

## Written evidence submitted by the Creators' Rights Alliance (CRA)

### Background:

- The Creators' Rights Alliance (CRA) exists to promote, protect and further the interests of creators through advocacy and campaigning work. We speak on behalf of 17-member organisations and trade unions (see appendix), within the creative industries on issues affecting all creators, such as fair terms for contracts, pay, working conditions and intellectual property.
- Without the creativity, talent and specialised skills of creators the multi-million-pound world-beating creative industries would simply not exist.

### Impact of COVID-19 crisis on creators:

- The creative industries, which contributed £111.7 billion in Gross Value Added to the economy in 2018 alone (up 7.4% on 2017) have been hit hard following the COVID-19 pandemic.
- The pandemic has exposed the fragilities that exist within the creative sector, which employs many on short term, freelance and self-employed contracts.
- The creative sector relies heavily on self-employed freelance workers, over 20% of all the self-employed people in the UK work in the cultural and creative industries (33% of the 2.1 million in the creative industries and almost 50% of the 676,000 in culture).
- CRA members have each conducted survey to understand how the pandemic is impacting their memberships. Findings indicate that the majority are seriously concerned about the future of their finances.
- 96% of artists have seen an immediate impact on their income (DACS<sup>1</sup>), 42% of authors reported that they expected to be worse off following the crisis (SOA<sup>2</sup>), illustrators were on average potentially lose between £1,000 and £3,000 (AOI<sup>3</sup>) and two-thirds of UK media workers have suffered financially because of the pandemic and lockdown.
- As a result of national and localised lockdowns and restrictions on indoor venues many creatives in the live performance sector have been unable to carry out their work and have lost income.
- Creators such as journalists, photographers and technical operators have seen a freeze in commissions covering sporting, cultural events which have all been cancelled due to the lockdown.
- There are concerns as to the long-term impact of the pandemic, there will be a decrease in commissions even after the economy reopens due to a reduction in funds.
- Contrary to popular belief many creators do not receive high levels of remuneration for their creative work and struggled financially before the pandemic struck.

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<sup>1</sup> <https://fairshareforartists.org/>

<sup>2</sup> <https://societyofauthors.org/News/News/2020/June/Industry-wide-submission-Commons-COVID-19>

<sup>3</sup> <https://theaoi.com/wp-content/uploads/2020/05/Economic-Impact-of-Corona-Virus-AOI-Submission-27-May-2020.pdf>

- However, due to the economic impact of COVID-19 complimentary sources of income (such as educations and community work) have decreased substantially leaving them in precarious situations.
- Recent research from Oxford Economics projects<sup>4</sup> that the creative industries are facing a loss of £74 billion in turnover in 2020, as a result of the crisis and will be impacted at least twice as hard as the rest of the economy.
- In all, 406,000 jobs are expected to be lost this year - 119,000 of them permanent employees, and 287,000 freelancers.

### **Post Pandemic Economic Recovery:**

- The CRA believes that the creative industries should be a priority area of focus for the government when planning the post-pandemic economy.
- The recent government bailout of £1.57 billion for the creative sector although welcome focuses more on protecting cultural institutions as opposed to creators. There is very little in the package that will help ease the immediate financial pressures facing creative freelancers.
- Before the pandemic, the creative industries were growing 5x the rate of the UK economy as a whole and were developing new jobs faster than other sectors.
- Pre-pandemic the creative industries had an estimated 2,040,000 jobs, and contrary to popular belief 75 % of these were outside of London. Support must be offered to maintain the regional creative hubs that have emerged and ensure that these jobs outside of London and the South East remain.
- 95% of creative businesses employ fewer than 10 people and operate on a project-by-project basis. Tailored support for small business to navigate the post-pandemic landscape is vitally needed to increase the resilience of the sector.
- It is common for creators to find additional sources of income to work within the creative industries, having portfolio careers which balance freelance and employed income.
- As a result, many creators are falling through the cracks of government assistance programmes, because they do not qualify for the job retention scheme (JRS) or the Self-Employed Income Support Scheme (SEISS). For instance, it is estimated that 38% of MU members and possibly three million people nationally were excluded from support under SEISS,
- Similarly, more established creators who have savings above £16,000 have been cut off from accessing universal credit (UC). It seems perverse that prudent savers should be penalized, especially when some of those savings may well have been set aside to ensure prompt payment of annual tax bills.
- Hardship funds have been set up by many CRA members to support these creators who have been left out of government funding. Members have access to these funds however, there are a significant number of creators who are not receiving anything as they are not a part of any trade unions or membership organisations. Even then, the hardship funds available are unlikely to have been able to fully compensate for lost earnings.

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<sup>4</sup> <https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>

- The government must address the issues facing self-employed freelance workers, as many do not have access to paid sick leave, if in future they are required to self-isolate they will have to do so at their own expense.
- It will take self-employed creatives longer than PAYE staff to rebuild their work and their resources therefore, the CRA believes that the SEISS should be extended to mitigate against this.
- Similarly, the government must address the gaps in the SEISS such as the 50% income threshold, calculations based on profits as opposed to gross income, the exclusion of the recently self-employed to make the system fairer.
- CRA members offer support and guidance to creators when they sign new contracts. There is an inequality of bargaining power between individual creators and commissioners. We believe that creators should be treated fairly when they sign contracts<sup>5</sup>.
- By strengthening the system for the self-employed the government will prevent a similar situation arising if there is to be a second lockdown and lessening the impact on the welfare system.
- The pandemic will have an impact on the types of people who can successfully pursue a career within the creative industries. There is already an issue with diversity within the sector, particularly those from disadvantaged backgrounds.
- A focus for post-pandemic planning for the sector should be on improving diversity within the creative industries by investing in widening participation schemes, mentoring schemes, diversity funding projects
- The government must take the regional diversity of creative jobs into account when planning for the post-pandemic economy.

### **Brexit:**

- **Copyright:** copyright is one of the foundations of our successful creative industries, now more than ever with all the challenges of the online digital age. The UK must continue to maintain the highest Intellectual Property ('IP') standards during the crisis and following its exit from the European Union ('EU').
- **Freedom of Movement:** The government must ensure that authors, musicians and writers, artists, photographers and other creatives can continue to work freely across the EU once the implementation period has ended.
- Further detail on temporary working visits and the new immigration system is still needed and it is vital that new immigration rules are easy to navigate.
- **Workers' Rights:** There must be a guarantee that workers' hard-won rights such as their right to sick and holiday pay are safeguarded and that the UK maintains alignment with the EU.

*September 2020*

### **Appendix:**

Current Creators' Rights Alliance Membership (Full & Associate) in Alphabetical order:

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<sup>5</sup> <https://www.fairtermsforcreators.org/>

Association of Artists' Agents  
Association of British Science Writers  
Association of Illustrators  
Association of Photographers  
Authors' Licensing and Collecting Society  
British Association of Picture Libraries and Agencies  
Chartered Institute of Journalists  
Design and Artists Copyright Society  
Directors UK  
Equity  
Incorporated Society of Musicians  
Ivors Academy of Music  
Musicians' Union  
National Union of Journalists  
Society of Artists' Agents  
Society of Authors  
Writers' Guild of Great Britain

*September 2020*