Authors' Licensing and Collecting Society

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

17 February 2021

Dear Chancellor

Re: Our Submission for the Budget in March

Following our submission last September to the Treasury's Spending Review, I am writing again ahead of the Budget to request your support for a small number of targeted measures, which would be of enormous assistance in these difficult times to our members and, in particular, to freelancers across the UK's creative sector.

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' and writers' 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).

We work closely with fellow membership groups across the UK's successful creative and cultural sectors and, during the pandemic, have been joined by 11 other organisations - representing over 350,000 individual creators in all - in urging the Government to establish a UK Creators Council for better engagement with our creative workforce.

These comprise 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.

Before making this submission, we have also had sight of the Society of Authors' latest representations to you in respect of their *Six-Point Plan for Authors*, which we fully support.

With this letter, I would particularly like to update and re-iterate points made in our submission to the Spending Review, and to the Treasury Select Committee, in calling for the following measures as part of the Budget:

Further targeted help to address the gaps in Government employment support schemes to date

While welcoming the further extensions of the Job Retention (JRS) and Self-Employment Income Support (SEISS) Schemes, we share the widespread disappointment that changes have not been made to address the plight of hard-working people, in genuine need, who have consistently fallen through the gaps in support to date.

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 – and they will make up a large proportion of the 2.9 million estimated by the National Audit Office to have been left out.

On each extension of SEISS, eligibility has remained the same. So, if genuine freelancers lost out at the beginning by virtue of the ways they work, they have done so all the way through. We would urge you, therefore, to address this as regards eligibility for the Fourth Round of SEISS, due to be announced on 3rd March, and we also support more widely the Targeted Income Grant Scheme proposed by the new Gaps in Support All Party Parliamentary Group.

Authors' Licensing and Collecting Society

Increased funding for the Public Lending Right (PLR)

Writers are central to the success of all our creative industries, yet even before the current crisis, authors' incomes had fallen 42% in real terms from 2006 to 2018. The pandemic has greatly exacerbated this, with supplementary sources of income such as personal appearances and teaching drying up, and fewer than 30% qualifying for support.

PLR is an ideal area where the Government can provide targeted support for the UK's writers and do it fairly. With payments based on library use of their books, but up to a strict maximum (£6,600 in previous years), the scheme ensures that funds reach a wide range of authors, beyond 'top-sellers'.

As it is, the size of the PLR fund is relatively small and has not increased for years. At £6 million, net of administration costs, it compares with £14m annually in Germany, £13m in France, £16m in Sweden and £8m even in Finland (which possesses less than 10% of the UK's population). All of these countries, and more besides, value and reward their writers far better for their contribution to libraries and what is clearly a much-valued public good.

This year, the British Library Board - which administers PLR – has recommended an increase to 9.55p per loan, from 9.03p. However, this is a reflection, from a fixed pot, of a reduction in the estimated number of loans of books registered for PLR and of the extent of library closures during the pandemic. Counting continues to be affected, too, by the exclusion of the growing number of community-run libraries from the scheme. Work has been done to include loans e-books, but the increase in this category far from compensates for the huge reduction in physical book lending.

The current situation affords an opportunity to 'level up' PLR funding to match our closest European neighbours and for the Department for Digital, Culture, Media and Sport to work with partners to broaden the base of the scheme - at a point where closure of independent bookshops has greatly affected 'mid-range' and more specialist authors and writers, beyond the 'top-sellers' who have benefitted from Amazon and sales at our still-open supermarket chains.

This can be done at modest cost to the taxpayer, to better represent readers and libraries across the country, and show the value the Government places on authors, writers, illustrators and all who so contribute to the public good.

One further step to level the playing field: removing VAT from audio-books

Last year's Budget took the welcome step to even the playing field by zero-rating e-publications for VAT, like their traditional print equivalents. This was a measure for which ALCS had campaigned strongly, alongside the publishing industry, in respect of e-books for many years.

This does, however, leave one remaining anomaly: namely that audiobooks, popular with many families and crucial to people with visual impairment, still remain subject to VAT.

Audiobooks have also had a greater take-up during the Covid crisis - not least with home-learning - and we would be very grateful if this remaining issue could also be addressed in this coming Budget, for the benefit of many of the vulnerable people affected, but again at little public cost.

With best wishes and yours sincerely

Barbara Ann Hayes.

Barbara Ann Hayes

Deputy Chief Executive, Authors' Licensing and Collecting Society