

27 April 2016

Dear Sirs

Culture Media and Sport Select Committee Countries of Culture Inquiry: Written Evidence Submitted by DACS

DACS welcomes the opportunity to provide a written submission into the Culture, Media and Sport Committee's inquiry into ways to preserve and promote the UK's cultural wealth.

About DACS

Established by artists for artists, DACS is a not-for-profit visual artists' rights management organisation. Passionate about transforming the financial landscape for visual artists through innovative new products and services, DACS acts as a trusted broker for 90,000 artists worldwide. Founded over 30 years ago, DACS is a flagship organisation that has and continues to campaign for artists' rights, championing their sustained and vital contribution to the creative economy. In its support of artists and their work, DACS collects and distributes royalties to visual artists and their estates through Artist's Resale Right, Copyright Licensing, Artimage, and Payback. More information can be found on the [DACS website](#), in particular our latest annual review [here](#).

About DACS Foundation

DACS Foundation is a registered charity that promotes visual arts for the public benefit by making grants, organising events, and providing education and training. DACS Foundation is dedicated to the physical and intellectual preservation of the UK's cultural heritage, making artists' works and archives accessible for present and future generations. DACS Foundation champions a new and encompassing perspective on the value of visual art and artists to society through public participation in education, exhibitions, publications and research opportunities. DACS is a partner of DACS Foundation's Art360 project. More information can be found on the [DACS Foundation website](#).

New funding models in the cultural sector, including use of Lottery funding

Cultural gifting

DACS welcomes innovative economic approaches to the ways in which artists might benefit directly from the provisions of services to the cultural sector.

However, DACS is aware that artists are not being properly remunerated for the work they undertake in making exhibitions, supplying images and educational activities where they exercise copyright in the works. For example, over the last three years, 71% of artists exhibiting in publicly funded galleries

received no fee for their work and 59% of these artists did not even receive payment for their expenses.¹

Also, outside of the matrix of key trusts and foundations there is little understanding of the living conditions of visual artists whose wages are perilously low and subsidised by other activity. From the preliminary findings of the soon to be published 2016 Artists' Livelihoods Survey², the average income for an artist is well below the national average and that only a small fraction of that revenue – less than half – is directly earned through their arts practice. The new median wage findings are just slightly above that of the 2010 research funded by DACS and conducted by the Centre for Intellectual Property Policy and Management at Bournemouth University, which found that the national median wage for a fine artist was only £10,000.

We are therefore cautious of the increased pressure on artists to donate their works and labour for fundraising activities, particularly for crowdfunded campaigns and charitable auctions, in which the donors invariably offer incentives at the expense of the artist. The economics of such scenarios is damaging to an artist in terms of their commercial retail value, as auctions and gifted items are usually publicly offered below market price to attract interest. The greater the value of the work gifted, the greater the risk to the artist, which can have damaging long-term financial impacts on them.

The relationship of philanthropic giving is tied to the artist and institution's legacy and the broader cultural heritage by means of future public availability and preservation. Whilst the excitement and public interest in the arts and their contribution outside of taxation is to be encouraged, we are concerned about the pressure used by institutions to request gifts from individual artists.

Recommendation

At present, Gift Aid only benefits the recipient institution, whilst artists, having to be able to live, have paid sufficient tax to cover the Gift Aid sum do not get any offset advantages for such gifts. To protect artists from these risks, DACS recommends that gifting works should be tax deductible.

Innovation through tax breaks

To boost dynamic innovation with technology, the tax breaks for Research and Development needs to be extended to the cultural sector in order for the commercial subsidiary companies of charities, and indeed commercial galleries and artists, can explore software implementations that can enhance their future revenues. Present guidelines are too biased towards traditional business and scientific interests. This will also allow charities and trusts to become investors in the sector.

Recommendation

We call on Government to implement a revision of the guidelines of tax relief for Research and Development to encourage technical innovations such as implementation of blockchain services. This would boost growth and competitiveness in a global marketplace. DACS calls on the Department of Culture Media and Sport (DCMS) to focus on support for the cultural sector and in particular those that look to monetise IP both nationally and internationally.

¹ Cultural times: The first global map of cultural and creative industries, EY, December 2015.
http://www.worldcreative.org/wp-content/uploads/2015/12/EY_CulturalTimes2015_Download.pdf

² The 2016 Artists' Livelihoods Survey was undertaken for Arts Council England by TBR, an economic research consultancy, and a-n, the artists' information resource

Creative Commons

Creative Commons is a licensing regime that has evolved with the open source movement. The terms and conditions limit the ways in which an artist and arts institutions can maintain economic and cultural control over their works or assets. Although the Heritage Lottery Fund (HLF) claims that it does not create policy, it is the belief of DACS that, through the HLF introducing Creative Commons licensing as part of their grant conditions, HLF is adopting and creating policy which is neither resilient in the long-term nor sustainable.

Creative Commons licensing grants a very broad right to public institutions to use, share and adapt an artist's work and this right cannot be revoked or limited in any way. This is detrimental to the artist as it breaks their contracts with licensing agents and reduces revenues back to the artists and the arts. It also limits the ways in which organisations can generate revenues based on the visual assets they invest and manage. HLF has stated that they would review the policy but have yet to address this issue.

Recommendation

We strongly advise that the terms of investment of HLF funding does not restrict the generation of revenues for either individual or institutional profit by the use of Creative Commons licensing. Such policy, as it exists, is stifling resilient and important development in the cultural sectors and discourages the remuneration of artists for the rights in their works. DCMS should review the impact of Creative Commons as a mechanism for facilitating public access in light of expert advice from the cultural and licensing sector.

Cultural partnerships in the regions, including with National Portfolio Organisations (NPO) and Major Partner Museums.

DACS Foundation has developed a dynamic new scheme called Art360 with a number of key partners including DACS, Art Fund, The Henry Moore Foundation, The National Archives and the support of others including Tate and National Galleries Scotland. Art360 is supported using public funding by the National Lottery through Arts Council England. Art360 is a major pilot project that will offer support to develop and sustain the archives of 100 leading modern and contemporary British artists, offering participants expert and bespoke legacy consultancy. Our goal at the end of the pilot project is to develop tools and services which will benefit 1,000s of British artists and artists' estates and contribute to safeguarding the UK's artistic heritage.

One of the core opportunities resulting from this scheme is to increase collaboration between NPOs, who have expertise and leadership in the contemporary visual arts, with regional museums who need to ensure their collections strategies are fit for purpose. The opportunity here is to use the Cultural Gifts Schemes and HLF investment alongside other funds to buy artworks and archives of living artists at a fair market price, and to use the expertise in archives and conservation at museums to safeguard these purchases.

Skills, management and infrastructure of regional cultural institutions

Through the Art360 project there is a strong opportunity for skills exchange and growth. The development of new ways for the infrastructure of regional cultural institutions to embrace the

contemporary and 'soft' cultural heritage of artists – the heritage of things that can be easily dismantled and thrown away - can lay the foundations of extending the influence of the understated power of the visual arts.

We strongly believe that following on from the success of 'Your Paintings', a public art collection site, and the launch of 'Art UK' – the successor to 'Your Paintings' which is a joint initiative between the Public Catalogue Foundation, 3,000 museums and art collections, and the BBC – that there is an opportunity to make more apparent what works are held in public collections. Based on increased transparency there is a subsequent need for access through Arts Council England and the National Museums to digital inventories and collections policies to accelerate the development of collections and the exploitation of the Cultural Gifts Scheme. At present the systems in place are ad hoc and opaque.

This is particularly resonant at this time, with a number of important shifts in recent years that have disrupted the traditional model for art collection and preservation. With the acceleration of cultural and artistic trends, technology platforms and the global acquisition of works by British artists, the issue of legacy planning for artists is not being systemically addressed and cultural assets are being depleted more swiftly than ever before. Although we are not convinced we should follow the suggested legislation in Germany to limit cultural exports we do believe that it has arisen precisely because of the voracity of the market. At present the only legislative mechanism in place to monitor secondary market movement of works by British artists is through records of royalty collection of the Artist's Resale Right (ARR). However, we believe some art market professionals may not be declaring sales and therefore avoiding paying artists and artists' estates the royalties that they are due.

Recommendation

DACS suggests there is an opportunity to leverage investment in a digital revolution in the cultural sector through making it a more attractive area for research and development entrepreneurs.

DACS has over 30 years of expertise in the areas of licensing of the visual arts and welcomes an enhanced role in developing new approaches to revenue generation. We aim to play a leadership role in licensing markets internationally by embracing the opportunities of emerging technologies such as 3D printing and blockchain. However the foundation of such growth should remunerate artists and their estates as the custodians and creators of artistic value. We welcome increased support for ARR enforcement and digital rights nationally and internationally.

Physical and virtual accessibility of cultural sectors in the regions, including digital outreach and engagement

The Warwick Report has been widely discussed particularly in relation to the need to address diversity and access to the arts through public funding. Although DACS supports many of the recommendations from the report, DACS is concerned that conclusions might be drawn about the public ownership of visual materials produced in specific contexts with public funding.

In many cases limited licenses have been issued to allow for uses in conjunction with exhibitions and other similar uses but these do not cover a multiplicity of reuses and would not cover exploitation on a commercial platform such as the Times Educational Supplement (TES) Global, particularly in light of the announcement last year from Arts Council England to work with TES Global to provide access to teachers for digitised arts and cultural resources. DACS is very cautious about how these resources



could be shared via TES Global or indeed other visual arts resources. DACCS has not licensed any visual arts materials for TES Global since 2007. Of course there are solutions to this but we would want to ensure that artists are properly remunerated.

DACCS has done extensive research into the needs of teachers who have responsibility for the visual arts curriculum and what provision is currently available. Our research suggests that, as identified in the Warwick Report, there are substantial materials produced by leading public museums and NPOs, which is currently used for a very limited geographic audience and for a period of time that overlaps with exhibition schedules. The materials are then either removed from public access entirely, or buried deep in web archives. There is a great opportunity to share and promote these materials nationally and internationally and generate incomes.

Recommendation

DACCS would support a DCMS review of the licensing frameworks for cultural institutions and an analysis of the most equitable and sustainable policy to safeguard access and generate incomes for both artists and institutions. We believe this is urgently needed to encourage access to arts education materials which are contemporary, inspirational and legitimately licensed.

For further information please contact

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