

The Society of Authors exists to protect the rights and further the interests of authors. It has 10,000 members writing in all areas of the profession.

Look around you: I mean it. Pause, for a moment and look around the room that you are in. I'm going to point out something so obvious that it tends to be forgotten. It's this: that everything you can see, including the walls, was, at some point, imagined. Someone decided it was easier to sit on a chair than on the ground and imagined the chair. This room and the things in it, and all the other things in this building, this city exist because, over and over and over, people imagined things. They daydreamed, they pondered, they made things that didn't quite work, they described things that didn't yet exist to people who laughed at them.

And then, in time, they succeeded.

Neil Gaiman, Council member of the Society of Authors¹

Executive Summary:

The Society of Authors (SoA) is delighted that the Government has identified the creative industries as one of five "world-leading sectors" for special attention. We are responding to the invitation to approach the Government with proposals to boost the creative industries. Our members work in the publishing sector and also in broadcasting, performance, education, the technical sector and many other industries.

The SoA welcomes the Government's ten pillars and gives detailed comments below. The SoA is concerned to ensure that the strategy is wide-ranging and creates an environment which supports creators and fosters imagination because innovators are the bedrock of successful industry. The SoA believes that the focus should be on the following areas:

- **THE CREATIVE INDUSTRIES** The creative industries are highly successful growth areas and we believe that they should be explicitly mentioned in the "ten pillars."
- **CREATORS AND FREELANCE WORKERS** The creative industries depend on creators. Creators are often freelance or work alone and the Government needs to ensure that its support reaches these micro-businesses and helps creators throughout every stage in their careers. Such support would include training opportunities, including digital training, a reasonable tax regime, a fair benefits system, laws on fair contracts, and reduced bureaucracy.
- **COPYRIGHT** A strong copyright regime is essential to all industry (not only the creative industries) to incentivise innovation, encourage investment and allow them to protect and exploit their work. The last few years have seen detailed and rigorous review and debate of copyright legislation both domestically and in Europe. The result for the UK is a legislative framework that is balanced in respecting the rights of users and creators and well able to deal with the complexities of the 21st Century. It is important that we maintain a strong copyright regime, harmonised with the rest of Europe to ensure that we can still export to major markets- and it is important that the rights of creators be supported so they can benefit from their creations and thereby continue to produce innovative, informative and creative works that are in demand worldwide. The SoA therefore urges the UK to continue to follow future EU copyright law and the EU's Digital Single Market Strategy which represents a significant initiative for UK rightsholders and innovators. Stability for application of existing EU Regulations and transposition of EU Directives which form part of our copyright law must be maintained as part of the Great Repeal Bill.
- **CONTRACTS AND A FAIR SHARE OF REWARD** Authors need a fair playing field when their work is exploited, in line with the SoA's CREATOR principles² In particular we urge the Government to enact the provisions in relation to transparency and fairness announced in the Draft Directive on copyright in the Digital Single Market ("the Directive") Articles 14 to 16.
- **LIFELONG LEARNING AND THE CULTURAL LANDSCAPE**- We need to ensure that broad education is open to all, covering STEM subjects and digital skills, improving literacy and communication skills, teaching creative arts, fostering the

¹ <https://readingagency.org.uk/news/blog/neil-gaiman-lecture-in-full.html>

² <http://www.societyofauthors.org/Where-We-Stand/C-R-E-A-T-O-R-Campaign-for-Fair-Contracts>

Questions for consultation and SoA response

1. Does this document identify the right areas of focus: extending our strengths; closing the gaps; and making the UK one of the most competitive places to start or grow a business?

These are important areas on which to focus. However, we are concerned that some of the implicit assumptions in the Green Paper lead to a narrow approach rather than the broad view which is necessary to foster success. For example we would question the emphasis on GROWING business rather than SUSTAINING AND SUPPORTING it. Authors, in common with many other creators, are self-employed freelancers. They do not typically employ others, nor do they wish to do so. However the work that they do enables the entire publishing industry which depends on authors' imaginations. We must ensure that the industrial strategy supports such micro-businesses and their inventiveness- it is on these that growth and success ultimately depends.

2. Are the ten pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?

The pillars are discussed below- before our response to the specific questions. What is missing is an emphasis on the conditions needed to foster innovation, which include stability, incentive, opportunity and a diverse and inclusive society. We discuss these further below.

The Ten Pillars

1. *Investing in science, research and innovation – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.*

We agree - but it must be recognised that innovation does not only include science and technology. Britain's creative industries generate £84.1bn a year for the UK economy³ and the creative economy employs one in every 11 working people. We believe that the creative industries should be explicitly referenced in the ten pillars, along with science, research and innovation.

2. *Developing skills – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.*

While we fully accept that the skills stated above are important, they must not be promoted at the expense of other skills critical for innovation (necessary also in the STEM sector), including literacy and communication skills, creativity, a wide creative education, a diverse cultural landscape and an emphasis on lifelong learning. English is the global language including for science, and English Language Teaching needs support and investment.

3. *Upgrading infrastructure – we must upgrade our standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.*

Agreed.

4. *Supporting businesses to start and grow – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.*

Agreed. This must pay due attention to the needs of freelancers and individual self-employed people who should be given free access to management, finance and digital training. Complexity in tax and benefit claims should be reduced and there should be a fair and incentivised tax regime for creators and the self-employed.

5. *Improving procurement – we must use strategic government procurement to drive innovation and enable the development of UK supply chains.*

Agreed- and this includes the Arts Council and other investment in creators.

6. *Encouraging trade and inward investment – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.*

Agreed. This includes maintaining strong links with Europe which is a highly important market for Britain's publishing industry.

³ (2014 figures from CIC).

1. *Investing in science, research and innovation – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.*

Innovation does not only include science and technology. Britain's creative industries generate £84.1bn a year for the UK economy⁴ and the creative economy employs one in every 11 working people. We are delighted that Government has identified the creative industries as one of five "world-leading sectors" recognised in the report, but more must be done to support creators and sustain an environment where innovation and creativity can flourish.

3. Are the right central government and local institutions in place to deliver an effective industrial strategy? If not, how should they be reformed? Are the types of measures to strengthen local institutions set out here and below the right ones?

Innovation cannot flourish without a strong cultural environment which encourages and rewards imagination and creativity. Neil Gaiman says:

*I was in China in 2007, at the first party-approved science fiction and fantasy convention in Chinese history. SF had been disapproved of for a long time. At one point I took a top official aside and asked him what had changed? "It's simple," he told me. "The Chinese were brilliant at making things if other people brought them the plans. But they did not innovate and they did not invent. They did not imagine. So they sent a delegation to the US, to Apple, to Microsoft, to Google, and they asked the people there who were inventing the future about themselves. And they found that all of them had read science fiction when they were boys or girls."*⁵

We would urge that the Government urgently considers increasing and ring-fencing funding to public libraries which are essential gateways to information, culture and imagination. For further information see the SoA's submissions to DCMS on the Culture White Paper of December 2015⁶, and on Libraries (⁷2012).

We also believe that it is essential to foster reading for pleasure and encourage literacy- we comment further on this below.

4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these ten pillars?

Countries with a successful industrial policy reward and encourage imagination from the earliest stage, encourage diversity and support creativity. It is also essential to support entrepreneurs when they are starting out and throughout their careers. The Government should look at the model of Israel which now has more start-up companies and attracts more venture capital than anywhere else in the world due to its Government's investment, education which encourages creative thinking and risk-taking, a mix of cultures and a highly literate society.⁸

We would also suggest that Government looks at the policies for copyright and supporting creators and innovators which exist in France and Germany.

5. What should be the priority areas for science, research and innovation investment?

Priority areas for innovation are education and libraries, training in business skills and tax breaks for start-ups and entrepreneurs.

VAT on ebooks should be reduced to zero rate in line with physical books.

UK published material, including our world renowned scientific journals and textbooks for the classroom, is sought after globally. UK publishing sets a benchmark for quality – it promotes a culture of excellence amongst academic research and acts as an inspiration for others to follow. By supporting publishing, there is a great opportunity for the UK to lead and join together its world-leading content industries with its tech know-how.

6. Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?

See above.

⁴ (2014 figures from CIC).

⁵ <https://www.theguardian.com/books/2013/oct/24/neil-gaiman-face-facts-need-fiction>

⁶ <http://www.societyofauthors.org/SoA/MediaLibrary/SoAWebsite/Submissions/Culture-White-Paper-Submission-December-2015.pdf>

⁷ <http://www.societyofauthors.org/SoA/MediaLibrary/SoAWebsite/Submissions/CMS-Select-Committee-Inquiry-into-Public-Library-Service-submission-2012.pdf>

⁸ https://thenextweb.com/insider/2015/07/07/5-reasons-behind-israels-startup-success/#.tnw_1uyo0dlv

Authors are struggling. The 2016 EC study on authors' remuneration which surveyed authors, journalists, translators and illustrators across Europe, found that:

- Average annual incomes for UK authors, including advance, royalties and collecting society payments was about £12,500 in May 2015, when the survey was run.
- Average annual incomes for UK journalists were also around £12,500, around half the average levels reported by journalists in Germany and Denmark, where there are far more legal protections for creators.
- Average incomes for UK translators and visual artists were a little higher at around £17,850, but that is still well below the UK average wage.
- The average total income from a UK author's latest book was less than £6,000.
- Only half of book authors view writing as their primary activity and their only or main source of income.
- UK authors do not enjoy the same legal safeguards as their counterparts in other EU countries to ensure that contracts are fair.
- The provision of legal safeguards improves an author's financial position.

We welcome the three policy recommendations proposed in the report and would suggest that these also are brought in to EU and UK legislation.

- A legal requirement for written contracts to specify in detail how a work can be exploited and how its author will be remunerated, and a right for the author to receive accounts.
- Place limits on transfers of rights to future works and future modes of exploitation.
- Allowing freelancers who work mainly for one or two employers to claim employee status and rights. (see further discussion below)

Fair contracts Contracts are a valuable tool for authors, allowing them to license copyright and to negotiate and defend their rights. But over recent years terms have significantly worsened. Authors tend to work alone and have to negotiate with multinationals, monopolies or dominant players in highly specialised markets. Individual creators are therefore at an inherent disadvantage when negotiating the terms of their contracts. Many contracts are offered on a take-it-or-leave-it basis. This not only disadvantages creators and innovators but also discourages innovation because creators will not (and often cannot) take risks if they cannot fund their work - and the inequality of bargaining position leads to rights grabs which can prevent creators from further modifying, improving, exploiting or benefiting from their work.

We believe that the Government should legislate for fairer creator contracts on the issues covered by the C.R.E.A.T.O.R. acronym:

C –Clearer contracts, including written contracts which set out the exact scope of the rights granted.

R – fair Remuneration. Equitable and unwaivable remuneration for all forms of exploitation, to include bestseller clauses so if a work does far better than expected the creator shares in its success, even if copyright was assigned.

E - an obligation of **Exploitation** for each mode of exploitation. Also known as the 'use it or lose it' clause. Authors should have the right to reversion of contracts if the works are not being exploited: since copyright contracts are often concluded for the period of the whole copyright term, due to different reasons transferees often become unable or unwilling to exploit the authors' works in full, yet can be reluctant to relinquish the rights. This provision would prevent works from becoming out of commerce when authors remain keen and willing to exploit the works.

A - fair, understandable and proper **Accounting** terms.

T - Term. Reasonable and limited contract terms and regular reviews to take into account new forms of exploitation.

O - Ownership. Authors, including illustrators and translators, should be appropriately credited for all uses of their work and moral rights should be unwaivable. Being named as the creator can be as valuable as a licence fee as it allows others to find the author and use their work.

R - All other clauses be subject to a general test of **Reasonableness** including a list of defined clauses which are automatically deemed to be void and a general safeguarding provision that *any contract provision which, contrary to the requirement of good faith, causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the author, shall be regarded as unfair*. One example would be Indemnity clauses which put all the risk on the author, another would be onerous non-compete restrictions. Both restrict competition and stifle innovation.

These laws are not radical. They already exist throughout many European countries. These changes are easy and timely and in line with consumer legislation and we urge that they should be effected.

- 2 *Developing skills – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.*

We fully accept that the skills stated above are essential. However they must not be promoted at the expense of other equally essential skills.

Literacy We are pleased to see support in the Green Paper for improving the UK's literacy levels but are surprised that literacy has been omitted from the description of the ten pillars. As the Reading Agency points out¹¹

- *Low levels of literacy cost the UK an estimated £81 billion a year in lost earnings and increased welfare spending, impacting on 'the success of the economy as a whole'*¹²
- *Per capita incomes are higher in countries where more adults reach the highest levels of literacy proficiency and fewer adults are at the lowest levels of literacy.*¹³
- *16 year-olds who choose to read books for pleasure outside of school are more likely to secure managerial or professional jobs in later life.*
- *In England and Northern Ireland the median hourly wage of workers with the highest levels of literacy is 94% higher than for workers who have the lowest levels of literacy*¹⁴

We believe that a thorough review should be made of the UK's strategies for teaching literacy. We deplore the over-emphasis on phonics and grammatical structure. As our members writing for children said last year¹⁵

We are worried that when the Government steps in too far, the resultant teaching no longer reflects what writing really does. This happens, for instance, when the Department for Education in England uses new terminology for grammatical structure (such as 'fronted adverbs'), or states that exclamation marks must only end sentences that begin with 'what' or 'how'. These practices risk alienating, confusing and demoralising children with restrictions on language just at the time when they need to be excited by the possibilities.

We want teachers to be allowed to give all children the chance to love language, play with words, be bold and creative, express themselves - and to learn proper control of language alongside these joyful experiences. Teachers must be allowed to teach the rules of writing in the context of supporting expression and control, not affording primacy to those rules. We condemn the trend towards more and more testing for the sake of testing. We echo the fears of primary school teachers that too many of the new tests for young children seem designed to show children failing.

And we are concerned to ensure that literacy teaching is available well beyond school including in community centres and prisons.

Reading for pleasure Reading for pleasure is far more than just literacy. We believe that all children should be encouraged to read (and write) for pleasure- including reading non-fiction as well as fiction. There is strong evidence that reading for pleasure develops empathy, curiosity and imagination¹⁶- all of which are essential skills for innovators. Diana Gerald, CEO of Book Trust, says:
We know that reading for pleasure has a dramatic impact on life outcomes - and this is as much about confidence and wellbeing as it is about educational achievements. Quite simply, children who read for pleasure are happier, healthier and do better in life than those who don't....

Creative education We need to foster creativity by ensuring a wide creative education in all the arts.¹⁷ As Darren Henley concluded in his 2012 review of cultural education

The skills which young people learn from studying Cultural Education subjects help to ensure that the UK has over many years built up a Creative and Cultural Industries sector which is, in many areas, world-beating. There is a clear message from the Creative and Cultural Industries that the education which children and

¹¹ <https://readingagency.org.uk/about/impact/002-reading-facts-1/#fn22>

¹² Sullivan and Brown (2014) Vocabulary from adolescence to middle-age

¹³ World Literacy Foundation (2012) The economic and social costs of illiteracy↵

¹⁴ . [Taylor (2011) Reading at 16 linked to better job prospects

¹⁵ <http://www.societyofauthors.org/SOA/MediaLibrary/SOAWebsite/Submissions/Statement-on-Teaching-of-Writing-May-2016.pdf>

¹⁶ <https://readingagency.org.uk/news/media/reading-for-pleasure-builds-empathy-and-improves-wellbeing-research-from-the-reading-agency-finds.html>

¹⁷ <http://www.schoolsearch.co.uk/news/why-creativity-in-education-is-more-important-than-ever>

Digital Skills We are particularly pleased that new legislation being introduced through the Digital Economy Bill will mean that basic, publicly-funded, digital skills training will be available free of charge to those adults in England who need it.

Libraries Libraries are the best cradles of lifelong learning and we let them run down at our peril. As the pioneering American librarian, Katherine Sharp said in 1898, a library is "*a laboratory, a workshop, a school, a university of the people, from which the students are never graduated.*"

CPD Most authors and many innovators are self-employed freelance workers. It is very important that continuing professional development is offered to them and not just to employees. One way to reach this almost invisible workforce is through professional organisations and trade unions (like the SoA) which offer their members access to training and updates on industry developments. Further funding should be available for that training and for more intensive training and skilling courses. The SoA is also developing mentoring schemes for authors and will be applying for funding from the Arts Council and Creative Scotland. Government funding would be well directed to such schemes which take the place of traditional apprenticeships, which, by the very nature of writing, do not work for authors.

4 *Supporting businesses to start and grow – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.*

Agreed.

All such policies must pay due attention to the needs of freelancers and individual self-employed people. The level of self-employment in the UK increased from 3.8 million in 2008 to 4.8 million in 2017 and now accounts for around 15.1% of the workforce¹⁹. Full-time and part-time workers each account for around half of the rise in the absolute number of self-employed workers, but the growth rate of the part-time mode has been much stronger. Part time self-employment grew by 88% between 2001 and 2015, compared to 25% for the full-time mode. As a result, part-time self-employment accounts for 1.2 percentage points of the 1.6 percentage point increase in the self-employment share of all employment between 2008 and 2015. Current tax and benefit rules do not cater well with people who have portfolio careers, perhaps with a number of jobs as well as self-employment to sustain a creative career.

Benefits Supporting creators as they start requires amending the Universal Credit and Working Tax Credit rules so that they encourage creators and the self-employed. Benefits should be structured to:

- Incentivise innovators, not penalise them, if they voluntarily leave employment to concentrate on starting up a self-employed career.
- Deal with "lumpy" incomes by averaging incomes over two years so authors are paid benefits in lean periods and do not fall out of benefits on receiving an advance or royalty cheque.
- Avoid too much paperwork or difficulty for those with complex working arrangements

Tax It also means a fair tax and regulatory regime for creators and the self-employed. The self-employed do not receive holiday or sick pay. They do not have employment security or company pensions and have no job security. They are often far worse off than equivalent employed workers. We welcome the EU proposals to allow freelancers who work mainly for one or two employers to claim employee status and rights and would suggest that these be implemented as part of the ²⁰a forthcoming reviews by the Business, Energy and Industrial Strategy committee and the Work and Pensions Committee on the rights and treatment of non-permanent staff and the rules governing self-employed and employed status (which were shown to be failing in the recent Court of Appeal case concerning Uber). The complexity and bureaucracy of tax requirements are a huge disincentive to small businesses. The Government should take steps to simplify the tax regime and avoid too much paperwork or difficulty for those with complex working arrangements (including when dealing with overseas clients). The SoA is very concerned that the trend is in the other direction and particularly about the ongoing uncertainty, and likely negative impact on authors and other self-employed people of changes to the tax regime for freelancers proposed in the Finance Bill 2017 and the Spring Budget Statement. The three pieces of draft legislation that will hit authors particularly hard are:

- Making Tax Digital (MTD), with its demand on businesses and freelancers with turnovers more than £10,000 to file a quarterly tax return.
- The abolition of Class 2 National Insurance contributions, which will lead to a fivefold increase in the cost of pension contributions for freelancers earning (at present) less than £5,965 per year.
- 1% increase in Class 4 National Insurance contributions for self-employed workers from 2018, with a further 1% increase from 2019.

Having seen the Government act swiftly on the concerns of self-employed workers, when they withdrew plans to increase the rates of Class 4 National Insurance contributions (15 March 2017), we hope that they will continue to understand the impact of their wider tax reforms.

Even among tax professionals there is currently a great deal of uncertainty about exactly how or whether MTD will work, and the chair of the Treasury Select Committee has said that the proposed timetable "looks unachievable". In the meantime, authors and other self-employed people, are left in limbo - unable to prepare for the changes.

Timetable: the current timetable for implementation is widely viewed as too short. As recommended by the Treasury Select Committee, we believe that the current timetable should be extended to 2019 to ensure that any new regime can be properly piloted, and its potential implications understood, with no penalties until it is shown to work.

Threshold: MTD will oblige any business or freelancer whose annual income exceeds £10,000 to file quarterly returns. Given that the average UK author income is £12,500, this threshold is far too low and is likely to put a disproportionate administrative and expense burden on lower paid freelancers. This is based on *turnover*, not the

¹⁹ ONS Trends in self-employment in the UK: 2001 to 2015

²⁰ <https://www.theguardian.com/business/2016/oct/26/mps-inquiry-uk-working-conditions-pay-exploitation-gig-economy>

the traditional sector are impossibly onerous – they'd far rather be authors than acting as their own service/support industries.

22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?

See above. We believe that while growth is one goal, support and long-term sustainability are more important. Those require a flexible tax and benefits and social care regime, risk-taking by investors, a stable intellectual property regime and an emphasis on diversity.

would be a huge shame if that were reversed due to lack of funding. We do not know how these funds will be replaced. It is likely that the gap cannot be filled by tax exemptions or private sponsorship- particularly as sponsors are likely to have smaller funds because of the economic slowdown caused by Brexit. Creators will have to look to the Government for additional support and these will need to be forthcoming if we are to support the success of our publishing and allied industries and if authors are to be able to afford to remain working creatively.

Research Funding Authors benefit both directly and indirectly from EU research funding. The UK is the second largest recipient of EU funding for science and research and therefore a loss of this funding is a major challenge for scholarly research and the UK's place within it, and would also have a knock on effect on the £1.1bn journal market. The Government should commit to securing access to EU research and cultural funding programmes, or develop new strategies for domestic investment to cover any loss of funding.

Worldwide Trade links We need good trade links with Europe and the rest of the world to maintain and expand our thriving export markets. Government and publishers need to work together to ensure the ongoing international success of the UK publishing industry. We support the recommendations of the All Party Parliamentary Publishing group that:

- The Government should keep barriers on trade with the EU at an absolute minimum and not to accept trade barriers on books and other publications (physical or digital) in exchange for lowering them on other goods.
- Information is included about the success of the UK's publishing and book industry as part of each and every trade mission.
- The Government gives the clear message that copyright is not red tape.
- Publishers, authors and government to work together to improve the copyright laws in other countries.
- The ROI requirements for inclusion on trade missions are reviewed. Current requirements are not appropriate for publishing where lead-in times for deals are much longer.

26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?

No Comment

8 Cultivating world-leading sectors – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.

Agreed. This includes the creative industries. Creative people will be at the forefront of providing new ideas- which is why we need to support creative education to foster imagination. However, we are concerned at the myth that existing publishing businesses are not 'digital' and that the sector would benefit from being 'disrupted' by tech players. Publishing is a highly innovative and successful industry. It is not in need of disruption to thrive.

31. How can the Government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?

The Government has set an "open door" challenge to industry to come up with proposals to transform their sectors through sector deals, incentivising industries that organise themselves with strong leadership to address regulatory barriers, promote competition and innovation and increase exports. Sir Peter Bazalgette will conduct an independent review into how the UK's creative industries can help underpin our future prosperity by utilising and developing new technology, capitalising on intellectual property rights, and growing talent pipelines. The Challenger Business Programme works with businesses in these areas applying new technologies, innovative products and services, and transformational business models. The SoA will work together with the Publishers' Association and others in the creative industries to consider relevant sector deals.

We accept that the complexity of copyright issues in the digital age may require a higher degree of cooperation between stakeholders and welcome mechanisms for stakeholder dialogue and collective bargaining. We would also welcome clarification and legislation to ensure that such dialogue is not stilted or made unworkable by the operation of competition law.

32. How can the Government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?

The Government must recognise that innovators and new entrants will be individuals or small businesses who do not have the time or skills to engage in bureaucratic processes. It must therefore work with professional associations and trade unions to provide flexible funding, training and support for innovators. And all such deals should be required to prove that they have fully considered diversity and inclusiveness issues to welcome new entrants irrespective of class, race, nationality, age, gender, disability or sexual orientation and have taken steps to include groups which are currently under-represented.

33. How can the Government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models?

Innovation is not just about breakthrough technologies or scientific and engineering processes. Effective adoption of technology throughout businesses and improvements in management and workforce skills are just as important, as are new ways of providing services, from financial services and retail to professional advice. Innovation can sometimes be disruptive, but ultimately we must embrace innovation to keep ahead of the competition, create more good jobs, and make sure jobs in the UK are secure. We need to encourage creative partnerships between arts and sciences- e.g. our collaboration with Bath University on intuitive computer systems for identifying grants and opportunities open to authors. This modest project has struggled to find funding because of its interdisciplinary nature but is exactly the kind of collaboration which can lead to growth.

34. Do you agree the principles set out above are the right ones? If not what is missing?

FREEDOM OF MOVEMENT Any industrial strategy depends on a free flow and sharing of ideas. We are very concerned that our industries are being destabilised by Brexit negotiations which are giving no guarantees about free movement or even the narrower and vitally important issue of protection for EU nationals already here and UK nationals living abroad. Difficulties in obtaining visas or tax and other barriers, combined with the parochial impression of being out of Europe will create may make Britain a less attractive place for writers to visit or settle in. This is bad for innovation as our creative thinking can only be enriched by visitors and settlers from many other cultures and lands.

- 9 *Driving growth across the whole country – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.*

Agreed. We must seek creativity and growth across the whole country and amongst the whole population. It is also important that we are not insular we must continue to learn from the best national and international experience to spark creativity and imaginative collaboration. We must also encourage new funding to replace that which will be lost through Brexit.

35. What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

36. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?

No Additional Comment.