

Questions

Sector Methodology

1. How should the UK government identify the most important subsectors for delivering our objectives?

Directors UK is the professional association of UK screen directors. It is a membership organisation representing the creative, economic, and contractual interests of over 8,000 members — the majority of working TV and film directors in the UK. Directors UK members are the freelance TV and film directors who make the films and television that we all enjoy. As copyright holders, directors are also underlying rights holders, who are compensated for the secondary exploitation of their work through the onward sales and distribution of programmes and content.

We welcome the Creative Industries being identified as a priority sector in the Industrial Strategy Green Paper. The sector's contribution to GVA is £125bn annually, around 6% of the economy - more than life sciences, automotive manufacturing, aerospace and the oil and gas sectors combined.

The majority of Directors UK members work in the film and TV sector, however there are some directors who also work in theatre and live events. The interdependence between sectors and subsectors is important to consider when developing the Industrial strategy. For example, the screen industries cut across two of the Industrial Strategy priority sectors: 'Creative Industries' and 'Digital & Technologies'. Maintaining a wide understanding of the creative industries ecosystem and where subsectors cross-over will be critical to success.

More generally, when considering how sectors and sub-sectors meet the Industrial Strategy objectives, alongside the usual economic values such as GVA/GDP, returns on investment, productivity and employment opportunities, government should also consider the soft power, global reputation and societal and cultural value that Industrial Sectors are able to deliver for the UK. It is important that the government considers how to measure these less tangible outcomes such as the creative industries' influence on the UK's soft power status.

The government should also be considering not just how an Industrial Sector is performing now, but also its potential to deliver future UK-wide growth and employment in a secure and sustainable manner.

In terms of the screen sector – and the wider creative sector - there is a lack of government and industry data available around workforce and skills, particularly relating to freelancers, who make up the majority of the workforce. There needs to be better freelancer workforce data gathering to inform government decisions.

2. How should the UK government account for emerging sectors and technologies for which conventional data sources are less appropriate?

We are not qualified to answer, however, we would encourage you to look at the examples of the [Creative Industries PEC research](#) which provides useful insight, including The Creative Industries Clusters Programme (CICP), and projects such as [CoSTAR](#), a £75.6 million national research and development network of laboratories developing new screen technologies to help ensure there is the data and research needed to provide insight into priority and emerging sectors, to inform market development, innovation and investment.

Combining the expertise of the UK's world leading universities, research institutions and industry, these programmes are contributing to the collection of data needed to maintain the UK's status as a world-leader in creative tech and innovation.

3. How should the UK government incorporate foundational sectors and value chains into this analysis?

In terms of the screen sector, the government should look at the broader impact TV and film production has on a much wider value chain. Productions across the UK often have a positive impact on employment opportunities and income generation in the wider local communities where they are based e.g. through accommodation bookings, catering, the use of local trade or craft services on a production shoot. As an example, the film *Deadpool and Wolverine*, which was made by Disney and filmed in the UK, employed 1,379 UK cast and crew, used 818 UK vendors, spent £1.3m on catering and craft services in the UK, and spent £945k on accommodation in the UK.

There are also the wider positive impacts on local communities through increased profile, tourism etc. When people go to see a film at the cinema they often go to local restaurants, pubs and shops and take public transport. [DCMS's UK Global Screen Fund](#) found that two-thirds of tourists to the UK are influenced by locations and landmarks from British made films and TV programmes.

Sectors

4. What are the most important subsectors and technologies that the UK government should focus on and why?

We welcome the Creative Industries being identified as a priority sector in the Industrial Strategy Green Paper. In the case of the screen sector, TV and film make a significant economic contribution, supporting jobs and growth across the UK, and strengthening the UK as a creative powerhouse:

- The UK is also the second-largest exporter of television programming and the fourth-largest exporter of film content globally. UK television exports were worth £1.853 billion in 2023 - a 22% increase year on year. In 2023, UK qualifying films achieved a total box office of US\$6.1 billion, a 22.5% share of the market, an increase from US\$3.4 billion and 16% in 2022 (source: [BFI](#)).

- A European Audiovisual observatory report found that approximately one-third of all streamer production spending in Europe in 2023 was in the UK. Spend in the UK was double that of the second largest territory, Spain.
- Between October 2023 and September 2024 film and high-end television inward investment in the UK totalled £4bn, this is despite being significantly impacted by the Hollywood strikes. Overseas investment in film and high-end television production accounted for 85% of film and HETV production spend in the UK in 2023, (source: BFI).
- The benefits of increased overseas investment in the UK include growth in jobs and opportunities; engagement of UK talent (such as directors) on international productions; investment in the UK production sector and infrastructure; and the positive impacts on related sectors (e.g. construction, catering, tourism etc).
- Public investment in the screen sector is key to this success and yields a significant return for the UK economy. In 2019, the Audiovisual Tax Reliefs generated £13.48 billion in GVA. The return on investment for every £1 of tax relief was £8.30 for Film, £6.44 for High-end television, £4.53 for Animation, £3.20 for Children's television, and £1.72 for Video games. (source BFI)
- There is potential for the screen sector to grow even further thanks to the recent introduction of the Independent Film Tax Relief and the VFX reliefs.
- However, we must not become complacent. it is important that the UK remains an attractive destination to produce film and television, particularly given increasing international competition seeking to emulate the UK's production success, and the mobile nature of the sector. The industrial strategy needs to ensure that the UK remains competitive and is well placed to capitalise on new opportunities for future growth.
- The PWC Global Entertainment and Media Report predicts the UK's Entertainment and Media (E&M) industry will grow faster than the USA and Canada, with a 5% Compound Annual Growth Rate for 2023-28. The report predicts the UK to emerge in 2028 as the fourth biggest global E&M market at \$110bn given the UK's significant growth in the online ad market and increase in consumption from fast-growth markets such as China and India.
- Domestically, there is still huge demand from UK audiences for screen content. Ofcom's Media Nations 2024 report found that "Overall viewing of TV and video increased in 2023, driven by online platforms, including video-sharing platforms such as YouTube, and broadcasters' own services such as iPlayer and ITVX" The average amount of time spent watching TV and video content at home in 2023 was 4 hours 31 minutes per person per day, up by 2% since 2022.

It is important from a social and cultural perspective to have UK-originated productions which tell stories that reflect the lives, experience and culture of audiences from across the UK. British-made content not only shares the diversity of the UK but has a role to play in supporting wellbeing and social cohesion and brings communities together.

The Screen Sectors also play a vital role in terms of their social and cultural value, and soft power for the UK abroad. The export of independent UK films and TV productions plays a significant role in representing the UK globally, sharing our cultural identity abroad, and enhancing the UK's soft power internationally. The EY International Perspectives report found that: "*The BBC is one of the greatest disseminators of British culture there is*". Research from DCMS's UK Global Screen Fund found that 70% of global audiences recognise "Britishness" as a mark of high-quality, with a third (30%) of adults saying that British film and television influences their view of the UK. While two-thirds of tourists to

the UK said they are influenced by locations and landmarks from British made films and TV programmes.

5. What are the UK's strengths and capabilities in these sub sectors?

The UK has a strong reputation and a long history of producing high quality film and television content that sell and are watched around the world. The strength of the screen sector is down to a combination of factors - our world-leading reputation for production talent and skills, strong creative expertise and idea generation, a broad range of filming locations, established production infrastructure, a growing number of production and post-production facilities, a strong IP regime, and the introduction of Tax Reliefs which have really helped the UK to become an attractive destination for the production of film and TV.

Skills and Talent – The UK's creative workforce is one of the major draws for inward investment in film and TV production in the UK. Ensuring we have a skilled workforce, including directing talent, capable of supporting the continued growth of the screen industry must be a key priority.

Idea generation - Digital growth means there has never been more demand for new and exciting audiovisual content. This provides a great opportunity for the UK, recognised globally as a nation of IP creators and a hub for creativity, talent and excellence.

A strong public service broadcasting system – public service broadcasting is at the heart of the success of the UK's screen-sector and is envied around the world. Research conducted for Ofcom in 2020 found that *"The UK PSBs' content is recognised globally for being the best in the world in terms of quality"*. The EY International Perspectives report highlights the reputation the BBC has internationally: *"...other countries hold the BBC in such high regard, and others seek to emulate this"*. *"The BBC is one of the greatest disseminators of British culture there is"*. PSBs also have a huge role to play in supporting UK-wide growth across the nations and regions, they provide employment and training opportunities for a wide range of talent and are key to our soft powers overseas. Ensuring we continue to have a well-funded and varied PSB infrastructure is essential.

Established production infrastructure – the UK has a strong mix of production companies, studios, filming locations and post-production facilities across the country which are well-established and highly regarded. This foundation is growing as large multinational platforms are investing in infrastructure and production bases in the UK, (Amazon Prime Video at Bray Film Studios, Warner Bros Studios Leavesden, Netflix at Shepperton Studios).

A strong IP Regime - the UK has a robust copyright regime that rewards creativity and has enabled UK creators to exploit their IP and reinvest it in new ideas, leading to the growth of a broad range of UK production companies and creative talent. Ensuring the UK can retain and profit from IP in order to continue to grow companies, support creators and maintain cultural ownership moving forwards is critical.

6. What are the key enablers and barriers to growth in these sub sectors and how could the UK government address them?

Key enablers to achieving growth in the screen sector include: ensuring we have a highly skilled workforce with a strong and well-funded skills and training pipeline; improving retention of

freelancers thorough improved working conditions and environments; maintaining our gold-standard IP system; protecting public service broadcasting; maintaining a competitive tax credit system; investment in infrastructure UK-wide.

People and skills - Ensuring we have a highly skilled and flexible workforce

The Screen Sector is a project-based industry, which is reliant on a highly skilled, highly mobile, and predominantly freelance workforce. The majority of Directors UK's 8,000 members are freelance. Of the 73,000 people working in film and video production in 2023, 56% were self-employed. Ensuring we have a skilled and inclusive workforce capable of supporting the continued growth of the screen industry is one of the sector's major requirements.

Some of the barriers affecting this include:

- retention of freelance talent - the increasing financial instability and unsustainability of freelance creative careers is causing talent to move abroad or leave the sector for more secure employment elsewhere; this also impacts the attractiveness of embarking on a career in the sector.
- under-investment in training and skills development at all levels and the loss of structured career development and training routes for workforce progression. The project-based nature of employment has hindered long-term workforce planning and investment in skills.
- the lack of progress on equality, diversity and inclusion, as can be seen in the latest Diamond diversity report;
- the need for sustainable careers and production opportunities across the nations and regions;
- the negative impact of freelance employment practices on well-being and mental health.

Tackling these skills and retention issues are essential to sustaining long-term growth and global competitiveness. It is essential that the government recognises and understands the specific needs of the screen sector in relation to recruitment, retention and continued professional development.

The BFI Screen Sector Skills Task Force have appointed ScreenSkills to lead a joined up approach to screen sector skills. They recently launched a new five-year strategy. Government support for this work is essential.

To ensure that the whole of the UK benefits from the Government's growth ambitions, regardless of their background or circumstances, it is critical that the Industrial Strategy is designed with robust mechanisms and measures to ensure equality in opportunity and outcomes for people from under-represented groups and those based in the nations and regions.

Improving the retention of freelancers thorough improved working conditions and practices is also paramount. Directors UK is among many organisations advocating for a Freelancer Commissioner to be appointed within government to enable better support, understanding and engagement with the freelance workforce. They could advise the government across departments on policy issues affecting freelancers. Industry-led initiatives such as the BFI's Good Work Programme and the Creative Industries Independent Standards Authority (CIISA) are also intended to support freelancers in the sector and drive improvements in working practices, mental health, and retention. (see Question 8 for more information).

Retaining Intellectual Property

Protecting the UK's gold standard intellectual property and copyright regime that underpins film and television production is essential to enabling future growth. The prosperity of the UK's film and TV is dependent on maintaining and retaining these intellectual property rights. One of the barriers affecting this is that independent film and TV productions are increasingly dependent on co-production financing, often partnering with US-owned, or international companies. These companies, who often also control the distribution channels, are invariably holding onto the IP rights for their own benefit. The rise of the 'exclusive buy-out', which guarantees a financial return for investors, usually involves the buy-out of all IP rights. This is a huge risk to the sector, as it is the value derived from IP rights that is critical to ensuring we have a sustainable UK independent production model. Research for Ofcom in 2020 highlighted that *"non-PSBs are seeking to secure greater rights ownership across multiple windows, following the US model whereby suppliers are effectively producers for hire...."* The government should explore how it can better support and protect IP retention in the UK.

Protect copyright and support fair remuneration for creators

Copyright royalties are also an important income stream for directors when they face gaps in work. Last year, Directors UK distributed over £19.9 million in UK and international royalties to 5,600 directors in the UK. Income from copyright enables and incentivises creative authors to create new work. Research demonstrates that those countries that reward their creators appropriately are ones who have the most buoyant creative economies. One of the barriers to this is that, despite the growth in new digital services and platforms creating and showing content, UK creators are not being fairly remunerated for the use of their work in the online/digital market. Digital and on demand platforms are increasingly making significant profits from creators' works, without paying those creators their fair share. In Europe, the 2019 European Copyright Directive strengthened remuneration rights for authors by introducing the core principle of appropriate and proportionate remuneration for creators. Many European countries are implementing this by introducing statutory remuneration schemes paid by streaming platforms. The UK government helped devise the directive wording and it was supported by all UK political parties before we left the European Union. The UK missed out on this and as a result lump sum buy-outs remain very common, denying UK authors any ongoing payments for use of their work. UK creators are reliant on collective bargaining or voluntary collective licensing to address copyright remuneration. If those mechanisms fail to provide reasonable ongoing payments for individual creators', then government should consider introducing similar provisions in the UK to the remuneration provisions of the European Copyright Directive in order to provide further assistance to creative individuals in the UK.

There are other ways the government could enhance and protect creators copyright to ensure they are being fairly compensated for the use of their work. Directors UK is part of a group of rights holder organisations supporting the introducing of private copying mechanism known as the Smart Fund. This is a proposal to compensate creators for the private copying and storage of their content on digital devices by placing a small one-off charge on the sale of mobile phones and laptops in the UK, to be put into a fund that is paid out to creators. Economic research has found this could generate income of around £250-300 million a year for creators, at no cost to the Government or taxpayers. It also brings the UK in line with 45 nations across Europe and the rest of the world who have already successfully adopted a similar approach. A percentage from the funds collected would be put

towards funding cultural projects in regions. Economic analysis has demonstrated that the cost of devices is not affected in countries that have such a scheme and device manufacturers/importers are already accustomed to paying this percentage in the 45 countries where such schemes already exist. The Culture Media and Sport Select Committee report on its Inquiry into Creators' Remuneration recently recommended implementing such a scheme in the UK.

Generative AI is rapidly advancing and brings both opportunities and challenges to the creative sector. It has huge implications for creators in terms of how their work is being used and being compensated for that use. The Government can address this by adopting a robust approach to AI regulation, ensuring that the AI sector respects the UK's IP Copyright Regime and honours their obligations to that system through the appropriate licensing of rights, with measures to support transparency, accountability and fair financial compensation. The growth of AI should not damage the value of our world-leading creative industries.

We would also urge caution that while emerging sectors can create new opportunities for growth, the government must be careful not to allow existing sectors which are proven wealth and jobs generators for the UK, to be sacrificed in favour of promises of jobs and growth from sectors that are yet to deliver for the UK.

Support for Public Service Broadcasting

Public Service broadcasters have a big role to play in the creation and distribution of UK content, including television and independent film. The EY International Perspectives report found: *"The UK's global strength is rooted in its PSBs' track record of producing distinctly British content that is loved by audiences around the world. If the support for PSBs producing this kind of content isn't there, the UK industry risks becoming commoditised and production will simply move to the most cost-effective locations, and that's probably not the UK"*. It is therefore vital that the UK retains this global production status, particularly in light of reductions in global commissioning and production. Together ai, spending almost £3 billion on first-run originations in 2022. They produce around 32,000 hours of new British content a year, compared to 200 hours of UK-produced content produced by global streaming giants such as Netflix and Amazon. The BBC and Channel 4 are also important funders of UK independent film. However, investment by broadcasters is in decline as they face budgetary pressures due to a range of factors including the licence fee freeze, a decline in the advertising market, inflationary impacts and changes to distribution markets. Government must maintain the strength of our public service broadcasting by ensuring they are well funded, with clear public service obligations that support investment in UK content, independent production, and skills and talent development across the country. The government must also consider the international impact of a strong and stable BBC for the UK production industry, when reviewing its future funding options. Further reductions in the funding of the BBC risk undermining or diminishing its unique global position and influence.

Maintain a strong mix of public and private funding and investment in the UK screen sectors

Ensuring we have a strong mix of public funding and private investment for the UK Screen sector is going to be key to maximising the huge potential for future growth. Maintaining our thriving mixed ecology of public service broadcasters (PSBs), commercial platforms, inward investors, and independent production companies will enable the screen sector to grow production activity across the UK. The Industrial Strategy should ensure the UK's audiovisual expenditure credit regime remains

internationally competitive and that there is robust and well-funded production support infrastructure to support investment. Alongside our competitive tax regime, which encourages significant inward investment, there also needs to be greater investment in domestic content. Over reliance on inward investment production brings a huge risk, as was seen during the Hollywood Strikes which affected production in the UK and resulted in a huge downturn in work for freelance production workers. It also results in an inflation in prices and uses up production staff and facilities, meaning lower budget domestic productions can't use these resources. Challenges in accessing and raising funding for domestic production is one of the biggest barriers to growth for the UK screen sector. Since our departure from the European Union, UK filmmakers have experienced a loss in access to European funding from the Creative Europe and MEDIA programmes, a loss which has not fully been made up for by the UK Global Screen Fund (administered by the BFI). The Global Screen Fund is invaluable but is under-resourced and needs additional support. The government can address these funding barriers through ensuring we have a well-funded and stable PSB system; improving access to adequate grant-in-aid and National Lottery funding through the BFI; unlocking barriers to investment such as the restrictions on the EIS and SEIS schemes for the screen sectors; and enabling the creative sector to access R&D tax reliefs. It is also important that the Industrial Strategy is designed to support growth across the full value chain of the screen industries, including ensuring the UK has a healthy cinema sector for audiences. We support the BFI recommendations that Government considers recent proposals made for tax credits to support film distribution in the UK, to support the independent sector and drive audience demand.

Business Environment

7. What are the most significant barriers to investment? Do they vary across the growth-driving sectors? What evidence can you share to illustrate this?

Areas that may be barriers to investment in the screen sector are:

People and Skills - As outlined in Question 6, the UK's highly skilled creative workforce is what makes the creative industries succeed and is one of the major draws for inward investment in film and TV production in the UK. Ensuring we have a skilled workforce capable of supporting the continued growth of the screen industry is one of the sector's key challenges. Ensuring adequate skills provision is an important part of this, however it is just as important that we address how to retain the current workforce. Poor working conditions, long hours and low pay, a reliance on freelancers with few employment rights and move from job-to-job with little security and no safety net, means the industry is at risk as it is built on the precariousness of its workforce. In July 2024, Bectu reported that more than half (52%) of the UK's film and TV workforce were out of work, a finding echoed in our own membership, with 50% of directors saying they were out of work. The Film and TV Charity's 2024 Looking Glass survey found that 64% of film, TV and cinema workers considered leaving the industry over the past 12 months due to concerns about their mental health. Bectu also found that 38% of respondents to their survey said they planned to leave the film and TV industry in the next five years. Failing to improve sustainability and working condition in the industry risks creating an unsustainable model for investment. The underrepresentation of diverse groups within the UK's cultural and creative industries also poses a significant barrier to investment.

IP protections and return – As outlined in question 6, the loss of income from IP is a significant barrier to investment. Retaining IP is what enables UK producers to reinvest in future television and film production and acts as a catalyst for growth. International studios and SVOD companies, who are

increasingly investing in and commissioning work in the UK, are seeking to hold onto their IP and are not subject to the same regulations or obligations as UK companies or PSBs. This means the return on investment in UK production is not staying in the UK. Ensuring creators are also fairly remunerated for the use of the secondary use of their IP enables them to continue to generate ideas for new work. The government should explore how it can better support and protect IP retention in the UK. The BFI have also highlighted that there is also a lack of understanding among UK investors on how to value intangible assets such as IP, as well as a lack of understanding around how creative businesses can produce returns. Educating investors on how screen sector business models work is important.

Accessing finance/funding – Funding the production and distribution of domestic films and TV is extremely complex and is becoming increasingly more challenging. It requires a mix of public and private funding sources, often from different countries, and requires UK creators (including directors) and production companies to balance the different demands of their investors. Changes to market models mean some of the traditional ways of raising finance are no longer available.

At the same time public or grant-in-aid funding for independent British film has seen a decline in recent years and is not keeping up with the economic value of the sector or the level of support available in many competitor territories. The BFI's National Lottery Funding Plan (2023-26) had a budget of £18 million a year for filmmakers, compared to £25million in 2022/23. The BBC Film annual budget for 2023 reduced to £11 million – in 2007 it had a budget of £12 million. We would encourage the government to look at ways to strengthen National Lottery and grant in aid funding for the screen sectors via the BFI and ensure ongoing support for the PSB system so that it can continue to invest in UK independent films.

Screen Sector eligibility to SEIS/EIS – Changes to the Enterprise Investment Schemes (EIS) and the Seed Enterprise Investment Scheme (SEIS) have meant that there are less ways of raising finance for independent film and fewer incentives for private finance to invest in independent film and television. The British Screen Forum's recent Show Me The Money report shows the number of UK film productions with money from specialist investment companies peaked in 2017 and fell by 60% the following year when the more restrictive 'risk to capital' rules on the Enterprise Investment Scheme (EIS) were introduced. The impact of this should be reviewed and action taken to address the limitations affecting the Screen Sectors' eligibility, recognising the unusual nature of financial models in the Screen Sector. The Industrial Strategy needs to support screen sector access to corporate financing for growth, beyond project or product financing.

R&D Tax Reliefs – Expanding the definition of R&D tax reliefs to include creative research and development would increase access to development funding. R&D funding that can reach industry quickly is important for capitalising on innovation to help the sector work more productively and reach audiences in new and inventive ways. In addition, many freelance creatives, spend a large amount of their time undertaking R&D, writing and developing ideas for future creative works and usually earning no income during this period, yet once an idea has been picked up and goes into production it yields future work opportunities and revenues for the many (often hundreds/thousands) of people who then work on the production and contribute revenues to the UK creative economy. The Industrial Strategy should ensure there is suitable R&D financing available for creative industries.

AI and Copyright - Uncertainty over protection of IP rights and rights regimes in the age of generative AI can hold back private investors and has huge implications for creators in terms of being compensated for the use of their work. The Government can address this by ensuring that the AI

sector respects the UK's 'Gold Standard' IP Copyright Regime and honours their obligations to that system through the appropriate licensing of rights, with measures to support transparency, accountability and fair financial compensation. The growth of AI should not damage the value of our world-leading creative industries.

Business Environment – People and Skills

8. Where you identified barriers in response to Question 7 which relate to people and skills (including issues such as delivery of employment support, careers, and skills provision), what UK government policy solutions could best address these?

Improve data gathering and monitoring of the freelancer workforce - ensuring there is better data to understand the nature of freelance working and how it affects employment, tax and benefits, skills and training, diversity etc

Introduce a Freelancer Commissioner - Freelancers work outside traditional employment structures and don't have the safeguards, employment rights and benefits that regular employees have. Introducing a Freelance Commissioner in government to work across departments and represent the UK's 4.3 million freelancers - including nearly 1 million from the creative and cultural industries - would enable better support, understanding and engagement with the freelance workforce and help shape policy for the self-employed within the creative sector. This was recommended by the Culture Media and Sport Committee in their Creator remuneration report indicating cross-party support for this proposal.

Improve financial security and well-being for freelancers – the TV and film freelance workforce struggle with long hours, financial instability, poor working conditions, and limited rights, it is vital that we address these to ensure we can retain a skilled and diverse workforce. If we don't resolve these then efforts to bring new entrants into the industry are unlikely to work longer term. Government needs to consider the implementation of the Employment Rights Bill and the New Deal for Working People to ensure these support those working in freelance and fixed term employment. More must be done to tackle the underlying causes of the sector's "feast or famine" way of working. We also advise looking at what support is in place for creative industry freelance workforces in other markets, the British Screen Forum are undertaking research in this area. Providing greater support for pensions for self-employed would also be invaluable. Supporting the sector to build fairer, safer and more inclusive workplaces and addressing well-being concerns through programmes such as the BFI's Good Work Programme and the Creative Industries Independent Standards Authority (CIISA) is also important to support well-being.

More radical action to improve inclusivity – There needs to be a comprehensive shift in diversity and inclusion policy and processes by broadcasters, streamers and production companies to ensure long term commitments to improve representation among creative freelancers. The piece-meal approach to ED&I initiatives is not working. This needs proper data, tracking and incentives. Expanding Ofcom's powers to require improved broadcaster monitoring of their freelance workforce would improve awareness and help the industry make effective change. Addressing the financial insecurity affecting freelance careers will help remove barriers to entry and progression for under-represented groups.

Investment in the nations and regions – Incentivise production companies, PSBs and streaming platforms to invest in the nations and regions and develop stronger production centres across the UK as part of cluster development activity. There needs to be long-term commitment from broadcasters

and producers to commission outside of London and to use, develop and train a film and TV workforce and across the UK to drive sustainable growth. Look at the role of Ofcom and the Media Bill in setting obligations as part of broadcaster remits to ensure opportunities are available in the industry across the UK.

Skills & Training

Joined up approach to skills and training – we welcome the introduction of Skills England. It is vitally important they work closely with Screenskills the industry skills body, and government departments across the UK to ensure that skills policy is joined up and there is a clear and well-defined professional development framework that meets the needs of the screen sector across the UK. There should be portability of qualifications across the industry

Apprenticeship Levy reforms and mid-career training – We welcome reform of the Apprenticeship Levy into a more flexible Growth and Skills Levy which should better suit the short-term nature of employment in the Screen Sector. We encourage you to look at the findings and recommendations from the recent pilot study by ScreenSkills on [apprenticeships](#). However, we would note that it is not just young people who would benefit from an improvement in access to the skills and the apprenticeship system. Focus is often given to entry level skills initiatives aimed at bringing new talent into the sector, however mid-career training and reskilling is just as important. Over-50's are statistically more likely to leave the industry, but it is also the age of many of our experienced directors. The sector should be looking at how it can provide support and opportunities for those already working in the sector looking to progressing their careers, returning to work after a caring gap, or for those seeking to change genre or upskilling. We need to invest in the pipeline of trained talent at every level.

Access to funding for freelancer training - freelancers in TV and film are often left to fund most of their own skills training or take on unpaid mentoring opportunities, these costs make skills development unaffordable for most freelancers impacting their ability to progress further in their career. An IPSE survey in 2023 over half of freelancers (51%) reported that they have not undertaken any professional or work-related training in the last 12 months. The government should work with ScreenSkills and the wider industry to ensure there are adequate funding and skills bursaries for freelancers for training throughout an individual's career. This would make a huge difference to the industry's talent development and retention.

Creative Education – We welcome the current curriculum review. Educating young people that a career in the creative industries is a viable option is important to ensuring a pipeline of future talent. In recent years, with the removal of many arts subjects from the national curriculum, creative subjects are at risk of being undervalued. This needs to be addressed so that the education system teaches and values creative subjects throughout school and into higher education. Practical advice on preparing for a career as a freelancer/self-employment would also be useful training.

Protection of Copyright

Protect copyright and support fair remuneration for creators - Copyright royalties are an important income stream for directors when they face gaps in work and incentivise the creation of new work. As outlined in Question 6, Directors UK is asking Government to continue to strengthen and safeguard the UK's IP copyright protection regime.

Adopt a robust approach to AI and Copyright - Ensure that the AI sector respects the UK's IP Copyright Regime and honours their obligations to that system through the appropriate licensing of

rights, with measures to support transparency, accountability and fair financial compensation. The growth of AI should not damage the value of our world-leading creative industries.

Introduce the Smart Fund – a proposal to compensate creatives for the private copying and storage of their content on digital devices by placing a small charge on the sale of mobile phones and laptops in the UK. Economic research has found this could generate income of around £250-300 million a year for creators, at no cost to the Government or taxpayers. It also brings the UK in line with 45 nations across Europe and the rest of the world who have already successfully adopted a similar approach and could help fund grassroots creative sector schemes to deliver greater access to the arts and so foster greater industry diversity.

9. What more could be done to achieve a step change in employer investment in training in the growth-driving sectors?

The BFI Screen Sector Skills Task Force is an example of employers and other key stakeholders coming together to develop a training strategy to meet the needs of the sector. The report from the Screen Sector Skills Task Force found that the members of the Task Force invested over £100m in skills development in 2022 – more than the 1% of production budgets recommended by the BFI Skills Review.

To encourage further employer investment in workforce training ScreenSkills are suggesting initiatives such as:

- matched funding programmes to offset costs such as training fees and wages, this would particularly help SMEs
- tax relief for training expenditures to reduce financial barriers and encourage investment in upskilling
- targeted awareness campaigns to raise understanding of training as a strategic investment and the benefit to their business, highlighting success stories and raising the profile of initiatives like the ScreenSkills Training Passport.

There should also be flexibility in how funding for training can be used in the Screen Sector given the predominantly freelance workforce; and greater focus on training at mid-career level to support ongoing professional development and ensure sustainable career pathways.

Business Environment - Innovation

10. Where you identified barriers in response to Question 7 which relate to RDI and technology adoption and diffusion, what policy solutions could best address these?

Expanding the definition of R&D tax reliefs to include creative research and development would help in increasing access to development funding which would support the early-stage development of screen sector projects and companies.

Regulation of AI to ensure transparency and accountability in its use, safeguard human creativity and to ensure it supports and does not diminishes the value of our thriving creative sector.

Investment in skills and training in the creative sectors to ensure the industry is ready and can benefit from emerging technologies.

11. What are the barriers to R&D commercialisation that the UK government should be considering?

Not qualified to respond.

Business Environment - Data

12. How can the UK government best use data to support the delivery of the Industrial Strategy?

There is a lack of data on the UK screen sector which would inform understanding and support the delivery of the industrial strategy. This includes addressing the huge gap in data and knowledge of the screen sector workforce and skills; and more detailed data on project spend that could provide a better understanding of where in the UK activity is taking place.

Work is being done to address some of these data gaps through the research work of Creative Industries Policy and Evidence Centre, ScreenSkills and the BFI's focus on Industry Data and insights. Government support for initiatives such as these, and forward-looking research such as CoSTAR, would help ensure we have the data and research needed to provide insights and to inform market development, innovation and investment.

Directors UK is particularly concerned with the lack of monitoring, knowledge and understanding of the freelancer workforce by the Government and the industry. Having better data on the make-up of the Freelancer workforce would also help improve ED&I in the screen sector. Currently Ofcom gathers comprehensive diversity data from UK broadcasters on their staff employees, which is published annually and holds the broadcasters to account under their license obligations to reflect and represent the audiences they serve. However, the vast majority of those working in production are freelance, and these workers are not captured in this data as Ofcom is not mandated to ask broadcasters to report on their freelance employees. The broadcasters have attempted to address this through their CDN Diamond monitoring of freelancers. However, as this is reliant on self-reported data it offers an incomplete picture of the creative workforce, with only a third (31-34%) of freelancers choosing to complete the data monitoring forms. The industry can only support inclusivity by really understanding the make-up of the workforce, and the areas of shortfall. We believe Ofcom should be mandated to gather data from the broadcasters on the diversity of senior editorial job titles on their commissioned works (Executive Producer, Producer Director, Producer, Commissioning Editor, Director, Writer, Head of Production and Series Producer, by gender, race, disability and age) and for this to be published in the annual *Diversity in Broadcasting* report.

The BFI is also advocating using the application process for the Audio-Visual Expenditure Credit (AVEC) as a secure mechanism for collecting and publishing more detailed data on financial trends and production spend could help to improve industry decision-making. This information is required as part of the tax credit application process in countries such as France.

Many in the industry have also highlighted concerns that the SIC (Standard Industrial Classification) and SOC (Standard Occupational Classification) codes are not fit for purpose for some areas of the screen sector and is calling for these to be reviewed by the Office for National Statistics in support of the industrial strategy.

13. What challenges or barriers to sharing or accessing data could the UK government remove to help improve business operations and decision making?

Greater parity of transparency on audience data across broadcast, cinemas, and video-on-demand services would be beneficial.

Business Environment - Infrastructure

14. Where you identified barriers in response to Question 7 which relate to planning, infrastructure and transport, what UK government policy solutions could best address these in addition to existing reforms? How can this best support regional growth?

We would direct you to look at the responses from the BFI and the British Screen Forum for insights.

Public service broadcasting should be considered as a key piece of infrastructure in the screen sector given its role in creating work, developing talent and driving growth across the screen industries in the UK.

Infrastructure investment should sit alongside local workforce development plans and work in partnership with combined authorities and local growth plans.

15. How can investment into infrastructure support the Industrial Strategy? What can the UK government do to better support this and facilitate co-investment? How does this differ across infrastructure classes?

Not qualified to respond.

Business Environment - Energy

16. What are the barriers to competitive industrial activity and increased electrification, beyond those set out in response to the UK government's recent Call for Evidence on industrial electrification?

Not qualified to respond. Please see BFI response for insight.

17. What examples of international best practice to support businesses on energy, for example Purchase Power Agreements, would you recommend to increase investment and growth?

Not qualified to respond. Please see BFI response for insight.

Business Environment - Competition

18. Where you identified barriers in response to Question 7 which relate to competition, what evidence can you share to illustrate their impact and what solutions could best address them?

Not qualified to respond. However, we would encourage the Industrial Strategy to explore how it can support domestic production to address the imbalance between inward investment production and our British independent sector, and the impacts this has on IP retention and opportunities to work across the UK.

19. How can regulatory and competition institutions best drive market dynamism to boost economic activity and growth?

Not qualified to respond.

Business Environment - Regulation

20. Do you have suggestions on where regulation can be reformed or introduced to encourage growth and innovation, including addressing any barriers you identified in Question 7?

- Regulation of AI in relation to IP is a key issue. Rightsholders are calling for enforcement of the UK's IP system for the use of creative works in training generative AI, and for measures to support transparency, accountability and fair financial compensation. There are significant concerns from rightsholders around adopting an opt-out regime for the use of creative works by AI developers.
- Ofcom as the screen sector regulator should look at the obligations on Public Service Broadcasters to invest in and commission from the Nations and regions across the UK, and to deliver diversity reporting on the freelance workforce to help improve inclusivity for all across the UK.
- The industry is currently using voluntary codes to improve work standards and welfare in the screen sector. The government should remain open to considering regulation to support and drive improvements in Good Work practices.
- The BFI is undertaking research analysing the regulatory obligations on online services in other countries. This research is to improve the sector's understanding of the international landscape given that many European and some major English-speaking territories have brought in, are introducing or are considering regulation of online audiovisual services, mainly Video on Demand (VOD) but sometimes also Video Sharing Platforms (VSPs), with the aim to support their national screen industries. This research will inform UK stakeholders and policymakers as to the rationale and impacts of such regulatory policies in other territories.

Business Environment – Crowding in Investment

- 21. What are the main factors that influence businesses' investment decisions? Do these differ for the growth-driving sectors and based on the nature of the investment (e.g. buildings, machinery & equipment, vehicles, software, RDI, workforce skills) and types of firms (large, small, domestic, international, across different regions)?**

Not qualified to respond. However, we would like to reiterate the importance of the UK's highly skilled creative workforce as one of the major draws for investment in film and TV production in the UK. Ensuring we have a skilled workforce capable of supporting the continued growth of the screen industry is vital.

Business Environment – Mobilising Capital

- 22. What are the main barriers faced by companies who are seeking finance to scale up in the UK or by investors who are seeking to deploy capital, and do those barriers vary for the growth-driving sectors? How can addressing these barriers enable more global players in the UK?**

Not qualified to respond. We would direct you to look at the responses from the BFI and the British Screen Forum for insights.

- 23. The UK government currently seeks to support growth through a range of financial instruments including grants, loans, guarantees and equity. Are there additional instruments of which you have experience in other jurisdictions, which could encourage strategic investment?**

Not qualified to respond.

Business Environment – Trade and International Partnerships

- 24. How can international partnerships (government-to-government or government-to-business) support the Industrial Strategy?**

Screen industries across the UK are major exporters. They are also important for soft power and the perception of the UK internationally.

Directors UK is a member of the British Screen Forum. In their manifesto to the new government they highlighted that the Screen Sector's success can often depend on the ability to do project work and provide services, and export works across borders. They called on the government to enhance International Cooperation Agreements, including:

- Preserve the data adequacy position in the EU
- Support the work of the British Film Council to develop new co-production agreements with key target countries – which are vital to helping projects become fully financed.
- Explore reciprocal 'cultural passport' schemes

It's also important that we rejoin vital programmes for the Creative Industries, including Erasmus, Creative Europe (CULTURE and MEDIA strands) and the Eurimages scheme of the Council of Europe. Co-productions with Europe, which are critical for small independent productions, have declined significantly since the UK came out of the Eurimages co-production programme. We would encourage the UK to rejoin Eurimages, there are other non-EU members, such as Canada and Ukraine, who are members. Our involvement with EU programmes also has a positive impact on the profile of the UK as an international partner in an increasingly global market. Increasing funding for the UK Global Screen Fund will also help unlock international growth by supporting co-productions and funding international business development.

The BFI and Pact are asking government to support trade missions that promote the screen sector overseas and help to grow exports. They give the example of the Tradeshow Access Programme (TAP) as an example of an effective intervention that enabled independent producers to meet with international buyers and promote their content overseas to grow their businesses. They are also calling on the government to review the work of the GREAT campaign with regard to the screen industries.

The UK Government must also ensure that all bilateral and trade agreements with other countries protect UK intellectual property rights.

It is also worth highlighting the importance of UK-originated productions being able to qualify for European Works quotas in the EU. Remaining part of European Works quotas allows UK productions to be shown on European channels.

25. Which international markets do you see as the greatest opportunity for the growth-driving sectors and how does it differ by sector?

Not qualified to respond.

Place

26. Do you agree with this characterisation of clusters? Are there any additional characteristics of dimensions of cluster definition and strength we should consider, such as the difference between services clusters and manufacturing clusters?

It is important socially, culturally – as well as economically - to have cultural voices and stories which reflect all parts of the UK to audiences throughout the UK, and beyond. Despite attempts to develop the TV and film industry across the country, the TV and film sector remains concentrated in London and the Southeast and highlights the need for greater intervention and policy support to develop and grow production sectors across the country.

The UK has a huge amount of creative talent across all regions and nations, yet our members based in the nations and regions often have to relocate to find work due to the lack of opportunities in their own area. Directors UK members have highlighted concern for the lack of support for emerging directors based in the regions particularly since the demise of the regional screen agencies. While film production clusters exist in the English regions, they feel there is little

devolution of decision-making or financial power outside of London. They tell us that outside of short film production, their experience is that funding is not available to production companies in the regions.

Therefore, we welcome a place-based approach to screen sector growth. Access and proximity to production infrastructure, service and equipment companies, and talent are all important factors for establishing and growing successful clusters of activity. Building local partnerships and developing skills pipelines is vital to ensuring companies can hire and develop skills locally. Crucially for the TV sector, access to commissioners based in the Nations and regions would make a big difference to production commissioning across the UK. Appointing or basing more Commissioners and Heads of Departments in the nations and regions, who come from the area or have worked with the talent in the area, would help establish more meaningful creative relationships.

We would also direct the government to look at the PEC [creative clusters report](#). This research investigated clusters to assess their potential for driving regional creative industries growth. The report identified different characteristics and potential for growth between Creative Clusters, Creative Micro-clusters and pan-regional Creative Corridors/ Supercluster groupings, all of which have an important role to play in opening up opportunities.

27. What public and private sector interventions are needed to make strategic industrial sites 'investment-ready'? How should we determine which sites across the UK are most critical for unlocking this investment?

TV directors in the regions rely on the opportunities and investment that Public Service Broadcasters make outside of London to enable them to embark on and build meaningful careers and reflect the people and places around them. Currently, the short-term nature of investment in out of London production results in talent leaving the nations and regions in search of work, which drains the talent pool in the local area. To be successful there needs to be longer-term commitment to investment in regional production, and to building and retaining a local talent pool, with opportunities for them to work on productions within the regions. Publicly owned broadcasters should be properly resourced and all be required to deliver their remit, and spend their creative capital, fairly across the whole of the UK. This would allow for greater creative economic growth and representation, and foster the development and diversity of talent, skills and businesses across the UK. The government should look at the requirements Ofcom is placing on all of the public service broadcasters to commission out of London and out of England as part of their licence obligations.

The BFI is also supporting local skills pipelines and partnerships through their National Lottery Skills Cluster Fund and has also run the Creative Cluster Growth Fund and Places Fund to help support local level sector strategy development.

Maintaining accessibility and film-friendliness across the UK - If the UK is to continue to present itself as a location for inward production, then it is important that we remain welcoming, open and efficient in all our production hubs across the UK. Local councils, film offices etc all have a role to play in enabling and encouraging productions to film in the UK.

28. How should the Industrial Strategy accelerate growth in city regions and clusters of growth sectors across the UK through Local Growth Plans and other policy mechanisms?

Not qualified to respond. We would direct you to look at the responses from the BFI and the British Screen Forum for insights.

29. How should the Industrial Strategy align with devolved government economic strategies and support the sectoral strengths of Scotland, Wales, and Northern Ireland?

16% of the UK population lives and works in Scotland, Wales and Northern Ireland, yet the BBC is the only public broadcaster required to reflect the proportion of each nation in its commissioning. The BBC alone cannot deliver a sustainable production ecology across the UK. Publicly owned broadcasters should all be required to deliver their remit, and spend their creative capital, fairly across the whole of the UK. If we want truly to create sustainable production centres in the Nations, Ofcom and all of the PSBs, streamers and production companies need to set production targets that reflect the UK population. This would be transformational for the UK's production ecology, the careers of creative people across the UK, and ultimately for audiences.

We also encourage the government to develop its Industrial Strategy in consultation with the screen agencies in each of the devolved nations. It is worth looking at the success of Northern Ireland Screen as an example of what can be done in terms of a joined-up policy for film and TV production in a part of the UK with serious economic disadvantage. Northern Ireland Screen's new strategy has increased their target for productions by more than 40% to £430m. Screen Scotland plan to increase screen sector GVA impact in the Scottish economy to £1bn by 2030. The Creative Skills Action Plan for Wales has set out 10 priorities identified for investment in skills in the music, digital content and screen sectors to grow the industries and upskill the creative workforce.

Partnerships and Institutions

30. How can the Industrial Strategy Council best support the UK government to deliver and monitor the Industrial Strategy?

By ensuring the industry is involved and consulted in designing the industrial strategy for their sector and that sector representatives are around the Industrial Strategy Council table. The screen sector should be represented on the Industrial Strategy Council and it is important that the creative sector is given equal voice alongside the digital and technology industries.

Given the size of the freelancer workforce in the Creative Industries, the government must ensure that representatives of freelance workers, not just businesses, have a seat at the table to help address the sector's key challenges and drive its future development.

The Council should also prioritise diversity within its membership to ensure that it reflects the broad demographic of the creative industries.

Cross departmental working and engagement with relevant sector bodies to ensure effective government-industry collaboration.

Regular sector-specific research to enable the Industrial Strategy Council to make data-driven recommendations and evaluate the long-term impact of policy decisions. Improved data gathering on the screen sectors and the screen sector workforce is imperative to this.

31. How should the Industrial Strategy Council interact with key non-government institutions and organisations?

Regular, open and transparent engagement with trade and industry bodies can help ensure a wide range of perspectives are reflected. Regular in-person meetings would facilitate this relationship.

Freelancers feel invisible to policy-makers. Given the size of the freelancer workforce in the Creative Industries, the government must ensure that representatives of freelance workers, not just businesses, have a seat at the table to help address the sector's key challenges and drive its future development.

32. How can we improve the interface between the Industrial Strategy Council and government, business, local leaders and trade unions?

Through transparency in policy making and meaningful consultation.

Theory of Change

33. How could the analytical framework (e.g. identifying intermediate outcomes) for the Industrial Strategy be strengthened?

As noted in previous answers, improved data gathering on the screen sectors and the screen sector workforce is imperative to this.

34. What are the key risks and assumptions we should embed in the logical model underpinning the Theory of Change?

Not qualified to respond.

35. How would you monitor and evaluate the Industrial Strategy, including metrics?

As noted in previous answers, improved data gathering on the screen sector workforce is imperative. Regular gathering of data to monitor and evaluate jobs, skills, diversity, earnings, employment status, regional impacts, good work practice etc across the creative sector would enable better understanding, monitoring and evaluation of the impacts of the Industrial Strategy and its impact on growth.