is fundamentally important, so your ingestion point.

Q90 **Kevin Brennan:** What does LLM stand for, for the record?

Caroline Norbury: Large language models.

Chair: That concludes our questions for today. Thank you to both our witnesses. As ever, if you have any further supplementary evidence that you wish to submit to the Committee please feel free to do so. We are very grateful for your time today.