



HM Government

HM Government Response to Professor Dame Angela McLean's Pro-Innovation Regulation of Technologies Review Creative Industries

June 2023



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Introduction

At Autumn Statement 2022, the Chancellor announced a programme of work to advise how the UK can better regulate emerging technologies, enabling their rapid and safe introduction.

The aim of this review is to establish the UK as the best regulated economy in the world in key growth sectors ensuring that industry and investors have the certainty they need to drive innovation, investment and growth through anticipating new developments in emerging technologies.

This work was initially led by Sir Patrick Vallance, in his role as the Government Chief Scientific Adviser and National Technology Adviser. Since stepping down as Government Chief Scientific Adviser, this work has been taken on by his successor, Professor Dame Angela McLean.

Sir Peter Bazalgette, a leading expert, has supported Dame Angela McLean for this Creative Industries report, working hand-in-hand with industry to identify any barriers to innovation and getting emerging technologies to market. The government is grateful to Sir Peter and Dame Angela for their comprehensive work to inform this report.

Dame Angela's review is an important assessment of how pro-innovation regulation can continue growth in our creative industries. The UK has a proud history of fostering and developing creatives, and Dame Angela's recommendations states what more we can do to make sure we remain world-leading and take advantage of what new technology has to offer. Extending the principles of smarter regulation, collaboration with industry to meet environmental goals and new standards to introduce digital watermarking will support innovation. The government accepts all of the report's recommendations and today sets out how we propose to implement them in practice. We appreciate Dame Angela's leadership of the review and look forward to her upcoming findings on the advanced manufacturing sector.

Response to recommendations

Recommendation 1 – Regulatory Frameworks: future-facing regulation

The Creative Industries Council should convene different parts of the creative and digital economies (including regulators as appropriate, with due regard to existing for a for cooperation) to explore effective information-sharing mechanisms regarding different models of regulation and the possible impacts of emerging technology on the creative industries. They should also explore appropriate feedback loops and processes that facilitate the sharing of best practice to inform the development of effective future regulatory approaches.

Response

1. We see the value of cross-sector engagement between firms, regulators, consumer and industry groups to share learning and seize opportunity from cutting-edge technology development. The government would fully welcome the Creative Industries Council's involvement in strengthening communication and breaking down siloed working. The government will work with the Creative Industries Council, and regulators as appropriate, to take steps to strengthen processes in this area over the coming months.

Recommendation 2 – Regulatory Frameworks: self-regulation and co-regulation

Noting the government's commitment to move away from defaulting to traditional regulation as a first choice, we recommend that regulators whose work intersects with the creative industries - primarily the CMA, ICO and Ofcom - should continue to support self-regulation and co-regulation where appropriate, in line with the Smarter Regulation Framework.

Response

2. The government welcomes this recommendation. As well as using rules, the government would like regulators to play an active role in delivering outcomes by co-operating with industry and fostering standards, self-regulation and co-regulation. Doing so would be in line with May's policy paper *Smarter regulation to grow the economy*¹ which set out that regulation should not be used when other approaches can achieve the same outcomes in a more co-operative and efficient way.

3. Government recognises that independent regulators will determine their own approaches, but the government encourages creative industries regulators to actively support standards, accreditations, codes of practices and similar approaches to improve delivery of public policy aims for creative industries. Where government

¹ <https://www.gov.uk/government/publications/smarter-regulation-to-grow-the-economy/smarter-regulation-to-grow-the-economy>

concludes that regulatory reform is necessary, we will strive to develop regulation in ways that maintain regulatory coherence and are consistent with existing regulators' remits.

Recommendation 3 – Measuring greenhouse emissions in creative industries

As part of the government's wider work to measure greenhouse gas emissions across all sectors, it should work with the creative industries to explore the feasibility of developing a standard framework for measuring and reporting greenhouse gas emissions across the creative industries given the diversity of its subsectors.

Response

4. The government is committed to helping industry be greener, more sustainable and work in partnership to meet joint environmental goals. We recognise that a common approach for reporting emissions across the creative industries and other sectors is important for consistency and measuring progress while keeping the reporting burden down for businesses.

5. Government recognises the contribution the creative industries can make to reducing greenhouse gas emissions and reaching net zero goals. To improve measurement, the Department for Energy Security and Net Zero will provide guidance and standards for how data is used in greenhouse gas calculation tools used across all industries, ensuring there is flexibility for the different activities of sectors. In parallel, the Creative Industries Council will provide a forum for creative sub-sectors to share their experiences and best practice on sustainability, such as the commitments made by broadcasters and streamers in albert's Climate Content Pledge.

6. Firms across the industry may also want to consider the standards set out in the Streamlined Energy and Carbon Reporting framework, providing the ability to compare their environmental footprint with many other UK companies.

Recommendation 4 – Removing competition barriers through the CMA

We recommend that the CMA should accelerate plans to publish guidance on the application of the Chapter I prohibition in the Competition Act 1998 to agreements between businesses operating at the same level of the supply chain in relation to environmental sustainability. While this would apply to businesses generally, it would benefit the creative industries.

Response

7. Competitive markets can work in tandem with cross-industry efforts for greater sustainability and environment goals. Government recognises that as an independent regulator CMA will determine the publication date of its guidance, and we look forward to its release.

Recommendation 5 – Textiles waste

The government should consult with the fashion industry on regulatory options to manage textiles waste within the next 18 months. This will inform future regulatory approaches to complement existing industry-led action.

Response

8. Our fashion industry is vibrant, contributing to jobs across the UK. It is right that every sector contributes towards minimising waste that protects our environment, finds efficiencies as well as new ways of doing business that is good for the pocket.

9. Defra will soon launch ‘Maximising Resources, Minimising Waste’ which will set out the next steps for looking at how we could best help reduce fashion and textiles waste, potentially using a range of powers from our landmark Environment Act 2021. Through this, we are assessing what could be achieved in the near term as well as looking at longer term policy development. Alongside this Defra will continue to support Textiles 2030 encouraging voluntary action by business and consumers for recycling and waste reduction.

Recommendation 6 – Media Bill

The government should prioritise introduction of the Media Bill as soon as possible in the fourth session.

Response

10. Government’s proposed Media Bill will reform decades-old laws to turbocharge the growth potential of our world-leading public service broadcasters, which develop talent and skills, drive growth in the creative industries across the UK and deliver distinctive, diverse British content. Government has published the Bill in draft showing our intention to legislate and we will do so when parliamentary time allows.

Recommendation 7 – Beijing Treaty

The government should ratify and implement the Beijing Treaty at the earliest possible opportunity and provide details within the next 6 months of how it intends to ratify the Treaty.

Response

11. The Government remains committed to ratifying the Beijing Treaty, and will consult on how to amend existing law in this area at the earliest opportunity. Ratifying the Treaty is expected to provide intellectual property (IP) rights for UK audiovisual performers abroad.

Recommendation 8 – Ofcom and spectrum licensing

To support the scaling up of innovative location-based and potentially time limited media applications, Ofcom should explore options to accelerate the planned introduction of licensing automation in the shared access licence (SAL) bands specifically, and the introduction of Dynamic Spectrum Access (DSA) where appropriate.

Response

12. Government’s Wireless Infrastructure Strategy, published in April, set out how we will support the next generation of 5G investment and adoption. We have set our sights high, with our ambition to deliver nationwide coverage of standalone 5G to all populated areas by 2030. We recognise that automating applications for SALs can also support the rapid deployment of 5G private networks, which is why we have asked Ofcom to explore options to accelerate the introduction of licensing automation in SAL bands specifically, to be introduced as soon as possible. We expect Ofcom to implement an automated system across SAL bands by April 2024. We are also committed to the timely introduction of DSA where appropriate to drive competition and innovation.

Recommendation 9 – Digital watermarking

The government should continue to engage with industry on the potential roles of digital watermarking in the future with a view to promoting standards and proportionate regulation at the appropriate point as these technologies mature and become more widely adopted.

Response

13. We have seen how Generative AI can create opportunities and enable growth, but we should make sure this is not at the expense of content creators. Since the publication of Sir Patrick’s digital technologies report, government has worked with the IPO and industry to kickstart the development of a text and data mining Code of Practice. The government believes that the involvement of both the AI and creative sectors will ensure the creation of a balanced and pragmatic code of practice that will enable both sectors to grow in partnership.

14. We want rights holders to be assured that their content is appropriately protected under the existing copyright framework, with reasonable opportunity to monetise that content, and we want to ensure AI-generated outputs are labelled appropriately to provide confidence in the origin of creative content. We are aiming for a principles-based code, to be published in draft before the summer Parliamentary recess.

15. We will continue to engage with the sector to consider how digital watermarking is developing and what role it can play to foster technology that rewards innovation and content creators.

Recommendation 10 – Avoid prematurely introducing regulation

While these technologies continue to mature, government should avoid regulating prematurely and risk stifling innovation. Instead, as with digital watermarking technologies, it should prioritise engagement with industry on the benefits that these technologies could bring in the future. This includes encouraging industry to adopt and set standards at the appropriate moment and links with Recommendation 2 in the Pro-innovation Regulation of Technologies Review of Digital Technologies.

Response

16. Government recognises the importance of regulating at the appropriate stage in a technology's life-cycle and, more broadly, the need to set out a long-term strategic vision to support the promotion of emerging technologies. The government will continue to build on *Smarter regulation to grow the economy*² and the Better Regulation Framework to deliver on these principles.

² <https://www.gov.uk/government/publications/smarter-regulation-to-grow-the-economy/smarter-regulation-to-grow-the-economy>



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