

### **ABOUT BRITISH SCREEN FORUM**

British Screen Forum Members are senior figures drawn from businesses and organisations operating in the film, TV, video game and/or online sectors. Our members speak for writers, actors, technicians, independent producers, directors, studio operators, distributors, exhibitors, broadcasters, games publishers, games developers, pay TV platforms and online platforms.

### **ABOUT THE UK SCREEN SECTOR**

The Screen Sector is a major part of the UK Creative Industries, which has an estimated GVA of £124 billion, an export market worth £46 billion and a highly skilled workforce of 2.4 million people in the UK. In the Screen Sector, strong growth over recent decades has been driven by a vibrant mixed ecology and, despite the negative impact of recent external events, the long-term prospects for the sector remain very good, although there is no room for complacency in a competitive global market. As well as delivering significant economic value, content produced and distributed by British Screen Forum members provides benefits to society in terms of access and inclusion, quality of life, sense of community, educated citizens, cultural understanding and informed democracy.

### **PRIORITIES FOR AN INCOMING GOVERNMENT**

To maintain the UK's position as a global hub for creative content and to ensure the future of a fiscally and culturally valuable UK Screen Sector, an incoming Government should:

#### **Understand the Business Model**

Carefully targeted strategic policy interventions such as strong fiscal incentives, publicly funded institutions that support the Screen Sector and independent and regional production quotas, have established the UK as one of the leading places to make audiovisual content.

It is vital to base any policy approach to the Screen Sector on a clear understanding of the high cost, high risk, hit-dependent nature of the industry. Proper consultation to achieve a holistic understanding of the effect of any policy change should remain a key feature of the relationship between the Screen Sector and an incoming Government.

We therefore welcome the passing of the Media Act 2024 during wash up and the well-established constructive relationship between departmental officials and the sector.

## Ensure Continued Inward Investment

UK Government support for the Screen Sector has attracted significant inward investment. However, competition from other countries for international production business is strong. For the UK to remain attractive as a market for international investment an incoming Government should:

- Ensure expenditure credits<sup>1</sup> for production, which (in their current and previous form) have been instrumental in encouraging significant inward investment, remain internationally competitive
- Plan for a digital infrastructure that supports the next generation of screen services which will rely on full fibre broadband. An incoming Government should be ambitious in its plan for full fibre coverage in the UK
- Ensure continued good access to high quality studio space and virtual production facilities through a supportive planning and investment policy framework

## Improve Access to Finance

To ensure the continued production and distribution of world class, culturally British content, an incoming Government should prioritise improving access to finance for the Screen Sector, particularly for independent film and cinema and early-stage projects, which all require additional support. An incoming Government should:

- Maintain and, where possible, improve grant in aid funding for development, production and distribution across the Screen Sector<sup>2</sup>
- Review HMRC application of EIS and SEIS guidance to recognise the very specific financial models of the Screen Sector
- Address specific concerns about the future of UK independent film by introducing a new targeted expenditure credit for distribution and marketing costs that would work in tandem with the new Independent Film Tax Credit
- Support the continuing post-Covid recovery of cinema audiences by considering a temporary 0% VAT rate on cinema tickets
- Bring the quantum of public support for creative R&D into line with the economic value of the sector, including through the expansion of expenditure credit definitions to include creative R&D as an eligible cost (as do many competitor territories).

## Protect Intellectual Property

The Screen Sector relies on its ability to extract value from the rights it owns in the content it creates. An incoming Government should take care to maintain the delicate balance of a healthy intellectual property regime which stimulates the market in content and protects the rights of content creators. IP is a global market and the effect of unilateral UK policy changes on UK rights owners in that global market should always be considered carefully. An incoming Government should:

- Address rightsholder concerns regarding AI and IP by ensuring those who use copyrighted content to develop AI services comply with relevant UK legislation including copyright, performers' rights, and all other intellectual property rights
- Preserve the current definition of European Works which includes UK works
- Rule out any move to international exhaustion of IP rights for packaged home entertainment

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<sup>1</sup> Audiovisual Expenditure Credits have recently replaced the various screen sector tax reliefs

<sup>2</sup> Funding of bodies such as the BFI has been cut significantly since 2010 and is not commensurate with either the economic value of the sector or the level of support available in many competitor territories

## **Recognise the importance of a skilled and flexible workforce**

The Screen Sector is reliant on a workforce which is highly skilled, highly mobile and mostly freelance. An incoming Government should recognise the specific needs of the industry regarding recruitment, retention and continued professional development, especially at a time of significant technological change. An incoming Government should:

- Review how the Apprenticeship Levy applies to the Screen Sector and work closely with the industry to identify ways to optimise how the levy is deployed
- Make the Screen Sector a viable career choice by providing an excellent creative and technological education to children and young people from primary to tertiary level
- Support industry efforts to ensure opportunities are open to talented entrants to the Screen Sector regardless of their background
- Support industry efforts to provide continuing professional development to Screen Sector workers at the time when the skillset they need is changing rapidly
- Support industry efforts to address issues that disproportionately affect a freelance workforce, including mental health and financial resilience, and which pose challenges in terms of securing the skilled workforce the sector requires

## **Enhance International Cooperation Agreements**

The Screen Sector's success can often depend on the ability to do project work, provide services across borders without hindrance and pursue new opportunities in key target markets. To support this activity an incoming Government should:

- Preserve the data adequacy position in the EU
- Seek new co-production treaties with key target countries, defined with respect to criteria such as growth potential, size of the audiovisual market and cultural, historic and linguistic affinity with the UK
- Consider reciprocal 'cultural passport' schemes for companies engaged in the creation of audiovisual content within and outside the UK

## **Support industry efforts to improve environmental sustainability**

The Screen Sector has recognised its potential to impact the environment and is focused on creating a more sustainable approach to content production. An incoming Government should support this approach by helping the Screen Sector in its efforts to minimise the environmental impact of the industry in a way which does not have a negative effect on content creation.

## **CONCLUSION**

In conclusion, British Screen Forum members, who represent all stages of the Screen Sector value chain, are ready and willing to work closely with Government to ensure the industry remains one of the major success stories of the UK economy.

A policy approach which recognises the contribution of the Screen Sector to the UK economy and provides the support it needs to remain globally competitive has the potential to stimulate growth and provide continued social value to the UK but success is dependent on carefully tailored interventions designed in conjunction with the industry. British Screen Forum calls on the incoming Government to recognise this and work with us to create a Screen Sector policy environment that supports the continued success of the industry.