

# Written evidence from Creative UK

27 November 2023

Dear Dame Dinenage,

## **NON-INQUIRY SESSION ON CREATOR REMUNERATION ACROSS THE CREATIVE INDUSTRIES (19 September 2023)**

Thank you for the invitation to provide oral evidence to the Culture, Media and Sport Select Committee's non-inquiry session on the 19 September 2023 on issues relating to creator remuneration. I am following up with additional written evidence from Creative UK, following my previous statements before the Committee.

Firstly, Julie Elliott MP requested positive examples of experiences within freelancing, many of our members tell us that they value freelancing due to the flexibility it offers. This enables many people to, for example, enabling variety in working patterns in support of diverse needs and requirements. . Research demonstrates that among other things, the benefits of working on multiple projects at once provide a variety of opportunities and exposure to different creative projects and organisations.

However, this does not negate the profound financial and structural challenges that freelancers and self-employed people face. In terms of remuneration, including accessing employment or career development opportunities, around 54% of freelancers say they're offered a day rate or salary below their expertise or level of professional experience.<sup>1</sup> There are many other structural issues at play too - around half of freelancers report feeling supported by the employers they work with and almost a quarter become a freelancer due to negative experiences in a permanent role. In terms of equality and inclusion, disabled individuals are 30% more likely to be freelancing after negative permanent role experience.<sup>2</sup> I, therefore, reemphasise my call for the appointment of a Freelance Commissioner who can champion the needs and perspectives of creative freelancers across UK Government departments.

Secondly, Giles Watling MP queried the impact of poor remuneration and conditions contributing to a lack of social mobility across the sector. In response, I am providing further evidence to demonstrate how, currently, the Creative Industries are unevenly distributed across the UK.

In a recent snapshot of the Creative Industries, drawing on public data, in 2019 London and the Greater South East (London, East and South East of England) represented 54% of Creative Industries employment, 62% of businesses and 74% of economic output (GVA), despite being home to 26% of the UK population. Conversely, in 2019 the North of England (North East, North West and Yorkshire and the Humber) represented 15% of Creative Industries employment, 13% of businesses and 10% of economic output (GVA), despite being home to 23% of the UK population.<sup>3</sup>

Predictions suggest (by extrapolating current employment trends), that, in twenty years' time, the Creative Industries would account for over 14.4% of all employment in London and the South East, but just 6.4% of all employment in the rest of the UK.<sup>4</sup>

Research also identifies approximately 47 creative clusters throughout the UK that represent a higher concentration of creative businesses or higher levels of growth<sup>5</sup> and grew at twice the rate of their regional economy between 2010-17.<sup>6</sup> Research also shows that each new job in the Creative

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<sup>1</sup> Freedom or working for free? Freelancers in the creative economy (2023). Creative Access. Available from: <https://creativeaccess.org.uk/wp-content/uploads/2023/03/Freelancer-report-FINAL.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> National Statistics on Creative Industries, (2022) PEC Available from: <https://pec.ac.uk/news/national-statistics-on-the-creative-industries>

<sup>4</sup> Tether, B (2019) Mind the gap: Regional inequality in the UK's creative industries. Creative Industries Policy and Evidence Centre and the University of Manchester. Available from: <https://www.pec.ac.uk/assets/publications/PEC-Discussion-Paper-1-Regional-Inequalities-October-2019-FINAL.pdf>

<sup>5</sup>The Geography of Creativity in the UK (2016), Nesta, Available from <https://www.nesta.org.uk/report/the-geography-of-creativity-in-the-uk/>

<sup>6</sup> Tether, B (2019) Mind the gap: Regional inequality in the UK's creative industries. Creative Industries Policy and Evidence Centre

Industries creates two additional non-tradeable jobs in the local economy.<sup>7</sup> More needs to be done to support smaller clusters and microclusters, three quarters of new employment up to 2030 would be in the top ten creative clusters, meaning the sector's contribution to addressing the UK's low productivity outside the Greater South East would be limited<sup>8</sup>

Finally, I am keen to reiterate the points I made regarding the differences in the understanding and equipping the cultural and creative industries across UK Government. The policy, funding, legislation, levers and activity across a wide variety of UK Government Departments fundamentally affect how fast and how far the social, cultural and economic impact that the cultural and creative industries can grow. In addition to the entirety of the UK Government's functions needing to consider how the policy that is generated from a variety of UK Government Departments enables – or hampers – the cultural and creative industries, there is a significant opportunity for HM Treasury in particular to better understand and facilitate our growth and delivery. As one example, the creative economy fosters flexible and agile working practices that are archetypal of the future of work, and the UK Government should look to build on the work undertaken as part of Matthew Taylor's *Good Work* review<sup>9</sup> and implement the recommendations of the Creative Industries Policy and Evidence Centre's sector-specific *Good Work Review*.<sup>10</sup> Had HM Treasury better understood the complexity and heterogeneity of the Creative Industries, its pandemic support packages could have been structured differently – and indeed the responses from HM Treasury since this could more proactively facilitate sustainable growth.

If the UK Government is truly committed to sector job creation and economic growth, as outlined in the Creative Industries Sector Vision, this understanding must span all UK Government departments – championed by DCMS, and supported by the breadth of the UK Government.

I am very happy to provide additional clarifications or respond to further questions that the Committee might have. I thank you for your time and interest in this important topic and look forward to seeing the activity the Committee might undertake, following on from the evidence session I was invited to..

Yours sincerely,

**Caroline Norbury OBE**  
**Chief Executive, Creative UK**

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and the University of Manchester. Available from : <https://www.pec.ac.uk/assets/publications/PEC-Discussion-Paper-1-Regional-Inequalities-October-2019-FINAL.pdf>

<sup>7</sup> Gutierrez Posada, D., Kitsos, T., Nathan, M. and Massimiliano, N. (2021) Do creative industries generate multiplier effects? Evidence from UK cities 1997 – 2018. Multiple: Creative Industries Policy and Evidence Centre; City-REDI, the University of Birmingham; University College London. Available from : <https://www.pec.ac.uk/discussion-papers/do-creative-industries-generate-multiplier-effects>.

<sup>8</sup> The PEC's response to the 2023 Spring Budget (2023). Creative Industries Policy and Evidence Centre. Available from: <https://pec.ac.uk/blog/the-pecs-response-to-the-2023-spring-budget>

<sup>9</sup> Good work: the Taylor review of modern working practices, (2017), Matthew Taylor. Available from: <https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices>

<sup>10</sup>The Good Work Review, (2023), PEC. Available from <https://pec.ac.uk/research-reports/good-work-review>