



Culture, Media and Sport Select Committee Inquiry into funding of the Arts and Heritage

Submission from the Authors Licensing and Collecting Society
(‘ALCS’)

1. Introduction to ALCS

The Authors’ Licensing and Collecting Society Limited (‘ALCS’) is the UK collecting society for writers. Established in 1977 and wholly owned and governed by the writers it represents (of whom there are currently almost 80,000), ALCS is a not-for-profit, non-union organisation. Since its foundation, ALCS has paid writers over £250 million in fees and today it continues to identify and develop new sources of income for writers.

2. Summary

2.1 Writers and the economy. Government figures place the contribution of the Creative Industries to the overall economy at around 6%, identifying a sector that has continued to perform despite the economic downturn. This sector is heavily dependent on the significant contribution made by the publishing industry, which in turn relies on the talent and creativity of writers.

Independent research on writers’ earnings¹ suggests that the level of rewards available in this sector already present a real threat to the sustainability of quality content creation in this core area of the Creative Industries:

- Typical income for a professional writer is one third below the national average wage
- The earnings of a typical writer are deteriorating in real terms
- 60% of people who saw themselves as ‘professional writers’ required a second source of income
- Typical earnings of professional writers from the 25-34 age-group are just £5k p.a.
- Less than 15% of authors surveyed have received payments for online uses of their works.

¹ Authors’ earnings from copyright and non-copyright sources: A survey of 25,000 British and German writers. Research by the [Centre for Intellectual Property Policy & Management](#), Bournemouth University (December 2007)

2.2 The 'secondary rights' market. ALCS exists to ensure that writers receive a fair level of return when their works are used in situations in which it would be impossible or impractical to issue licences on an individual basis. An example of this is the collection of fees derived from licences granting the right to copy extracts from hundreds of thousands of books in schools, colleges and universities. This kind of secondary rights income from the legitimate use and re-use of copyrighted material can and does subsidise the creation of new and innovative creative works, thereby contributing to the sustained availability of high quality published material.

2.3 The importance of PLR. The PLR system provides another example of a pragmatic means for balancing the need for public access to copyright-protected works – in this case to books in public libraries – against the rights of authors to receive a fair return in exchange for ceding their right to license on an individual basis. This mediated balance offers demonstrable public benefits, particularly in the current economic climate. The most recent lending figures² suggest that, readers – especially children – attach great value to the free availability of books in public libraries. Although the sums involved are relatively modest – each loan attracts a 6p payment – PLR forms an important part of secondary rights income; many writers whose works are no longer in commercial circulation rely on the payments they receive from PLR as a form of pension.

In recent years the PLR fund has been cut by 10% in real terms. The announcement in the recent Government Spending Review of further cuts of 15%, allied to a cap on the administration budget at the current level, inevitably means that writers will see lower returns for the free availability of their books in the future.

3. What arts organisations can do to work more closely together in order to reduce duplication of effort and to make economies of scale;

3.1 ALCS was founded out of a campaign by writers to establish a Public Lending Right system in the UK. When the scheme was established as a Government agency in Stockton-on-Tees, ALCS took on the separate role of collecting fees due to UK writers from overseas PLR schemes. Since the adoption of the EC Rental and Lending Directive the number of European PLR schemes has continued to grow. Currently ALCS has agreements in place or pending with ten such schemes around Europe and we continue to support the development of new schemes through PLR International and the European Writers' Council. To date ALCS has distributed £8m in overseas PLR fees amongst thousands of UK writers.

3.2 Over the years ALCS has maintained a close association with the UK PLR operation, sitting as an observer on the PLR Advisory Council prior to its recent abolition and working with the Registrar to devise enhancements to the scheme to recognise the evolution of library services, such as the lending of ebooks. This work came to fruition earlier this year with the implementation of powers in the Digital Economy Act (2010) to expand PLR to cover books in 'non-print' formats.

3.3 Against the background of calls for savings in the public sector, ALCS has been working closely with PLR to identify areas where the two organisations can share services and functions, to save cost and improve efficiencies. ALCS and PLR have developed an action plan covering a number of areas

² Chartered Institute of Public Finance and Accountancy Survey 2009

where their respective operations can be integrated to avoid duplication of effort, whilst continuing to provide a high level of service to writers. These plans foresee a four-year partnership that is designed to help offset the impact of the freeze on the PLR administration budget announced as part of the recent Spending Review.

4. The impact of recent changes to DCMS arm's-length bodies - in particular the abolition of the UK Film Council and the Museums, Libraries and Archives Council;

4.1 As part of its review of arm's-length bodies the Government has announced plans to dismantle the present UK PLR structure and transfer its functions to another public-funded body. For many years the PLR office in Stockton-on Tees has provided a high level of service at low cost. ALCS is concerned at the impact that this restructuring will have on the already stretched PLR operation. It seems inevitable that such a move would have cost implications which in turn may further diminish the fund available to remunerate writers.

Moving the PLR operation into another public body also calls into question the plans that ALCS and the present PLR office have been working on aimed at achieving saving and efficiencies, while maintaining the current levels of service to writers that each organisation provides.

4.2 For the above reasons the plans to transfer the PLR operation to *another* public body seem to be at odds with the over-arching aim of the public bodies review, namely to cut costs and increase efficiency.

5. What impact recent, and future, spending cuts from central and local Government will have on the arts and heritage at a national and local level;

5.1 We are also alarmed at the effect the cuts to the Arts Council funding will have on the derisory 1.6% of the budget which currently goes to literature. In particular we are concerned about the effect on small independent presses in the UK which currently provide the bulk of publishing for poetry and literary translation in the region of 150 titles published by some 8 presses for a cost of only £500,000.

5.2 We understand that from 2012 even this is not assured since it is proposed that the small presses that are core funded compete annually for specific projects, which may not include even the publication of named titles thus threatening the future of publishing for poetry and literary translation since the presses will lose not only staff but essential visibility and certainty with distributors, reader-consumers, illustrators with a knock on effect on all those currently involved.

5.3 The proposed cut of 6.9% in 2011/12 for all funded organisations will further undermine the already minimal literature budget and will inevitably have serious implication for front line services. The uncertainty facing small presses thereafter, applying afresh for funding for the period 2012-15, poses a very real threat to their ability to sustain themselves. The combined effect of these cuts is to endanger the existence of the 27 small independent regularly funded organisations that are the life-blood of literature in this country.