Creative UK

Policy & Engagement

Weekly Briefing

21-25 April 2025

If you do a few things this week:

Last Wednesday marked one year since we published ***Our Creative Future: The Manifesto***. The document, created in collaboration with our members, outlined six priority areas that we urged the new UK Government to address to unlock the full potential of the UK's extraordinary Cultural & Creative Industries. The priorities outlined in the Manifesto are: The Future of Skills and Education, The Future of Freelancing, The Future of Investment, The Future of Innovation, The Future of Intellectual Property, and The Future of Global Power.

Starting last Wednesday and continuing into this week, Creative UK is revisiting each Manifesto priority and asking what has changed since then? Where are there still gaps? And what comes next for the sector?

So far, we've published our reflections on the progress made and what still needs to happen with regards to **Creative Skills and Education**, **Freelancing in the Creative Industries** and **Investment in the Creative Industries**, with input from Creative UK members who shared their thoughts and expertise when the Manifesto was being created. Read more at the links above.

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In February this year, the Department for Culture, Media and Sport opened a call for evidence to inform Baroness Hodge's independent review of Arts Council England (ACE). The deadline for submissions was meant to close on Thursday last week but has now been extended to **30 June**. We've previously shared a survey to gather views from our members to feed into a sector-led response, ensuring the length and breadth of the creative industries are represented in our final submission. If you didn't respond to the survey but would like to feed into our response, please get in touch with harry.gault@wearecreative.uk.

Creative UK's upcoming advocacy activity

On 28 April, Amy Tarr (Creative UK's Head of Policy & Public Affairs), Harry Gault (Creative UK's Policy & Public Affairs Manager) and George Vincent (Creative UK's

Senior Policy & Research Analyst) will meet the House of Commons Culture, Media and Sport Select Committee team. That day, Harry will attend the Alliance for Intellectual Property and PRS for Music's IP Attachés reception.

On 29 April, Amy and Harry will meet with Harjeet Sahota and Richard Howarth, Special Advisers to the Secretary of State for DCMS. That day, Amy will attend the launch of CVAN's latest report, *Framing the Future – The Case for Strengthening the Visual Arts Ecosystem*, at the House of Commons.

On 30 April, Amy will attend the launch of Comic Books UK in the House of Commons.

On 1 May, Creative UK's Skills & Futures Network will meet.

Creative UK's last week of advocacy

On 22 April, Creative UK's UK Council met.

On 23 April, Carol Bell (Creative UK's Associate Regional Director, North) and Nick Grimshaw (Creative UK's Regional Associate Director, South) met with officials from the Creative Regions team in the Department for Culture, Media and Sport. The same day, Amy met with Adam Wales, Chief Policy Adviser to the House of Commons Treasury Select Committee.

On 24 April, Creative UK's Trade Body Network met. That day, Amy met with the Department for Business and Trade's external affairs team.

On 25 April, Amy attended a Department for Culture, Media and Sport-led roundtable on the UK Government's response to US tariffs.

KEY DEVELOPMENTS

Creative UK's Create Growth Finance accredited as delivery partner under British Business Bank's Growth Guarantee Scheme

The British Business Bank (BBB) has today announced the accreditation of Creative UK's Create Growth Finance as a delivery partner under the Growth Guarantee Scheme.

Create Growth Finance (CGF) is Creative UK's specialist £35 million debt fund, which provides growth capital to high-potential smaller businesses in the UK's creative sector. It supports smaller businesses across different creative subsectors, including gaming, film and television, marketing, design and more, with loans ranging from £100k up to £1 million.

The BBB's Growth Guarantee Scheme, launched in July 2024, is designed to support access to finance for UK small businesses as they look to invest and grow. The Growth Guarantee Scheme will enhance CGF's ability to support creative businesses, allowing them to offer more flexible financing solutions, and provide more smaller businesses in the creative industries with access to the funding they need to scale and succeed.

The Chancellor of the Exchequer, Rachel Reeves MP, commented on today's announcement: "At home and abroad, our world-class creative industries are growing economically as much as they are in popularity. I want to see even more growth, putting more money in people's pockets. This accreditation from the British Business Bank will unlock millions of pounds in financing for the sector – a sector we have prioritised as a key growth driver in our industrial strategy as part of our Plan for Change – helping it continue to go from strength to strength, breaking down the barriers to expansion some creative industries face, and supporting them to find the funding they need to scale and grow."

Labour MP James Frith leads debate on 'The Impact of AI on Intellectual Property'

On Wednesday 23 April, Labour MP James Frith led a Westminster Hall debate on 'The Impact of AI on Intellectual Property'. The debate was well attended by Labour MPs, including Sir Chris Bryant MP, the Minister for Creative Industries, Arts and Tourism, as well the Chair of the House of Commons, Culture Media and Sport Select Committee and Conservative MP Dame Caroline Dinenage.

Introducing the debate, Frith said it was not his intention to "prevent the inevitable, exciting power of AI". Instead, it was about "shaping it, determining what comes next, for what and for whom". He referred to copyright as the "foundation of their [the creative industries'] creations, our UK industry and livelihoods, across music, films, books, news, investigations, coding, games, paintings and much more". While he acknowledged that the UK Government had made "strong commitments" to the

creative industries, he warned that without “legal peace of mind and action on artificial intelligence”, the sector would be limited in its ability to drive the forthcoming Industrial Strategy, where it has been identified as a priority growth-driving sector.

Frith called for AI’s “extraordinary potential” to be built on integrity, adding that “ignoring rights, abandoning trusted status or undermining commercial principles” would result in poor policymaking. As such, he stated that “copyright is not an obstacle but infrastructure, a cornerstone of the British economy… we should not be weakening it with vague exceptions or opt-out regimes”. Citing legal opinions on whether the UK Government’s copyright proposals would contravene the Berne Convention, Frith warned that any “violation of international copyright norms will undermine international relations and investment” in the UK.

Beyond first principles, Frith explained that much of the pushback from the creative community was because a “technical solution does not yet exist to make such opt-outs meaningful”. He added that since the EU introduced a text and data mining exception with opt-outs in 2019, “no functioning rights reservation has emerged”.

The Chair of the House of Commons Culture, Media and Sport Select Committee, Conservative MP Dame Caroline Dinenage, said she shared Frith’s concerns. Dinenage called the UK Government’s proposed opt-out system “utterly unworkable”. She added that growth in the UK’s AI sector “must not come at the cost of our [the UK’s] creators and world-leading creative industries.”

Responding on behalf of the UK Government, Sir Chris acknowledged widespread concerns with its copyright proposals but suggested they could be effectively addressed. Attempting to strike a more optimistic tone, Sir Chris said he was “determined” to arrive at a “place where creators are properly remunerated, where they are able to enforce their rights, and where AI can flourish in this country and be used by the creative industries, and the creative industries are not left by the wayside”.

He said the creative community’s concerns could be addressed through the intelligent use of technology, adding that “it cannot be beyond the wit of the clever people who are developing all the technology to develop something.” Sir Chris suggested that if the UK were able to introduce a workable rights reservation mechanism, “we [the UK] would be leading the world, answering the problems of transparency and provenance, and making sure that people were genuinely remunerated.”

A transcript of the debate can be found on Hansard here. Creative UK members can view our final submission to the Copyright and Artificial Intelligence consultation here, which warned the UK Government against introducing primary legislation without the development and testing of tools that are robust and enforceable. Creative UK's submission argued that an opt-out regime, as conceived in the consultation, is unworkable and would fundamentally alter the copyright framework in a way that risks shifting economic value away from creators and towards technology platforms.

Copyright Licensing Agency announces plans to develop collective licence for authors amid copyright proposals

Last Wednesday, it was announced that the Copyright Licensing Agency (CLA) – which is directed by the Publishers' Licensing Services (PLS) and the Authors' Licensing and Collecting Society (ALCS), representing publishers and authors – was developing plans for a collective licence that will allow authors to be paid for the use of their works to train generative AI models – the first of its kind in the UK.

An article in *The Guardian* says the licence is expected to be made available to AI developers this summer and will allow copyright holders "who are not in a position to negotiate direct licensing agreements with AI developers" to be paid for the use of their works.

The development comes as the UK Government considers responses to its Copyright and Artificial Intelligence consultation, where it outlined its preferred option of a copyright exemption for text and data mining (TDM) which would allow AI companies to freely use copyrighted works unless rights holders opt-out. The ALCS believes the new licence it has helped develop "shows that a copyright exception is neither necessary nor desirable".

ACE publishes new research on the positive economic spillovers of publicly funded arts and culture

On Friday 18 April, Arts Council England published a report by the Centre for Economic and Business Research (Cebr), 'Spillover impacts in the publicly funded arts and culture sector'. The report presents evidence of positive economic spillovers that support the continued growth of the creative industries and wider economic development.

Arts Council England's (ACE) Chair, Sir Nicholas Serota, provided a foreword to report in which he mentions nine distinct types of impact identified in the report, ranging from the stimulation of private and foreign investment to the boosting of innovation and digital technology.

The report also includes additional economic analysis by Cebr, which shows that while ACE receives 0.01% of total government expenditure through grant-in-aid, in 2023, this investment in arts, museums and libraries supported a direct Gross Value Added (GVA) contribution of £1.35 billion for the economy, 17% above pre-pandemic levels in 2019. The wider arts and culture sector contributed £19.1 billion in GVA in 2023. In that same period the arts and culture sector employed 251,500 people, a 0.6% increase in jobs from 2019.

Notably, the report argues that the value of the cultural sector in driving growth has "historically been under-recognised" and presents evidence that public investment in arts and culture supports regional growth and the visitor economy; unlocks private and foreign investment; supports cultural export that enhances global reach; builds talent pipelines; addresses market failures; and funds entrepreneurial growth.

Arts Council England Chair defends the continued existence of the organisation and advocates for tax breaks that to businesses that sponsor arts venues

On Friday 18 April, the Arts Council England (ACE) Chair, Sir Nicholas Serota, spoke to the Financial Times and warned of political interference in the arts if ACE is abolished. It follows plans announced earlier this month in which government departments have been asked to justify every quango for which they are responsible, which otherwise risk being shut down, merged, or have their powers brought back into the department.

Sir Nicholas argued ACE's role is vital to avoid political interference in the arts and to protect "liberty of thought". He said the arms-length body (ALB) acted as a "buffer" between artists and the UK Government, suggesting that any move to abolish the organisation would risk direct funding for projects being withdrawn with a change of government, citing President Donald Trump's plans to crack down on projects that can receive grants from the National Endowment for the Arts.

An independent review of ACE, led by former Labour MP Baroness Margaret Hodge, was due to close for submissions last Thursday (24 April) but has been extended to the 30 June. Sir Nicholas said he expected the review to be "tough but fair".

The ACE Chair also threw his support behind the UK Government adopting a model similar to France's *Loi Aillagon*, which offers tax breaks to businesses that sponsor arts venues. In France, businesses are offered 60% tax relief on donations capped at 0.5% of a company's annual turnover. Sir Nicholas stated his belief that it would represent a "powerful incentive to companies" given the rate of corporation tax in the UK.

Secretary of State for DCMS calls BBC licence fee 'unenforceable'

Last week, the Secretary of State for DCMS, Lisa Nandy MP, gave an interview to The Telegraph where she claimed the BBC licence fee is "unenforceable" and unfairly targets women.

Nandy went on to say that a "fairer" and "more sustainable" funding model must be found. Research from 2019 found that women accounted for 74% of the 114,000 convictions for licence fee evasion, representing 30% of all convictions for women in that year.

Nandy has insisted that "no options are off the table", suggesting the UK Government was "open to a different system" but had not "put forward any preferred options at this stage". She expressed her desire for greater public engagement in the Charter review, with the BBC having recently launched its "biggest ever public engagement exercise… so audiences can help drive and shape what they want from a universal and independent BBC in the future".

Some of the options reportedly being considered include a Netflix-style subscription service, supported by senior media figures such as Mark Thompson, a former Director-General at the BBC. Separately, the BBC's current Chair, Dr Samir Shah, has suggested wealthier households should have to pay more to access the broadcaster's services.

Creative PEC publishes State of the Nations report on 'Higher Education and the Arts and Culture Sectors'

On Wednesday 23 April, the Creative Industries Policy & Evidence Centre (Creative PEC) published a new report as part of its State of the Nations research series, 'Higher Education and the Arts and Culture Sectors', which

looks at the role higher education (HE) plays in supplying the talent needs of the arts and culture sector.

The new report explores the practical realities faced by arts and culture students as they venture into the workplace. It urges fresh thinking on the data needed to enable a more holistic assessment of HE and its contributions to the creative economy: one which recognises the distinctive features of creative labour markets and a need to move beyond the reductive and defensive debates of recent years.

Among its key findings are the fact that arts and culture graduates are more likely to say they've used what they learned during study when in work, yet fewer than 50% of graduates working in art, music and drama are in full-time roles.

BPI survey reveals UK fan want greater transparency over AI-generated music

On Thursday 24 April, Creative UK member the British Phonographic Industry (BPI) published the results of a survey – All About The Music 2025 – which revealed that music consumers in the UK strongly believe that human creativity is fundamental to music, that music made solely by artificial intelligence (AI) should be clearly labelled, and that music should only be ingested by AI systems when authorised.

There were over 1,750 respondents to the survey who were asked about their views around AI and music. 81.5% of respondents said they believed music generated solely by AI should be clearly labelled, while 78.5% said an artist's music or vocals should not be ingested or used by AI without permission from the artist or their record label. What's more, over 80% said they valued human-made music more than AI-generated music and 64.3% reported not being interested in AI-generated music which sounds like or impersonates their favourite artist.

The survey follows the BPI's support for the release of *Is This What We Want?* – a silent protest album supported by the likes of Annie Lennox, Paul McCartney, Elton John and Kate Bush. These latest BPI findings also reflect global research carried out by the International Federation of the Phonographic Industry (IFPI) in 2023 – to date the largest survey of its kind – which found that 79% of 43,000 respondents across 26 countries felt that human creativity remains essential to the creation of music, with 76% agreeing that an artist's music or vocals should not be used or ingested by AI without authorisation.

Policy & Engagement
Weekly Briefing

National Centre for Arts and Music Education discussed in the Lords

On Wednesday 23 April, Labour peer and Chair of the House of Lords Communications and Digital Select Committee Baroness Keeley led oral questions on the UK Government's plans to establish a new National Centre for Arts and Music Education.

The plans, announced in March this year by the Secretary of State for Education Bridget Phillipson MP, are designed to "promote opportunities for children and young people to pursue their artistic and creative interests in school". Baroness Keeley's question centred around what plans the UK Government had to consult the Music Hub network and cultural providers in developing the new National Centre for Arts and Music Education.

Responding on behalf of the UK Government, Labour peer Baroness Blake of Leeds said the intention was to appoint a delivery partner for the Centre through "an open, competitive procurement". Baroness Blake confirmed the UK Government would engage with sector stakeholders, including the existing Music Hubs network, to "refine the details of the Centre ahead of the commercial process later this year." She added that further details would be set out "shortly".

During the debate, Crossbench peer Baroness Bull suggested creating a virtual education hub to "harness the power of technology and AI" to support the delivery of the Centre's core objectives, including "helping busy schools connect with their local cultural providers and offering CPD".

Separately, Conservative peer Baroness Fraser of Craigmaddie said that while she supported the planned establishment of the Centre, she was concerned that dance currently sits within PE in the curriculum. She urged the UK Government to confirm that dance will be "included in and supported through the new Centre". In response, Baroness Blake said she had been clear that dance needed to have a "louder voice", adding that it is "an area of active consideration" and the UK Government is working out ways to "give dance the status that it feels it does not have at this time".

Labour Peer Baroness Caine of Kentish Town also welcomed plans for the new Centre, which was announced on the same day as an interim report on the Curriculum & Assessment Review was published. To support this work, Baroness Caine asked the UK Government to consider the proposals set out in the House of

Lords Communications and Digital Committee's 2023 *At Risk: Our Creative Future* report. In particular, Baroness Caine wanted its recommendations around the importance of integrating creative and digital education to be considered. Baroness Caine also explicitly mentioned Creative UK member Ukie's proposal for a Digital Creativity GCSE.

A transcript of the debate can be found on Hansard here.

Netflix productions in Wales have contributed over £200 million to the UK economy since 2020

Creative Wales and Netflix have recently revealed that the streamer's productions in Wales have contributed £200 million for the UK economy since 2020, with the country cementing itself as one of Netflix's key production hubs.

Providing filming locations for shows such as *Sex Education, The Crown, The Witcher* and the upcoming film *HAVOC* – the biggest feature film ever shot entirely in the country – has also supported over 500 businesses from across Wales, according to Netflix. This has created opportunities for Welsh talent, giving them hands-on experience in the industry and has generated over 60 trainee and apprenticeship roles, many of which have led to full-time positions.

Commenting on the figures, Jack Sargeant MS, the Welsh Culture Minister, said: "We are immensely proud of our Welsh creative industries, which employ over 35,000 talented individuals, and the world-class infrastructure we have in place for film and TV productions. Welcoming high-profile Netflix productions to Wales, as this report demonstrates, has delivered significant economic and reputational benefits. Our support, through Creative Wales, of productions like *Sex Education* and *HAVOC* has secured invaluable further training opportunities for the sector".

ABO says UK orchestras reaching more children and young people than ever before

Last week, Creative UK member the Association of British Orchestras (ABO) published a new report – State of the UK's Orchestras April 2025 – based on the findings of a survey from 53 of its 85 member orchestras covering the 2022/23 financial period.

The report found the UK's orchestral sector has almost tripled the number of events dedicated to giving hundreds of thousands of children and young people across the country unique opportunities to listen to or perform music. It also argues that UK orchestras have "effectively utilised essential public investment to explore new markets and maintain—or in some cases, increase—the frequency and variety of their education and outreach performances".

Headline results from the survey show the number of events dedicated to giving children and young people unique opportunities to listen to or perform music, being delivered by UK orchestras across the country has nearly tripled since 2019; a 127% increase on 2019 in recordings and broadcasts for film, TV, and audio-visual streaming or downloads, with an estimated reach of 67.6 million listeners in the UK and 235.8 million internationally; UK orchestras staged nearly 3,000 concerts and performances across the country, reaching a combined audience of more than 3.1 million people, despite the impact of the pandemic and cost of living crisis on audience trends; and that UK orchestras visited 34 countries and gave 374 performances, reaching an audience of over 640,000 people outside the UK, reinforcing the international prominence and prestige of British orchestras.

Of note, the report also surveyed for the first time trends in UK orchestras' work to improve equity, diversity and inclusion (EDI). It found that 90% of UK orchestras are working to diversify their programming through initiatives such as composer and young artist schemes. Additionally, 96% are actively seeking ways to increase opportunities for young people, especially from underrepresented communities, to engage with music. In addition, 80% have collaborated with local community groups to reach more diverse audiences.

UK annual borrowing exceeds forecasts by almost £15bn

On Wednesday 23 April, the Office for National Statistics (ONS) revealed that borrowing in the financial year ending in March was £151.9bn, more than £20bn higher than in the previous financial year. The figure is £14.6bn more than the Office for Budget Responsibility (OBR) had predicted less than a month ago in forecasts published alongside the Chancellor's Spring Statement.

Economists are speculating whether the Chancellor will now be forced to raise taxes or announces deeper cuts to spending at the Autumn Budget, if she is to keep in line with her self-imposed fiscal rules. It comes as separate figures published last

Wednesday showed business activity fell in April at the fastest rate since November 2022, attributed to President Trump's announcement of a sweeping set of tariffs.

Grant Fitzner, chief economist at the ONS, said that despite a "substantial boost in income" from taxation in recent months, government borrowing rose by more than receipts in March, "largely due to inflation-related costs, including higher pay and benefit increases".

The Shadow Chancellor, Conservative MP Mel Stride, called the figures "alarming" and suggested the UK Government was allowing borrowing to rise while debt piles up. In response, the Chief Secretary to the Treasury, Darren Jones MP, said the UK Government remained committed to the Chancellor's "non-negotiable" fiscal rules. He added that ahead of the Spending Review on June 11, HM Treasury was "laser-focused on making sure taxpayer money is delivering our [the UK Government's] plan for change missions to put more money in people's pockets, rebuild the NHS and strengthen our [the UK's] borders."

Chancellor cools talk of breakthrough in US-UK trade deal

Last week, the Chancellor of the Exchequer, Rachel Reeves MP, cooled talks of an early breakthrough in trade talks with the US, stating that the UK was "not going to rush" into a deal.

Her comments, reported in *The Guardian*, came before her first face-to-face meeting with the US Treasury Secretary, Scott Bessent, where she is expected to make the case for reducing tariffs on the UK. The UK has already offered concessions to the US in the hopes of getting tariffs cut, including reducing the digital services tax on US tech companies.

The Chancellor has already rejected US demands for the UK Government to drop its standards on agricultural products including beef. Successive UK Governments have rejected pleas from Washington to allow US-hormone treated beef into the UK. As such, the current Labour administration has made it clear that reducing agricultural standards is a red line it will not cross because it would damage the chances of striking a veterinary agreement with the EU.

The Wall Street Journal recently published details from a leaked document outlining Washington's demands on the UK to reduce levies on other non-tariff barriers on a variety of US goods. The document revealed that Washington wants the UK to

reduce import tariffs on US cars from 10% to 2.5% if it is to secure a deal, which Reeves has so refused to rule out.

Next week in UK Parliament (correct at the time of issuing)

Monday 28 April

House of Commons: Oral questions – Department for Education
Questions include steps being taken to support SEND children not in full-time education; the adequacy of local authority funding for SEND; steps being taken to ensure non-levy paying employers receive apprenticeship funding; mental health and wellbeing of school students; steps being taken to increase the number of teachers trained in the provision of SEND education; the potential impact of increases in employers' National Insurance contributions (NICs) on the number of teachers employed in schools; steps being taken to protect freedom of speech at universities; the adequacy of higher education funding; an assessment of the potential impact of the Children's Wellbeing and Schools Bill on academies; and steps being taken to increase post-18 opportunities for young people

Tuesday 29 April

House of Lords: Legislation – Employment Rights Bill (Committee Stage)

House of Commons: Westminster Hall debate – Cultural contribution of Staffordshire (led by Labour MP Leigh Ingham)

House of Lords: Oral questions – Plans to introduce cross-sector legislation on artificial intelligence in 2025 (led by Conservative peer Lord Holmes of Richmond)

Commons Science, Innovation and Technology Select Committee: Oral evidence – Innovation showcase
Witnesses include representatives from CoolLED, Ofcom, the Information Commissioner's Office (ICO) and the Department for Science, Innovation and Technology (DSIT)

Commons Culture, Media and Sport Select Committee: Oral evidence – State of Play: Live comedy
Witnesses include Dr Sharon Lockyer, Director at the Centre for Comedy Studies Research at Brunel University London; Geoff Rowe BEM, Live Comedy Association; Jessica Toomey, Managing Director at Frog and Bucket; Kate Cheka, Comedian; Matt Forde, Comedian; and Lynee Parker, Founder & Chief Executive at Funny Women CIC

Commons Business and Trade Select Committee: Oral evidence – Industrial Strategy
Witnesses include representatives from the Greater Manchester Combined Authority

(GMCA), North East Combined Authority (NECA), Greater London Authority (GLA), Barclays, TheCityUK, British Business Bank (BBB), National Wealth Fund, UKRI, Innovate UK, ARIA and the Advanced Manufacturing Research Centre

Lords Communications and Digital Select Committee: Oral evidence – Media literacy
Witnesses include representatives from Internet Matters, PSHE Association, Media Education Association, Deflect and Protect, Parent Zone and Shout Out UK

Thursday 1 May

House of Commons: Oral questions – Department for Business and Trade
Questions include steps being taken to support small businesses; steps being taken to encourage small businesses to export; steps being taken to negotiate trade agreements with the UK's main trading partners; steps being taken to help support trade with European countries; steps being taken to support the hospitality industry; steps being taken to support SMEs; steps being taken to increase exports to the EU; steps being taken to implemented the Make Work Pay plan; an assessment of the potential impact of the Make Work Pay plan on the living standards of working people; and steps being taken to support high street businesses

House of Lords: Legislation – Children's Wellbeing and Schools Bill (Second Reading)

House of Lords: Short debate – Improving access to banking and finance for small businesses (led by Liberal Democrat peer Lord Sharkey)