



**Authors'
Licensing and
Collecting
Society**

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

30th September, 2021

Dear Chancellor

Re: Our Submission for the Autumn Spending Review

I am writing ahead of the forthcoming Autumn Spending Review to request your support for a small number of targeted measures which would be of great assistance to authors, writers and other book contributors, many of whom are freelance, in this vital part of the UK's creative sector.

The Authors' Licensing and Collecting Society (ALCS) is a not-for-profit organisation, established in 1977, with over 113,000 members. We collect and distribute money for licensed secondary uses of authors' and writers' works in the UK and internationally. At Westminster, we provide support for the All-Party Parliamentary Writers Group (APWG).

We work closely with membership groups across the UK's successful creative sectors - representing over 350,000 individual creators in all - joining together to urge the Government to establish a UK Creators Council for better engagement with our creative workforce, as we seek to recover from the effects of the pandemic. 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, Musicians' Union, Royal Society of Literature, Society of Authors and Writers' Guild of Great Britain.

Previously, we have mentioned that many of our hard-working members, with varied portfolio careers, fell through gaps in the support schemes and found themselves, through no fault of their own, ineligible for support. We believe that, for the Treasury to avoid leaving vital workers and tax-payers behind in the future and to have a greater understanding of the self-employed workforce, it is important for the Department to work with the creative workforce.

Your help, therefore, in giving backing for the following measures would be much appreciated at this difficult time.

Increased funding for the Public Lending Right (PLR)

Writers are central to the success of our creative industries, yet even before Covid, authors' incomes had fallen 42% in real terms from 2005 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 emergency measures.

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 (currently £6,600), the scheme ensures that funds reach a wide range of authors, beyond 'Best-sellers'.

As it is, the size of the PLR fund is relatively small and has been frozen since 2015. At £6 million, net of administration costs of £0.6m, it compares with £14m annually in Germany, £13m in France, £16m in Sweden and £8m in Finland (which has less than 10% of the UK's population). All these countries, and more besides, value and reward authors and writers far better than the UK for their contribution to libraries and what is clearly a much-valued public good.

PLR operates as a ring-fenced fund, administered by the British Library, and the rate per library loan is currently 9.55p, which is a small percentage of the average cover price – and every loan is, of course, a potential missed sale. Libraries have, naturally, been adversely affected by the pandemic, with many shut during lockdown. This has skewed lending figures and we are aware that the British Library is undertaking a review of the scheme's mechanics

in the light of all this. As it stands, however, of 21,077 people who benefitted in 2019/20, 15,605 received under £100 and 'levelling up' to our European neighbours, coupled with reform, would allow more meaningful payments to so many.

Public libraries are proportionately more important to less affluent areas, too, and to local authors in those communities. Therefore, as well as being a targeted source of support for this vital component of our creative and cultural life, an increase in PLR would also fit well with the Government's wider 'levelling up' agenda across the UK.

This could be done at modest cost to the taxpayer and would further demonstrate the value that the Government places in difficult times on authors, writers, illustrators and other contributors, who add so much to the public good.

A sensible step to level the playing field on price: 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, alongside the publishing industry, had campaigned strongly for many years.

This still leaves, however, one 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 Spending Review, for the benefit of many of the vulnerable people affected, but again at little public cost.

Levelling the playing field for independent booksellers, too: action on business rates

Writers require a healthy supply chain throughout the book market to ensure a diverse set of books can be published and distributed; bookshops are an integral part to this. As we move into the recovery phase from the pandemic, it is important for the Government to try and level the playing field between online book retailers and high street bookshops. A way of doing this would be to reform the outdated Business Rates system which disproportionately impacts independent bookshops while handing online competitors an unfair advantage.

In 2019, the retail sector accounted for 5% of the UK's GDP yet was responsible for paying 25% of all Business Rates. The current system allows multinational online retailers to pay substantially lower business rates for operating out-of-town or city distribution centres - which are essentially virtual shops - rather than the exceedingly high rates high street shops are required to pay.

We welcomed the Treasury's Business Rates relief over the past year but for the survival of high street bookshops in the long-term and for the Government to deliver on its promise to support SMEs and high street revival, it is an imperative that the system is reformed ahead of the relief end period in March 2022.

There are, of course, many other issues which are important to our members and freelancers across the creative industries, which would be of great help to them. These range from simplification of some of the reporting burdens, such as keeping the threshold under 'Making Tax Digital' in line with that for VAT registration and helping with career development and diversification by allowing the costs of training in new skills to be offset against tax payable.

We hope, therefore, that you will also be able to heed representations from across the sector in these respects, too.

With best wishes and yours sincerely



Barbara Ann Hayes

Deputy Chief Executive, Authors' Licensing and Collecting Society