Additional written evidence submitted by the Authors' Licensing and Collecting Society

ALCS is a not-for-profit organisation, established in 1977, which currently has over 110,000 members. We collect and distribute money due for licensed secondary uses of authors' works in the UK and internationally and, at Westminster, are proud to provide support for the work of the All-Party Parliamentary Writers Group (APWG).

This year, we have paid out over £35 million to writers who are often on low and uncertain incomes, taking the total since our foundation to over £500 million in all. Both of our six-monthly distributions went ahead despite the challenges of the Covid crisis and we have also made a major contribution to the Authors' Emergency Fund.

ALCS made a detailed submission in April this year to the first stage of the inquiry and would like to congratulate the Committee on its rigorous work investigating gaps in the Government's employment and income support schemes.

We have also written to the Chancellor on three occasions - in March, April and September - in advance of the Comprehensive Spending Review regarding the plight of writers and creative freelancers during the pandemic and setting out positive policy proposals to improve the situation as we recover for the future.

In addition, ALCS has made joint submissions in these respects with other representative of the creative workforce to the DCMS and BEIS Select Committees and the Secretary of State for Digital, Culture, Media & Sport.

In this, we have been joined by 11 other organisations, collectively representing over 350,000 creators, spanning the length and breadth of our vital creative and cultural industries: the Association of Authors' Agents, the Association of Illustrators, the Association of Photographers, the British Equity Collecting Society (BECS), the Design & Artists Copyright Society (DACS), Directors UK, Equity, the Musicians' Union, the Royal Society of Literature, the Society of Authors and the Writers Guild of Great Britain (WGGB).

In this supplementary submission, we would like to touch briefly on various aspects of the Terms of Reference without repeating evidence which the Committee has received from us so far.

The effectiveness of Government measures to protect jobs, now and in the future

Whilst again welcoming the recent extension of the Job Retention and Self-Employment Income Support Schemes, we share the Committee's profound disappointment and frustration that changes have not been made by the Chancellor and Treasury to address the plight of people who have consistently fallen through the gaps in support.

Self-employment in the creative sector runs at over twice the national average. Of the 2.1 million in the creative industries, 33% (694,000) are self-employed and almost 50% (332,000) of the 676,000 in culture, compared to 15% (5 million) in the country as a whole. Over 20% of the UK's self-employed, therefore, work in these sectors.

Therefore, of the 2.9 million people recently estimated by the National Audit Office to have fallen through the gaps in the Job Retention (JRS) and Self-Employment Income Support (SEISS) Schemes, a large proportion will be found in the creative and cultural sectors, having a mix of income streams as they juggle 'portfolio careers'.

As previously stated, authors' and writers' earnings have long been under pressure and this continues to be exacerbated by Covid. For instance, in the latest of its three membership surveys so far, in October, the Society of Authors reported that two thirds had suffered income falls and less than 30% had received any Government support. This pattern has been repeated, time and again, in surveys by other groups across the creative sector.

Yet, on every extension of SEISS, the eligibility criteria have remained the same. So, if genuinely freelance people lost out at the beginning, by virtue of the ways they work, they have lost out all the way through. Concerns have fallen on deaf ears and, like the Committee, we do not agree with the reasons for this intransigence.

As well as continuing to make representations over this, we have also asked the Chancellor and DCMS to make one change, which would be a significant help for writers at little relative public cost: to increase the amount of funding for the Public Lending Right (PLR), which rewards authors and other contributors for library book loans.

At a net £6 million, PLR funding is relatively small and has not increased for years. Per head of population, it is around half the amount Germany and France set aside to reward what is a clear contribution to the public good.

Last year, the Chancellor took steps to level the playing field by zero-rating e-publications for VAT, like their print equivalents. However, the tax is still levied on audiobooks, which have had a greater take-up during Covid and are a vital help to the visually impaired. With the publishing industry we have asked for this anomaly also to be addressed.

The implications of Covid for further, permanent change to the Creative Economy

Our creative industries have already been going through immense change, not least with the internet, the growth of streaming services and online content-sharing platforms. A strong copyright system is one of the bedrocks of the UK's creative success and our departure from the EU already presents challenges in this regard, as we are no longer going to implement the Directive on Copyright in the Digital Single Market, which affords greater protections.

As previously submitted, copyright licensing adapted swiftly during lockdown in the pandemic, helping schools, universities, public services and people at home. There is concern, however, that expectations of content becoming free to the user at all times have been reinforced, with consequent challenges for creators' incomes.

Moves towards a digital working environment have also had a big impact on the ground, as writers – like musicians, performers and other creative freelancers – rely on live appearances, including festivals, school visits and workshops, for part of their income. There is, therefore, concern over how permanent this impact on their earnings will be.

With regard to PLR, mentioned above, the disruption caused by Covid already presents problems ahead as libraries have closed. Increases in e-book loans far from compensate for the huge reduction in physical book lending. Amid all the budget pressures ahead, whether many libraries will re-open is a very real concern, too.

This gives just a flavour of the top-down and bottom-up challenges ahead. Given the particular structure of employment in our creative industries, we have therefore called with our partners for better engagement by the Government with the creative workforce, not just with larger companies within the sector as has happened to date.

We were delighted that in July, in its report into the Impact of Covid-19, the DCMS Select Committee supported our proposal for a UK Creators Council, complementary to the Creative Industries Council, to help effect this. We are continuing, therefore, to make representations to the DCMS Secretary of State to try to secure this.

Our creative and cultural industries were responsible for £143 billion of the Gross Value Added generated by the UK in 2018 – 7.5% of the whole economy – and are a vital component of our export success. Yet they face a £74 billion loss of turnover in 2020 alone and are likely to be hit twice as hard as the rest of the economy. Consequently, going forward, it is crucial that the Government reaches out to listen to creators, who are the lifeblood of the industry.

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