

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

[Submitted by email](#)  
[& via Smart Survey portal](#)

22 September 2020

Dear Chancellor,

**Comprehensive Spending Review ('CSR') submission**

I write further to my letters of 7 April and 19 May 2020 and to the submissions from the Authors' Licensing and Collecting Society ('ALCS') and the Publishers Association, which we are pleased to support.

Founded in 1884, the Society of Authors ('SoA') is an independent trade union, representing over 11,300 professional writers, illustrators, translators, photographers, scriptwriters, poets, and other creative practitioners. Each year, we vet hundreds of our members' publishing, writing, performing and licensing agreements, providing them with valuable advice on their rights as self-employed and employed practitioners.

The SoA is submitting the following *Six-Point Plan for Authors* ahead of this year's CSR:

1. Targeted [financial support for self-employed authors](#) and creative professionals;
2. Increasing and reforming [Public Lending Right \('PLR'\)](#) funding;
3. [Scrapping VAT](#) on audiobooks;
4. Introducing a dedicated Learning Resource Fund for schools;
5. Improving learning resources for University students; and
6. Support for our [Authors' Emergency Fund](#).

I address each proposal in more detail below:

**1. Targeted financial support for self-employed authors and creative professionals**

The cultural and creative industries have been hit particularly hard by the coronavirus crisis, having shown strong growth in recent financial years. As recently as 2018, these industries were responsible for £143 billion of the Gross Value Added generated by the UK – equivalent to 7.5% of the UK economy – and have grown far faster than the national average. According to DCMS statistics, they employed 2.8 million people in 2019 – an increase of 32% since 2011 – and three times higher than the average growth rate for the economy as a whole.

With one in three workers in the cultural and creative industries self-employed – more than twice the economy at large – it is vital that there is clarity over the future of the Self-Employment Income Support Scheme ('SEISS') as it impacts creative professionals or an equivalent successor scheme to enable authors and creative professionals to keep generating the original content for which the UK is so well-known.

For more on how the SEISS has impacted our members and how it could be improved, I would refer you to the results of our *Authors in the Health Crisis survey data*, together with our [detailed submissions](#) to the House of Commons DCMS and BEIS Select Committee inquiries, which the SoA published, both independently and alongside 11 other organisations representing a combined membership of some 330,000 creative professionals.

## **2. Increasing and reforming PLR funding**

Public Lending Right is designed to balance the social need for free public access to books against an author's right to be remunerated for the use of their work. The scheme provides authors with a modest payment (around 9p) each time one of their books (written or audio) is borrowed from a public library. Over 22,000 writers, illustrators, photographers, translators and editors receive PLR payments of up to £6,600 each year.

Although this does not replace the royalties authors would receive if the books had been purchased by each borrower, PLR provides a significant and much-valued part of many authors' incomes, particularly to authors whose books are sold mainly to libraries and to those whose books are no longer in print but are still being read. PLR was extended to e-lending from 2018 but no additional funding was made available to cover those loans. During Covid-19 many libraries have increased their ebook offer and this has been an essential source of reading while libraries were closed.

We are calling for:

- A significant increase in PLR funding;
- The PLR budget to be ring-fenced as part of the spending review; and
- PLR to be extended to volunteer libraries, ending the unlawful anomaly under which private lending libraries do not pay authors for loans.

An increase in funding for PLR would be a small, yet significant measure that you could include within your CSR package. At £6 million net of administration costs, PLR is less than half the size of its German equivalent and there is a strong Levelling Up case to be made for increasing it, having remained roughly the same size for many years.

With [authors' earnings down 42%](#) according to ALCS research despite the welcome economic growth outlined above, an increase in PLR would represent a comparatively minor fiscal measure, yet one with disproportionate financial impact. Critically, with payments based on books' library use and subject to a cap increasing PLR would ensure that public funds continue to reach a wide range of authors and would represent a fair and targeted means of support, which will also ensure that a sufficient range of ebooks are available for public library lending.

## **3. Scrapping VAT on audiobooks**

Further to the welcome measure in your March budget to zero-rate eBooks for VAT purposes, we would also ask you to remove VAT on audiobooks to ensure there is parity of treatments

across all media. This is a measure that the SoA has long campaigned for and would be a similarly small, yet significant measure to help publishers and authors at this difficult time.

#### **4. A dedicated Learning Resource Fund for schools**

We have been working with the Publishers Association on a policy proposal to better ensure that teachers and students are able to access high-quality learning materials. We consider that this could be achieved by way of a discrete Learning Resources Fund to facilitate school planning for both in-classroom teaching and effective home-learning as the effects of the current public health crisis become better known.

Since March, authors and publishers have given away tens of millions of Pounds in free content. Publishers – and the authors who rely on them – cannot continue to donate free material indefinitely. Schools must be able to invest in high-quality education materials – both physical and online – once they are no longer freely available and we would ask the Government to establish a Learning Resources Fund to enable them to do so.

You will be aware from the Publishers Association’s submission that new polling of some 7,000 teachers has shown that over 60% of professionals in the most deprived schools consider that they cannot provide the resources needed by their students for effective home study, compared to just 0.4% in independent schools. Meanwhile, 81% of headteachers were reported as saying that they do not have access to the requisite funding to fully equip pupils due to take exams in 2021 with the textbooks and materials necessary to succeed.

A fund of just £60 million could afford an additional £30 per pupil for disadvantaged students eligible for the Pupil Premium. This would go some way to ensuring that those in greatest need are able to access the materials they need to succeed in their studies. However, we would ask the Government to be more ambitious still – consistent with its Levelling Up agenda – in ensuring that any public investment by way of a Learning Resource Fund serves to equip *all* students with the workbooks, textbooks and materials they need to study effectively, whether in class at or at home.

#### **5. Improving learning resources for University students**

With our Universities set to lose up to £19 billion in 2020/21 according to research by the [Institute for Fiscal Studies](#), it is equally vital that Higher Education establishments are able to purchase the learning resources that their researchers and students need to continue their work. High-quality textbooks, journals and monographs are fundamental for conducting the world-leading academic research for which our universities are so well known. We would therefore urge the Government to consider what additional funding these institutions will need, particularly at a time when University incomes are likely to be hard hit.

#### **6. Support for our Authors’ Emergency Fund**

The Government’s announcement in July of a £1.57 billion stimulus for the arts was a welcome step in the right direction. However, this welcome public investment will not directly support the freelance creative professionals on which the arts, and the cultural and creative industries depend, and the threat to the livelihoods of many remains with SEISS support now at an end.

At start of the crisis, we established an [Authors’ Emergency Fund](#) to help those in greatest need. We have since raised over £1 million thanks to support from ALCS, the Royal Literary Fund, the T S Eliot Foundation in partnership with English PEN, Amazon UK and Arts Council England, providing grants of up to £2,000 to over 1,000 authors in financial need to enable them to keep working and keep well. Unfortunately, given the longer-term impact of the crisis,

we are now urgently seeking further funding to allow us to keep this fund open, and we would ask for any help the Government could give us to support our [Step Up](#) campaign, which aims to do just this.

I look forward to hearing from you further. In the circumstances, I would be grateful for a reply [by email](#), copying in the SoA's Public Affairs Manager, [Eddie Reeves](#). We would be pleased to engage in a constructive dialogue with HM Treasury about these and ongoing matters affecting the arts, and the cultural and creative industries.

Yours sincerely,

A handwritten signature in blue ink that reads "Nicola Solomon". The signature is written in a cursive style with a long horizontal stroke at the end.

Nicola Solomon  
Chief Executive