



House of Commons
Culture, Media and Sport
Committee

**Connected tech: AI and
creative technology:
Government Response
to the Committee's
Eleventh Report of
Session 2022–23**

**Third Special Report of Session
2023–24**

*Ordered by the House of Commons
to be printed 9 January 2024*

The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

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Publication

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Third Special Report

The Culture Media and Sport Committee published its Eleventh Report of Session 2022–23, [*Connected tech: AI and creative technology*](#) (HC 1643), on 30 August 2023. A letter from Parliamentary Under Secretary of State, Department for Science, Innovation & Technology and the Government response were received on 20 December 2023 and are appended below.

Appendix 1: Letter from Parliamentary Under Secretary of State, Department for Science, Innovation & Technology

Dear Dame Caroline,

I am writing to you as chair of the Culture, Media and Sport Committee in the House of Commons, in response to the Committee's report of 30 August titled *Connected tech: AI and creative technology*. Please accept my sincere apologies for the delay in providing you with the Government's response to this report.

In the report, the Committee made several recommendations to the Government in relation to the impact of the development of AI and applications of creative connected technology. The Government's response to those recommendations is annexed to this letter.

Yours sincerely,

Viscount Camrose

Appendix 2: Government response

Introduction

The Government thanks the Committee for its report “Connected Tech: AI and creative technology” and notes the findings. We agree with the Committee that the creative and entertainment potentials of emerging technologies are expansive. As noted in the report, creative technology intersects two of the most significant, dynamic and fastest growing sectors in the UK economy, the creative industries and the digital and tech sectors. These sectors contributed £115.9 billion and £150.9 billion, respectively, to the UK economy in 2019. The UK is a creative technology hub, attracting almost £1 billion in venture capital funding in 2020, a 22% increase from the previous year.

The Government recognises the increasing prevalence of connected technologies and wants to ensure that its benefits are realised for everyone. The Government is prioritising the development of a regulatory framework for AI technologies which will promote innovation across the regulatory landscape and respond to risks posed by the increasing application of AI. The Government published its UK Science and Technology Framework in March 2023 which set out Government’s strategic vision and identified AI as one of five critical technologies. This framework notes the role of regulation in creating an environment for AI to flourish.

Alongside this, the Government has been clear that the creative industries are a priority and has placed the sector at the heart of its future growth agenda, including through the publication of a new Creative Industries Sector Vision in June 2023. The Sector Vision sets out how innovation, including through maximising the potential of AI, is a key part of how we will meet our growth goals for the creative industries.

The need for Government action to support the AI sector was highlighted by Sir Patrick Vallance in his pro-innovation regulation of technologies review on digital technologies, published in March 2023. This review identified the need for a clear, pro-innovation regulatory environment in order to make the UK one of the top places in the world to build foundational AI companies. The subsequent pro-innovation regulation of technologies review on the creative industries, published in June 2023, highlighted the importance of appropriate regulation to help nurture innovation in the sector in a responsible way that protects creators’ rights, encourages decarbonisation, and remains agile and responsive to the pace of technological changes.

Through its approach to AI regulation, the Government will help the UK harness the opportunities and benefits that AI technologies present. In its white paper on a pro-innovation approach to AI regulation, the Government set out its ambition to bring clarity and coherence to the AI regulatory landscape, and make responsible innovation easier. It will strengthen the UK’s position as a global leader in AI, harness AI’s ability to drive growth and prosperity, and increase public trust in its use and application.

The intersection between technology policy, and culture, media and sport continues to have an impact across sectors. We agree with the Committee’s report that there is potential for connected technology to cause unintended harm if left unaddressed. The Government’s responses to each of the Committee’s recommendations are set out below. We expect the forthcoming response to the AI regulation white paper to represent a fuller response to

the Committee's report. This, alongside the publication of the Cultural Education Plan and a code of practice on copyright and AI, will in due course provide more detailed responses to a number of the Committee's recommendations.

We have grouped certain recommendations together to make our response clearer.

AI Regulation Recommendations

1. *The Government should set out a plan to provide upskilling and resourcing for non-digital sector regulators to ensure they can meet the needs of the new cross-sector regulatory regime for AI.* (Paragraph 20)
2. *The Government should establish a discrete AI regulation co-ordination unit within Whitehall to ensure coherent working and enable robust stakeholder engagement. This unit should publish regular reports to enable Parliament to fully consider the progress of the regime's introduction and implementation.* (Paragraph 21)

AI Regulation Response:

Cross-sector regulatory regime for AI (paragraph 20)

The Government recognises the importance of ensuring that all regulators have access to skills and expertise needed to regulate AI effectively, as well as the significant differences in capability that characterise the regulatory landscape. The AI regulation white paper set out a range of approaches to address capability gaps within and across regulators, for example through the creation of a common pool of expertise to support and expand knowledge sharing between regulators. As set out

in the white paper, the Government is working with regulators to develop guidance on how to apply the regulatory principles within their remit and establishing a range of central support functions to enable regulators to understand the emerging risks and challenges posed by developments in AI. We will provide further details on the steps we are taking in this area in our forthcoming response to the white paper consultation.

Co-ordination of AI regulation (paragraph 21)

The Government recognises that strong central coordination will be essential for the delivery of our principles-based approach to regulating AI, in which individual regulators and departments will be responsible for regulatory policy and oversight. As set out in the AI regulation white paper, we are in the process of putting in place a suite of central support functions that will help to ensure we are developing a clear and coherent regulatory environment for AI. To this end, we have already established a central risk function, and are implementing a coordination function to work across government departments, as well as the wider regulatory landscape as a whole. We will provide further details on these functions in our forthcoming response to the white paper consultation

Intellectual Property Recommendations

3. *We recommend that the Government does not pursue plans for a broad text and data mining exemption to copyright. Instead, the Government should proactively support small AI developers in particular, who may find difficulties in acquiring licences, by reviewing how licensing schemes can be introduced for technical material and how mutually-beneficial arrangements can be struck with rights management organisations and creative industries trade bodies. The Government should support the continuance of a strong copyright regime in the UK and be clear that licences are required to use copyrighted content in AI. In line with our previous work, this Committee also believes that the Government should act to ensure that creators are well rewarded in the copyright regime. (Paragraph 31)*
4. *The Government must work to regain the trust of the creative industries following its abortive attempt to introduce a broad text and data mining exemption. The Government should consider how creatives can ensure transparency and, if necessary, recourse and redress if they suspect that AI developers are wrongfully using their works in AI development. (Paragraph 32)*
5. *The Government should provide a substantive update on its direction in managing the impact of AI on the creative industries and any discussions on these matters by the end of 2023. (Paragraph 33)*
6. *The Government should improve protections for creatives to prevent misuse of their likeness and performances by emerging technologies such as generative AI. At minimum, this should involve bringing forward ratification of the Beijing Treaty on Audiovisual Performances by the time it responds to this report. (Paragraph 61)*

Intellectual Property Response:

Text and Data Mining (paragraph 31)

As the Committee notes, reproduction of copyright-protected works by AI will infringe copyright, unless permitted under licence or an exception. The Government is not proceeding with its original proposal for a broad copyright exception for text and data mining. In response to Sir Patrick Vallance's 'Pro-Innovation Regulation of Technologies Review', the Government instead committed to develop a code of practice on copyright and AI, to enable the AI and creative sectors to grow in partnership. This supports the Government's ambition to make the UK a world leader in research and AI innovation, while ensuring that the UK copyright framework continues to promote and reward investment in creativity.

AI and the creative industries (paragraph 32)

The Government works closely with creative industries stakeholders across a broad range of issues, including in jointly developing the Creative Industries Sector Vision through the Creative Industries Council. Through the Sector Vision, we secured an additional £77 million of support as part of the Creative Industries Growth Moment. This amounts to over £300 million of support secured for the sector in the past few years. We will continue to work with industry and across Government to provide further support to the sector, driving growth and enriching lives.

Our work to develop a code of practice on copyright and AI is similarly a collaborative effort. This process has been supported by a working group of industry representatives, including AI firms, AI users, creators, performers, and right holders. The full participant list is published online at <https://www.gov.uk/guidance/the-governments-code-of-practice-on-copyright-and-ai>. By involving both the AI and creative sectors in this process, the aim is to develop a balanced and pragmatic code of practice that will enable both sectors to grow in partnership.

Working group members have been highly engaged in this process. We intend to set out the outcomes of this work in early 2024.

It is also important to note that the Government is supporting opportunities to enable the adoption and diffusion of AI in the creative industries through the Department for Science, Innovation and Technology's £100 million BridgeAI programme, which identified them as a priority sector. BridgeAI seeks to increase people's skills in using AI, work with experts in applying AI across the sector and provide small scale funding to adopt AI into their business model. This is a great opportunity for creative businesses to learn how AI can benefit the work they do and use it to grow and innovate.

Understanding the impact of AI on the creative industries (paragraph 33)

AI has enormous potential to deliver better public services, high quality jobs and opportunities, and enable future high growth industries. Creative sectors can supercharge productivity and efficiency through AI innovation. The increasing digitalisation of creative content enables analysis using AI and machine learning, opening up opportunities to better understand creative activity such as in art or fashion, which may have beneficial commercial applications.

But it is equally important that while we harness the benefits of AI, we also manage the risks and continue to incentivise creativity and originality, and the Government is acutely aware of the concerns of media and creative industries sectors in this respect. It is vitally important that AI-generated content does not supplant the work of our musicians, filmmakers and journalists. The concerns of these sectors, particularly in the relationship between intellectual property and generative AI, and the profound potential implications for human creativity, are therefore a key element of the Government's broader work on AI-related policy.

We are working closely with stakeholders to understand the impact AI has on broadcasters, publishers and creative businesses. This includes through the Creative Industries Council, which has an Intellectual Property Working Group looking closely at these issues, as well as through a round of structured engagement with key stakeholders over the summer. In October, ministers convened roundtable discussions with stakeholders to discuss the particular impact of AI on journalism, and have since hosted a similar roundtable with representatives from the broader creative industries. Earlier in November, ministers also hosted a creative industries conference in Manchester to discuss the key themes of the Government's Creative Industries Sector Vision, including AI and innovation.

As reflected in our approach to the code of practice on copyright and AI, we will take a balanced and pragmatic approach to the issues that have been raised, which helps secure the UK's position as a world leader in AI, whilst supporting our thriving creative sectors.

Performances and the Beijing Treaty (paragraph 61)

The Government has committed to implementing and ratifying the Beijing Treaty on Audiovisual Performances.

The Treaty provides intellectual property rights for audiovisual performances. These include performances given by actors, musicians, dancers and other performers that are incorporated in films, television programmes and other audiovisual recordings.

The Treaty does not include specific provisions for audiovisual performers to protect their rights against, for example, ‘deepfakes’ as may be generated by AI. However, implementing the Treaty includes providing audiovisual performers with moral rights for their live performances and performances in audiovisual fixations. These are the rights for the performer to:

- claim to be identified as the performer, except where omission is dictated by the manner of the use (‘the attribution right’) and
- object to any distortion, mutilation or other modification of their performance that would be prejudicial to their honour or reputation, taking due account of the nature of audiovisual productions (‘the integrity right’). This right applies to modifications that are objectively prejudicial to the performer’s reputation in a substantial way.

The Intellectual Property Office launched a public consultation on 14 September 2023 to build on an earlier call for views by gathering further evidence on options for implementation. The consultation included draft legislation for comment and closed on 9 November.

Once the agreed legislation is in place, we expect the Treaty to come into force in the latter half of 2024.

We accept the limitations of performer’s rights and the Beijing Treaty in dealing with the misuse of performers’ likenesses. The IPO will work with OAI, DCMS, and other interested departments to understand the legal environment and explore the case for stronger protections. We note that some industry initiatives are being introduced to address the challenges posed by generative AI, including deepfakes, such as the recent policy announcement by YouTube to implement stricter measures on AI-generated content.

R&D and Innovation Recommendations

7. *In order to encourage a rich and diverse cultural and creative technology ecosystem, the Government and its arm's-length bodies should ensure support for the creative industries encourages artists to push the boundaries of creativity and technology and is not limited to following the narrow interests of the tech sector. Cultural institutions should be encouraged and supported by the Government to invest in, present and preserve the results of creative technology.* (Paragraph 49)

R&D and Innovation Response:

Cultural and creative technology ecosystem (paragraph 49)

The Creative Industries Sector Vision sets out a range of ways in which the government and its agencies are supporting businesses in the creative sector to develop and use innovation and technology. This includes over £300 million in growth support that will unlock the potential that exists in the creative industries to drive growth across the economy.

For example, the Sector Vision committed the government to provide over £75 million to set up 4 new R&D labs and an Insight Foresight Unit across the UK as part of the Convergent Screen Technologies and Performance in Realtime (CoSTAR) programme. CoSTAR will create the largest networked virtual production R&D facilities in Europe, ensuring that the UK can lead in the application of the next generation of technologies that have already brought immersive experiences such as ABBA Voyage to the UK. The virtual production technologies, workflows and applications developed through CoSTAR will have applications in other sectors, including advanced manufacturing, education and learning and healthcare.

We are also delivering the next wave of the Creative Industries Clusters Programme, with £50 million to develop at least six new clusters to boost creative sector R&D across the UK. Building on the success of the programme's first wave, this investment will boost the economy in new regions and sectors, pioneer ground-breaking technology, and upskill the workforce.

Finally, together with the Royal Anniversary Trust, we are bringing together academic and industry experts to provide a robust assessment of how the UK can best seize the substantial opportunities that will come from leveraging nascent technologies, from AI, to VR, and AR, within the creative industries. Given the rate of advancements in technology and extensive adoption into the creative sector, this challenge is designed to understand how investing in technology and innovation in the creative industries can accelerate the growth of the sector. Our thinking will also be informed by the report of the Council for Science and Technology into the opportunities to support science and technology in the creative industries, published in October at <https://www.gov.uk/government/publications/harnessing-research-and-development-in-the-uk-creative-industries>.

Skills and Education recommendations:

8. *The Government's forthcoming Cultural Education Plan should explicitly discuss how educators can combine digital skills provision with creative and cultural education to nurture the next generation of digital artists, visual effects professionals and innovators in creative technology to address long-running skills shortages in the sector.* (Paragraph 55)
9. *The Government must urgently clarify the scope and timescale for the Cultural Education Plan, to ensure it will deliver on its aims for the creative industries.* (Paragraph 56)

Skills and Education Response:

Digital skills (paragraph 55)

As set out in the Creative Industries Sector Vision, by 2030 this Government will work with industry to deliver a new generation of highly skilled workers, as well as opportunities for the current workforce to retrain and learn new skills.

Skills gaps across the creative industries are a considerable problem, and a resilient talent pipeline that reflects employer demand is essential for maintaining growth and international competitiveness. More nuanced data regarding skills gaps and shortages is critical for ensuring Government and industry's response is targeted. The Government is working with the UK Skills Taskforce (set up following the BFI's Film and HETV Skills Review), the Unit for Future Skills and the Creative Industries Policy & Evidence Centre to better understand these shortages. We will also review the findings of the BFI's forthcoming scoping study into skills gaps within the digital content production sectors (including games, VFX and post-production).

Digital skills are becoming ever more important in the economy as a vital building block for developing the workforce of the future. Employers are already finding that over one third of their hard to fill vacancies are related to a lack of digital skills. Digital skills are now essential to the whole of the UK economy, not just tech companies. One third of digital roles are outside the tech sector and over 80% of job advertisements now require at least some level of digital skills. It is important that digital and creative skill sets are better synthesised within learning in order to ensure creative expertise can be better applied to digital roles.

Looking at venture capital investment trends, as outlined in the 2021 Tech Nation report, it is clear that CreaTech is already a fast growing sub-sector. Government is also aware that a combination of both creative and technical skills will be needed to support growth in this sub-sector.

One of the five objectives of the Cultural Education Plan is to strengthen talent pipelines into cultural and creative sectors (such as CreaTech), helping young people to understand career choices, develop relevant skills, enter the workforce, and thrive. As a result, the Plan will ensure: better careers information, advice and guidance (including on the CreaTech sector) for children and young people; better support for cultural sector professionals delivering cultural education; and better joining up and signposting of opportunities and join-up between different partners (including digital and creative).

Cultural Education plan (paragraph 56)

The scope and objectives of the Cultural Education Plan are set out as part of the [terms of reference](#) for the expert advisory panel, published when the panel was announced in July. The five objectives of the plan are to:

- support all children and young people to access high-quality cultural education
- tackle disparities in opportunity and outcomes in cultural education
- champion the social value of cultural education
- connect relevant organisations to provide cultural and creative opportunities for children and young people, and
- strengthen talent pipelines into cultural and creative sectors

The Plan will cover schools and the wide range of partners who play a role in the cultural lives of children and young people, including creative and heritage organisations, charities, youth clubs and civil society, local government, trusts and foundations, early years providers, and faith organisations. As set out in our response to the previous recommendation (para 55), the Plan will also build on the priorities set out in the Creative Industries Sector Vision in relation to the talent pipeline for the creative industries. In the round, the Government believes there is more to be done to spread best practice, to identify, amplify and extend cultural education opportunities for all children and young people, and to recognise the range of stakeholders involved.

We will publish the Cultural Education Plan in the coming months. We have laid the groundwork conducting internal evidence reviews, undertaking a comprehensive series of nearly fifty listening exercises, and bringing together the necessary expertise as part of the panel.