



**DCMS Commons Select Committee Call for Evidence:
Impact of COVID-19 on Members of the
British Association of Picture Libraries & Agencies**

The Department for Digital, Culture, Media and Sport (DCMS) Commons Select Committee is calling for written evidence on the impact of COVID-19 on any DCMS sectors. In particular the Committee is interested in finding out:

- *What has been the immediate impact of COVID-19 on the sector?*
- *How effectively has the support provided by DCMS, other government bodies and arms-length bodies addressed the sector's needs?*
- *What will the likely long-term impacts of COVID-19 be on the sector, and what support is needed to deal with those?*
- *What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with COVID-19?*
- *How might the sector evolve after COVID-19, and how can DCMS support such innovation to deal with future challenges?*

Background to BAPLA

BAPLA welcomes the opportunity to comment on the impact of COVID-19 on its members.

Our members provide a 'vital economic link' for many professional photographers, videographers and illustrators, supporting their ability to derive income and reinvest in their creativity. Founded in 1975, BAPLA is the UK trade association for picture libraries and agencies representing over 115 members of a unique area of the creative industry. We have a broad and diverse membership of image rights holders and purveyors, from sole traders to major news, stock and production agencies, as well as many SMEs, archives and cultural heritage institutions.

Our members are the main source of licensed images you see every day in print and digital media, and as such have contributed to the UK economy for over 40 years. BAPLA members generate revenue for, and manage the interests of over 120,000 creators and rights holders, encompassing a breadth of experienced and new young image-makers across the UK. Licensing online is the significant driver of the image industry.

We are members of [British Copyright Council](#), supporting their submission.

Impact of COVID-19 on BAPLA members

- What has been the immediate impact of COVID-19 on the sector?

BAPLA conducted a survey¹ of its membership in late April, publishing the results in early May of this year. As anticipated, BAPLA received a strong response rate from across our membership, indicating high levels of concern over the business impact of COVID-19. The survey considered impact on staff, turnover and client sectors, as well as the government response, and members' operating responses.

In research² conducted in November 2019 on Online Copyright Infringement, where 48% of BAPLA members took part, the turnover from respondents was approximately £28M (£12M generated in the UK & £16M from the rest of the world). We can extrapolate that if the survey had been completed by the full membership, the turnover would most likely to have at least doubled.

Results of the BAPLA COVID-19 Survey show the following statistics:

On Employment

The majority of BAPLA's membership consists of small and medium enterprises (SMEs) accounting for 72% of respondents, with 28% as sole traders. Many operating on tight economic margins, employing enough staff to provide efficient streamlined business to business (B2B) services:

- 50% of businesses reported having to place many of their staff on furlough, taking advantage of the Government's Job Retention Scheme;
- 56% of businesses employ at least 1 freelance member of staff (with 4% contracting over 19 freelancers), of which 67% had to lay off their freelance contract staff.

BAPLA members have an interdependent commercial relationship with contributors to their image libraries, which includes photographers, illustrators and videographers. When asked about how their contributors would be affected by the lockdown, the overwhelming response was that business earnings would be greatly affected as a result of several factors including cashflow, furloughed client staff, and the inability for contributors to submit new image content or take on commissions. Many contributors have lost income from events, tours, and travel assignments.

On Business Economy

The impact on cashflow followed by a lack of income is significant. The Government provisions open to businesses are useful from a financial perspective in the short term,

¹ BAPLA Coronavirus Survey, May 2020: https://bapla.org.uk/wp-content/uploads/2020/05/BAPLA-Coronavirus-Survey-Results-15.05.2020.pdf?dm_i=5VL,6W3ME,QW899,RODIC,1

² BAPLA Research into Online Copyright Infringement - Assessing the Value Gap (Note: several of BAPLA's larger members, as well as some overseas and affiliated members, did not take part in the survey) <https://bapla.org.uk/bapla-releases-its-first-online-copyright-infringement-report/>

however concerns are that these measures may merely be delaying the possibility of further significant revenue losses. The survey showed that:

- 80% had noted a decrease in comparison turnover from March 2020 to March 2019, by an average of approx. 50% decrease in income.
- 64% of respondents expected their full year income to decline by more than 25% on last year, of which 40% expected the decline to be between 25%-50%.

BAPLA members were asked about the impact they experienced with their clients, which ranged from requests for flexible terms and licensing discounts (and in some cases free content), delays in payments or projects, and in some cases suspension of all or part of their operations, and communication challenges due to furloughed client contacts. Demand for image content varied across client sectors, although many clients made more use of archive collections.

When asked about the key concerns relating to the impact of the coronavirus crisis on businesses, most highlighted the uncertainty the situation would bring once the lockdown is fully lifted; staffing issues resulting in future layoffs; reduction in income revenue, cashflow and client payments; level of client orders and forecasting future budgets.

“It’s unclear if we will see any significant recovery quickly enough to repair the financial damage caused by this pandemic,” one member commented.

One clear detail is that the balancing act required to ensure service levels increase to enable income generation in order to recall staff is absolutely critical.

During the time of the survey, when asked whether our members could see any new or different opportunities for their businesses during the crisis, most stated there were none apparent at the time. There was a noted initial increase in demand for digital products from certain sectors, however the structure of the furlough scheme made opportunities more challenging to take advantage of during the COVID-19 period.

- **How effectively has the support provided by DCMS, other government bodies and arms-length bodies addressed the sector’s needs?**

BAPLA surveyed its members to ask whether they felt the Government was doing enough to provide support. The most common response was to welcome the Government’s immediate short-term provisions, with the caveat that concerns about the approach to longer-term solutions may not be at the scale required for the diversity of the creative sector in order to deliver enough support on a fair and equitable basis. The framework of the Job Retention (furlough) scheme was raised a number of times as an area that still needs further review.

Much of the business support provided by Government derives from the Treasury. In relation to our business intellectual property, the IPO has provided regular updates and continued much of its business conduct, which is welcomed and appreciated. There are several concerns about areas relating to IP enforcement (IPEC Small Claims Track) and to

platform liability (Sector Deal roundtable discussions, Digital Charter) that have stalled since the lockdown began, which we would want to see resumed with immediate effect³.

BAPLA receives no specific information or updates from DCMS, although our membership represents a wide range of members that includes cultural heritage institutions. It would be extremely valuable to have more support from DCMS directly going forwards, in order to avoid a cliff-edge scenario impacting our sector.

- **What will the likely long-term impacts of COVID-19 be on the sector, and what support is needed to deal with those?**

The creative industries have been recognised as producing high value content and products internationally, and contributed £111.7bn to the UK economy in 2018⁴. Our members form an integral part of the value chain in the creative marketplace⁵, connecting image creators works through licensing primarily with business to business (B2B) customers, although many of our members increasingly sell merchandise direct to consumers. We provide an enormous wealth of image content for a broad range of B2B customers including publishing, advertising, education, scientific research, film and TV production, retail, commercial businesses, public institutions, etc. The integrity of the supply chain is critical to the success of the creative industries. If one part deteriorates the impact is felt right across the entire value chain.

The likely long-term impacts our members are concerned with:

- Business continuity:
Confidence to rebuild business income;
Securing business liquidity and future investment;
Hasty and short lead time advice, rather than a graduated approach to the year-end;
Further disruptions later in the year.
- IP framework:
Increases in copyright infringements;
Contraction of the UK copyright framework;
Platform liability and unfair online marketplace.

The key elements BAPLA members require are flexible and responsive business arrangements in order to rebuild their businesses back to the economic levels before the impact of COVID-19 took hold, owing to the loss of income. Additionally, the importance of maintaining the strong UK copyright framework and a functioning enforcement regime, to ensure members can hold infringers to account is essential, particularly as compensation for unauthorised uses is obtained by 79% of the membership by various methods⁶. During this COVID-19 period, BAPLA members have anecdotally reported an increase of copyright

³ BAPLA is a member of the [British Copyright Council](#) and supports it's submission to the DCMS Commons Select Committee

⁴ DCMS GVA Report (published Feb, 2020) [DCMS Sectors Economic Estimates 2018 \(provisional\): Gross Value Added](#)

⁵ In 2012, a study conducted by CEPIC showed the UK picture industry was the second largest market in the world http://www.stockimagemarket.uni-hd.de/downloads/GSIM_Survey_2012_Part_III.pdf

⁶ <https://bapla.org.uk/bapla-releases-its-first-online-copyright-infringement-report/>

infringement, which has added to the burden of enforcement, resulting in more lost revenue – for example one of our members referred to concerns about noted serial infringers taking advantage of the crisis and closure of the IPEC Small Claims Track service during this time.

Our members would be looking for a range of support to cover:

- Tailored business recovery support for SMEs – ranging from flexible employment support measures; tax and business rates relief; access to investment and funding opportunities for sole traders and SMEs (including cultural heritage organisations operating picture libraries); discounted training schemes for staff; future international trade opportunities.
 - A fair online marketplace – Competition supporting measures applied online to allow SMEs, such as our membership, to compete with social media tech giants; retention of the UK copyright framework; improved measures to deal with platform liability to offset economic harms online; improved measures to deal with online copyright infringements (see BAPLA’s Research into Online Copyright Infringement⁷).
 - Opportunity to invest in innovation – ranging from equitable access to research and innovation funding schemes for creative SMEs; provisions to invest and integrate new technologies such as AI, and immersive technologies such as VR and AR, to maintain a digital lead on other global nations in the same field.
- **What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with COVID-19?**

More nuanced considerations on utilising staff and freelancer workers in our sector. Many members expressed a certain level of frustration about the rigidity of the Job Retention Scheme and laying off freelance staff, in order to keep the liquidity of their businesses. Businesses invest in their staff to provide efficient streamlined services to clients - to have these staff members effectively sitting on the sidelines is unproductive. Going forward members would like to see a gradual and flexible part-time working programme (supported financially) to allow for a responsive recovery; Government schemes to train staff either furloughed or laid off (not just apprenticeships); meeting with trade representatives from smaller creative industry sectors, such as ourselves.

In addition, signposting to Government-lead, and third party, funding initiatives to support rebuilding business prosperity – for example, one of our smaller cultural heritage organisations had to set up an emergency crowd-funder page as they were in financial jeopardy; and to assist with investing in innovative technology applications pertinent to the success of the creative industries. This should be accomplished alongside advocating a strong copyright regime that has supported and cultivated the economic success of the creative industries since its adoption into UK law during the 1700’s.

⁷ BAPLA Research into Online Copyright Infringement - Assessing the Value Gap (Note: several of BAPLA’s larger members, as well as some overseas and affiliated members, did not take part in the survey)
<https://bapla.org.uk/bapla-releases-its-first-online-copyright-infringement-report/>

- **How might the sector evolve after COVID-19, and how can DCMS support such innovation to deal with future challenges?**

BAPLA members have invested heavily over the years in technological innovation allowing them to move from analogue to digital, digitising millions of images of great historical and artistic value in order to offer access to digital copies. Significant investment is made on an ongoing basis in accurate keywording and adding metadata, allowing for seamless customer experience on the one hand, and full remuneration of the creators on the other. Several of our larger members have invested in new technology application systems, such as the use of artificial intelligence and machine learning techniques⁸; and along with others⁹, have utilised VR & AR technologies to provide virtual and 360° access to collections, particularly effective during the COVID-19 lockdown period; other members provide educational support¹⁰ - all of which helps to inspire the next generation of creators and producers.

BAPLA has consistently championed the recognition of marketplace value of photography. We provide our customers with the confidence to use original high quality still and moving images from trusted legitimate sources. To continue providing content with integrity we need not only to have access to a raft of provisions, we need to be considered alongside other creative industry representatives.

As a largely digital content licensing service, it is critical that we are provided with the opportunities and vital support to continue with our global competitive edge¹¹ & ¹². We need to have provisions that are accessible at all levels, as well as flexible and responsive, so that our members can get back to growing their businesses and invest in the sector's future and those that contribute to it.

If you have any questions about the responses given, please feel free to get in touch.

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<http://www.bapla.org.uk>

⁸ Getty Images releases an artificial intelligence (AI) tool for publishers - <https://www.journalism.co.uk/news/getty-images-launches-a-new-ai-tool-that-helps-publishers-find-the-right-picture-for-the-story/s2/a725797/>; Shutterstock uses AI to help people avoid image copyright issues - <https://digitalstrategyconsulting.com/digital-and-internet-marketing-regulation/shutterstock-uses-ai-to-help-people-avoid-image-copyright-issues/16376/>; Getty Images and Jaunt Offer 360 Content for Creatives <https://vrscout.com/news/getty-images-jaunt-offer-360-content-creatives/>

⁹ VR tourism: The London attractions using virtual reality to enhance the tourist experience - <https://www.verdict.co.uk/vr-tourism-london-attractions/>

¹⁰ Magnum Learn is a new online learning platform for photography and visual storytelling <https://www.magnumphotos.com/magnum-education/>

¹¹ In 2012, a study conducted by CEPIC showed the UK picture industry was the second largest market in the world http://www.stockimagemarket.uni-hd.de/downloads/GSIM_Survey_2012_Part_III.pdf

¹² In 2019, a study conducted by TechNavio showed that the stills image market was projecting to reach approx. £3.21B (\$4.46B) by 2021 - <https://www.technavio.com/report/global-general-retail-goods-and-services-global-still-images-market-2017-2021>