

Culture, Media and Sport Committee

British film and high-end television

First Report of Session 2024–25

HC 328

Culture, Media and Sport Committee

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Summary

When thinking about Britain's film and high-end television (HETV) industry, it is easy to picture red carpets at the BAFTAs, vast new studio complexes popping up next to motorways, and our talented creatives and crews dominating the credits of the biggest releases on streaming platforms and cinema screens.

Yet that success story does not exist in a vacuum. It is part of an ecosystem, encompassing independent film, public service broadcasting, exhibition and more. Concerned that a focus on inward investment production had diverted successive Governments' attentions from other parts of the industry, we set out to examine the whole value chain: from independent, domestic production through to the distribution of content to audiences.

The Government needs to step up support for all elements of the film and HETV ecosystem. The introduction of the Independent Film Tax Credit is a welcome first step, but the Government should go further: from enhancing tax relief for distribution of low-budget films and for certain budgets in HETV, through to ensuring the UK derives full value from British-originated intellectual property (IP) and requiring companies investing in the UK to increase support for culturally-distinct British content.

Inward investment has transformed Britain's film and HETV industry, bringing jobs, new studios, opportunities to develop skills, and significant potential to grow soft power. Our proposals are underpinned by a desire, shared by the Government, to make the UK the best place to make film and HETV. In the face of intense global competition, the Government must ensure the UK has the right level of tax incentives and studio spaces to serve the needs of the companies investing here.

To succeed, the Government will also have to tackle workforce skills shortages. Historically, the industry's efforts have been too slow and too fragmented to deliver the number of skilled workers needed. We lack confidence that the bodies tasked with tackling the problem will ever move beyond setting strategies, and finally deliver meaningful results.

In fact, looking at the workforce revealed another side of the industry: one where people are out of work for months at a time, and experience poor mental health and a persistent culture of bullying and harassment, including sexual harassment. The early stages of our inquiry coincided with the biggest disruption the industry has seen since the Covid-19 pandemic:

the 2023 US writers' and actors' strikes. The Government should go further in shielding the UK's freelance film and HETV workforce from the impact of such events by addressing pay precarity and appointing a Freelancers' Commissioner to advocate at the highest levels.

The cinema sector would also benefit from a renewed focus by policymakers. Cost pressures, changing audience behaviours and under-investment in people and infrastructure have threatened many communities' cinemas, large and small. The Government should secure the legacy of the Culture Recovery Fund's investment in independent cinemas by introducing organisational and capital funding for them, in line with the support received by other arts and cultural organisations.

We also considered how the responsible use of artificial intelligence (AI) tools might transform the industry. For AI to be a positive force in film and HETV, the Government must strengthen the copyright framework by requiring licensing of creative works in all cases where they are used to train AI models.

The Government must ensure that the UK's lead body for the screen industries, the BFI, receives enough support to deliver its wide remit and responsibilities that are essential to the effective functioning of the industry. The Government must also protect our screen heritage. Screen archives face barriers to connecting the public with our filmmaking culture, and we recommend the Government explore a statutory deposit scheme for the moving image, minor changes to copyright legislation and the introduction of a national screen heritage strategy to put archives on a stronger footing.

1 Our inquiry

1. This is a turbulent time for Britain’s film and high-end television (HETV) industry. Following the introduction of the film and HETV tax incentives in 2007 and 2013 respectively, investment in production across the UK grew steadily, boosting jobs and facilities, and making our industry the largest in Europe.¹ The initial disruption of the Covid-19 pandemic was followed by a production boom: spend on film and HETV reached a record £7.5 billion in 2022.² Yet this was immediately followed by a downturn in which overall production spend fell 36% in 2023.³ While last year saw welcome recovery, with total spend climbing back to £5.6 billion, the damage to the workforce and supply chains had already been done.⁴ Neither have all parts of the industry fared equally over that period: by 2018, cinema admissions were at their highest level in almost 50 years, but since then neither admissions nor box office revenue have returned to pre-pandemic levels.⁵
2. Domestic production of culturally distinct British film and HETV has struggled to keep pace with the growth of productions substantially financed and controlled from outside the UK (or ‘inward investment’ productions—see Box 1) both before and after the pandemic.⁶ That struggle is easy to overlook when focusing on the headline figures for production and exhibition, but demonstrates structural challenges that put the healthy functioning of the entire industry at risk.⁷ Domestic films and HETV productions—those wholly or partly made in the UK and financed by UK-

1 [Q80](#) [Jay Hunt] and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)), paras 1.2, 1.4, November 2023

2 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 1

3 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 1

4 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 1

5 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FIL0101](#)), November 2023 and British Film Institute, [The UK box office, 2024](#), 6 February 2025, p 2

6 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Screen Forum ([FIL0059](#)), November 2023

7 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 1.24, November 2023

based entities and with the subsequent intellectual property (IP) residing in the UK—have therefore been at the heart of our inquiry, and are considered in chapters 2 and 3.

3. The last time our predecessor Committees considered the film sector in detail was in 2003’s Report on ‘The British Film Industry’, which lay the groundwork for the tax incentives that continue to shape the sector and boost the economy, jobs and infrastructure (discussed in chapter 4).⁸ But, two decades on much has changed.⁹ In July 2023, during the last Parliament, our predecessor Committee therefore launched its inquiry into ‘British Film and High-End Television’. The new inquiry reflected the growth and significance of HETV to our screen sectors, and considered how domestic and inward investment production, plus cinema exhibition (see chapter 6), were being affected by the rise of streaming platforms. The inquiry was launched before the full impact of the US Writers Guild of America and SAG-AFTRA strikes had been felt in the UK, but proved to be a timely opportunity to consider how our screen workforce was faring amidst the resulting disruption, as well as industry-wide challenges such as diversity and artificial intelligence (AI). In doing so, the Committee picked up priorities that ran through its work, including the fair remuneration of creative work and the relationship between AI and the creative industries.¹⁰
4. Our predecessor Committee’s inquiry influenced two significant policy announcements before the 2024 general election. Writing to the then Chancellor of the Exchequer in November 2023 and February 2024, the Committee made the case for enhanced tax incentives for visual effects (VFX) and independent British film productions, both based on unanimous and compelling evidence.¹¹ That resulted in the previous Government’s announcement of an uplift to tax relief for VFX, and the introduction of the Independent Film Tax Credit, both of which were heralded by the industry and have been taken forward by the current Government.¹²

8 The number of claims for film tax incentives has risen from 60 (with a value of £65 million) in 2006–07 to 895 (with a value of £553 million) in 2022–23. Similarly, the number of HETV claims has risen from 50 (with a value of £59 million) in 2012–13 to 615 (with a value of £1.107 million) in 2022–23. See: HM Revenue & Customs, [Creative industries tax relief statistics tables: August 2024](#), (accessed 10 March 2025)

9 Culture, Media and Sport Committee, Sixth Report of Session 2002–03, [The British Film Industry](#), HC 667

10 Culture, Media and Sport Committee, Fifth Report of Session 2023–24, [Creator Remuneration](#), HC 156, Culture, Media and Sport Committee, Eleventh Report of Session 2022–23, [Connected tech: AI and creative technology](#), HC 1643

11 Letters from the Chair to Rt Hon Jeremy Hunt MP, Chancellor of the Exchequer, relating to British film and high-end television: Priorities at Autumn Statement, [14 November 2023](#) and Priorities for Spring Budget: Support for Independent British Film, [23 February 2024](#)

12 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0144](#)), May 2024

5. Welcome though those policy changes were, they did not address all of the challenges raised during the inquiry. The outlook for the domestic, independent production sector warranted further investigation, as did the issues around skills, working conditions, and the retention of staff (see chapter 5). We also wanted to consider the fast-changing landscape for AI (see chapter 7), and the British Film Institute's (BFI) priorities for film and HETV (see chapter 8). So, one of our first acts as a Committee in October 2024 was to launch this sequel inquiry to expand, and conclude, that previous work.
6. Our predecessor Committee's inquiry received more than 140 pieces of written evidence, held six oral evidence sessions, conducted a roundtable in conjunction with the British Screen Forum, and visited Pinewood Studios, the filming of the BBC's 'Inside No. 9' in Manchester, ITV Studios and the set of ITV's 'Coronation Street' in Salford Quays, and BBC Studioworks at Kelvin Hall in Glasgow. In February 2024, the Committee also visited Paris to compare the British and French film industries, with a focus on the importance placed by successive governments on promoting and protecting French content. There they visited studios, and met broadcasting and production executives, members of the Senate and representatives from the Centre national du cinéma et de l'image animée (CNC), the French Government agency responsible for cinema and audiovisual arts.
7. We have built on that work with a further three oral evidence sessions, a visit and roundtable on screen heritage at the BFI National Archive and a visit to the studios and CrewHQ at Warner Bros. Discovery Leavesden. We also received updated written evidence from key stakeholders to ensure our work reflected the current industry conditions. We are grateful to all those who hosted visits or shared their evidence and expertise, and to Nick Mason Pearson and Dr Dominic Lees who served as specialist advisors to both our predecessor Committee's work and this inquiry.

Box 1: Key terms

High-end television (HETV): drama, comedy or documentary productions with core expenditure per hour of commissioned programme time of at least £1 million.

Independent films: films produced without creative or financial input from the major US studio companies (NBCUniversal, Paramount Pictures Corporation, Sony Pictures Entertainment, Walt Disney Studios and Warner Bros Entertainment) or streaming platforms (Netflix, Amazon, Apple TV+, Disney+).

Inward investment productions: films or HETV programmes substantially financed and controlled from outside the UK, shot here because of script requirements, the UK's infrastructure or UK's

tax incentives. Many (but not all) inward productions are UK films, HETV programmes or television animation programmes by virtue of their UK cultural content, and the fact that they pass the cultural test administered by the BFI Certification Unit on behalf of the Secretary of State for Culture, Media and Sport.

Domestic productions: films or HETV programmes made by a UK production company, or group of companies, and produced wholly or partly in the UK.

UK co-productions: films or HETV programmes made by companies from the UK and other country partners, usually under the terms of a bilateral co-production treaty or the European Convention on Cinematographic Co-production.

Inward investment co-productions: official co-productions that originate from outside the co-production treaty countries (usually from the USA) and which are attracted to the UK because of script requirements, the UK's infrastructure or UK tax incentives.

Gross box office: Total value of ticket sales for films screened commercially at cinemas before deduction of total value of ticket sales for films screened commercially at cinemas before deduction of VAT.

Audio-Visual Expenditure Credit (AVEC): the system of tax incentives for film, high-end TV, animation and children's TV since 1 January 2024.

Cultural test: a points-based test required for certification of eligibility for AVEC. The test is based on the UK and EEA elements in the story, setting, characters and dialogue, cultural contribution, for where the work takes place (UK) and by whom the film or programme was made (UK/EEA persons).

Spend: Spend on production activity in the UK for films and programmes applying for one of the creative sector expenditure credits as a UK qualifying production under the relevant cultural test.

Source: [BFI Research & Statistics Unit](#)

2 The future of British film

8. A ‘British film’ could be considered any that is set in the UK and/or made here using British talent and crews.¹³ Yet this definition encompasses a wide range of films, from ‘Wicked’ to ‘Back to Black’ and ‘Barbie’ to ‘One Life’.¹⁴ So, there is an important distinction between films that are made here through inward investment (which we explore in chapter 4) and independent films that speak to British audiences in a different way.
9. As Directors UK observed, it is “important from a social and cultural perspective to have UK-originated films which tell stories that reflect the lives, experience and culture of audiences from across the UK”.¹⁵ The export of such films represents the UK globally and enhances our soft power.¹⁶ Beyond that social value is their economic one. Independent films play a crucial role in the wider media ecosystem that underpins and attracts inward investment. They are the “nursery slopes”, where writers, directors, actors and producers hone the skills, networks and experience to move into higher budget levels or different formats and genres.¹⁷ They are also a draw for cinemagoers, with the CEO of the UK Cinema Association, Phil Clapp, explaining that:

a very good year for the UK cinema industry is not the performance of one or two major US titles; it is the performance of everything else, essentially. That is true in terms of maintaining a cinema-going habit, but that is also true of drawing in different audiences who might not like the big superhero films or the big action films and so on.¹⁸
10. Yet independent British films are in a precarious position. In November 2023 the British Screen Forum, a screen industry membership organisation, stated that Britain’s domestic film sector was “in crisis” and Michael Kuhn, who produced ‘The Duchess’ and ‘Florence Foster Jenkins’, warned that the prioritisation of inward investment had meant that “the independent film sector is almost dead, and the UK studio sector is hostage to the fortunes of

13 British Film Institute, [The cultural test for film](#), (accessed 24 February 2025)

14 British Film Institute, [The UK box office, 2024](#), p 6–9

15 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Directors UK ([FILO115](#)) para 47, November 2023

16 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q117](#) [Rebecca O’Brien]

17 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q148](#) [Rebecca O’Brien]

18 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q41](#) [Phil Clapp]

(mainly) US based entities.”¹⁹ That is borne out by the latest figures: in 2024, domestic films accounted for just 9% of total spend on film production in the UK.²⁰ At the box office, the market share of the gross box office earned by UK independent film was only 6.9%.²¹ The reasons for the decline of domestic British films were detailed in the BFI’s 2022 [Economic Review of UK Independent Film](#), which found that “the model of independent production is being shaken to its foundations in three critical areas: budgets are not growing at a market rate, revenues are falling, and costs are escalating.”²²

11. Echoing the BFI’s analysis, independent producer Helen Simmons stated that it was “becoming increasingly difficult to finance independent film”, while the Independent Film and Television Alliance outlined difficulties in securing all the main sources of financing, from pre-sales to gap financing and private equity, as well as public funding from the likes of BBC Film, Film4 and the BFI.²³ Independent films have seen revenues from almost all sources fall over the past decade, with significant declines in the sales of packaged media (e.g. DVDs) and at the box office.²⁴ Although digital sales to subscription video-on-demand (SVoD) platforms have grown, the union Bectu stated that they “have failed to fully replace falling revenue from traditional sources, meaning that the UK independent film sector is now facing stagnating revenue.”²⁵ At the same time, the UK’s success in attracting inward investment “raised costs and reduced access to cast, crew and studio space for independents”.²⁶

19 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Screen Forum ([FILO059](#)), Michael Kuhn ([FILO001](#)), November 2023

20 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 3

21 British Film Institute, [The UK box office, 2024](#), 6 February 2025, p 8

22 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 2.18, November 2023

23 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Helen Simmons ([FILO072](#)), Independent Film and Television Alliance ([FILO086](#)), November 2023

24 British Film Institute, [An Economic Review of UK Independent Film](#), July 2022, p 3

25 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FILO088](#)), November 2023

26 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Michael Franklin ([FILO027](#)), November 2023

Introduction of the Independent Film Tax Credit

12. Seeing a “perfect storm” for independent film, our predecessor Committee wrote to the then Chancellor of the Exchequer calling for an enhanced tax relief for low-budget British films.²⁷ The industry was aligned in its support for the proposal, with the directors of BBC Film and Film4 saying it was the most “high-impact” intervention that Government could make to restore confidence in the sector.²⁸ The Independent Film Tax Credit (IFTC) was announced by the then Government at the 2024 Spring Budget, with the regulations brought forward by the current Government in October 2024. As a result, films with production budgets (excluding marketing and distribution) of up to £15 million are eligible to claim an increased Audio-Visual Expenditure Credit (AVEC) rate of 53% on their qualifying expenditure, which equates to around 40% in relief, while films with a budget of up to £23.5 million are eligible for a tapered relief. Films must be intended for theatrical release and have a UK writer, a UK director, or be certified as an official UK co-production.²⁹
13. The BFI wants the IFTC to support the talent pipeline, providing opportunities for filmmakers and others at the start of their careers to hone their talents and step up to higher budget films. Its CEO, Ben Roberts, told us he also wants to see “audiences and market share for British independent films grow in the UK” and overseas.³⁰ The Minister for Creative Industries, Arts and Tourism in the Department for Culture, Media and Sport (DCMS), Sir Chris Bryant MP, told us that he hopes more independent films are made in the UK than would otherwise have been the case.³¹ Although the BFI does not expect to evaluate the full impact of the IFTC until 2027, its Certification Unit has already seen an increase in applications for the cultural test that determines eligibility for the UK’s tax incentives, and studio facilities are

27 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Film and Television Alliance ([FIL0086](#)), November 2023 and Letter from the Chair to Rt Hon Jeremy Hunt MP, Chancellor of the Exchequer, relating to Priorities for Spring Budget: Support for Independent British Film, [23 February 2024](#)

28 Oral evidence taken by our predecessor Committee on 21 February 2024, [Qq170–172](#) [Ollie Madden, Eva Yates]

29 Department for Culture, Media and Sport, [UK’s world-class film sector handed major jobs and growth boost by tax reliefs](#), gov.uk, 9 October 2024 (accessed 4 February 2025)

30 [Q63](#)

31 [Q121](#)

reporting an increase in inquiries from independent films looking to book their stages.³² Nonetheless, there are still significant pressures throughout independent film’s value chain.³³

CONCLUSION

14. The Independent Film Tax Credit is a game-changer for domestic production and a welcome sign of continued Government commitment to the sector. But it is not a silver bullet for all the problems facing independent British film. Without further intervention, producers will still struggle to develop and raise finance for films, and the films that are made will not be seen by audiences.

Challenges for independent film

Development

15. Development takes a film or TV project from conception through to the completion of a screenplay draft that is ready for pre-production. The development process, which can take years, is “key to being able to have decent films”; yet it is risky and expensive.³⁴ The BAFTA-winning producer of Ken Loach’s films, Rebecca O’Brien, told our predecessor Committee that “out of five films you develop, you might only be able to get one to the screen”.³⁵ To hedge those risks, production companies typically look to develop a ‘slate’ of projects. Yet independent producers have warned that they are struggling to finance the development process, which in turn restricts the films that are made and the socio-economic background of those who can afford to make them.³⁶
16. The main sources of development funding for independent film are the BFI, BBC Film and Film4, and the national and regional screen agencies. However, their budgets have experienced real terms cuts over the past decade, reducing the number of films they can support and making it much more competitive for filmmakers to access development funding.³⁷ The

32 [Q63](#) [Ben Roberts]

33 BBC ([BF20009](#))

34 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q128](#) [Rebecca O’Brien]

35 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q128](#)

36 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Helen Simmons ([FIL0072](#)), Producers Collective UK ([FIL0116](#)), November 2023

37 Oral evidence taken by our predecessor Committee on 21 February 2024, [Qq166–169](#) [Ollie Madden, Eva Yates] and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 3.35,

BFI's 'locked box', which ringfences returns from films it invests in for future development, is valued but is not enough.³⁸ Other sources of development funding have closed down to UK producers. Before the UK left the European Union's Creative Europe programme, Rebecca O'Brien secured £150,000 through its MEDIA strand to develop five screenplays, a source that she said has not been replaced by the public service broadcasters (PSBs) or the BFI.³⁹ We consider the wider case for rejoining Creative Europe later in this chapter.

17. Research and Development (R&D) tax relief could also support film development. The UK currently excludes the arts and humanities from eligibility for this relief, which is limited to science and technology. That is unlike many other countries operating under the Organisation for Economic Co-operation and Development's (OECD's) Frascati definition, which recognises the value of R&D undertaken by the creative industries.⁴⁰ Directors UK and the British Screen Forum both argued for the expansion of the definition of R&D tax reliefs to include creative work.⁴¹ This issue has also been highlighted by the House of Lords Communications and Digital Committee.⁴²

CONCLUSION

18. Development is the essence of R&D in the film sector. Funding it is essential for producers to develop valuable intellectual property, pay creative teams from the earliest stages of a project and maintain a consistent slate of films. This is vital for the Government's growth agenda, as funding production companies' slate development will enable them to grow resilient businesses.

November 2023

- 38 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q128](#) [Rebecca O'Brien] and written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Producers Collective UK ([FIL0116](#)), November 2023
- 39 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q128](#)
- 40 The Frascati manual sets the OECD's methodology for collecting statistics about R&D, which it defines as "creative and systematic work undertaken in order to increase the stock of knowledge—including knowledge of humankind, culture and society—and to devise new applications of available knowledge". See: Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, British Screen Forum ([FIL0059](#)), November 2023
- 41 British Screen Forum ([BF20013](#)) and written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Directors UK ([FIL0115](#)) para 36, November 2023
- 42 House of Lords Communications and Digital Committee, Second Report of Session 2024–25, [AI and creative technology scaleups: less talk, more action](#), HL paper 71, paras 166–168

RECOMMENDATION

19. The Government should immediately amend the definition of R&D for tax relief purposes so that it captures creative activity by the film and HETV sectors, and wider creative industries.

Access to finance

20. Although the IFTC should help producers to build their budgets and bring private investors to the table, there are still barriers to private financing in the UK’s film sector.⁴³ Stakeholders lament the 2017–18 changes to the Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) that introduced the ‘risk to capital’ test,⁴⁴ saying it has “dramatically reduced” the utility of EIS/SEIS as means of financing individual features and discouraged equity investors from investing in British independent films.⁴⁵ The British Screen Forum stated that although HMRC revised its guidance in 2021, many private investors had already “abandoned” the film sector, and as a result “the EIS and SEIS schemes, once an important source of finance for early-stage independent film production companies in particular, are now providing much less support”.⁴⁶
21. One solution, suggested by Creative UK, is to remove the ‘risk to capital’ condition entirely, but as a first step the British Screen Forum recommended reviewing and remediating the impact of the changes on the screen sector.⁴⁷ The Minister told us that private finance is one of his priorities: he knows

43 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q126](#) [Rebecca O’Brien] and Creative UK and Creative Industries Policy and Evidence Centre, [Unleashing Creativity: Fixing the Finance Gap in the Creative Industries](#), 3 March 2025, p 20

44 The risk-to-capital condition is intended to ensure that venture capital schemes are focused on investment in early-stage companies that have the intention to grow. It comprises two parts: a) the company in which the investment is made must have objectives to grow and develop over the long term; and b) the investment must carry a significant risk that the investor will lose more capital than they gain as a return (including any tax relief). See: HM Revenue & Customs, [Venture Capital Schemes Manual](#), (accessed 12 March 2025)

45 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Neil Chordia ([FIL00632](#)), British Screen Forum ([FIL0059](#)), Dr Martin Smith ([FIL0005](#)) and ([FIL0142](#)), Independent Film and Television Alliance ([FIL0086](#)), Creative UK ([FIL0093](#)) paras 80–81, November 2023 and May 2024

46 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Screen Forum ([FIL0059](#)), November 2023

47 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([FIL0093](#)) para 81, British Screen Forum ([FIL0059](#)), November 2023

“financiers do not really understand the creative industries and how to invest” in them, but argued that a better understanding of “risk in film and high-end television [...] could transform that.”⁴⁸

RECOMMENDATION

22. The Government should immediately review the impact of changes to the Enterprise Investment Scheme and Seed Enterprise Investment Scheme on the film sector to ensure producers can and do access the full range of finance for their films. It should report its findings to us within six months.

Distribution and exhibition

23. In 2024, the market share of the gross box office earned by UK independent film was only 6.9%.⁴⁹ Given that context, the Film Distributors’ Association (FDA), which represents companies that acquire, market and release films to cinema audiences, cautioned that the IFTC “cannot bear full fruit in isolation”, telling us:

Those film productions now able to benefit hugely from the IFTC still need to find an audience, and without distribution impetus they will remain largely unseen and therefore with less opportunity to land a solid financial return.⁵⁰

24. A key issue is whether British films perform badly at the box office because cinemas do not screen them, or whether cinemas do not screen British films because they perform badly at the box office. We heard different takes. Director and writer Gurinder Chadha OBE, whose films include ‘Blinded by the Light’ and ‘Bend It Like Beckham’, recommended that cinemas set aside screens to show British films; however, the head of the UK Cinema Association questioned whether that would work as “if you label something as good for the audience, they tend to stay away”.⁵¹ The Managing Director of Picturehouse, Clare Binns, told our predecessor Committee it came down to marketing—the money that is spent to make a film visible to audiences—and supported the introduction of a tax incentive for distribution.⁵²

48 [Q111](#)

49 British Film Institute, [The UK box office, 2024](#), 6 February 2025, p 8

50 Film Distributors’ Association ([BF20004](#))

51 Oral evidence taken by our predecessor Committee on 23 January 2024, [Qq6](#), [60](#)

52 Oral evidence taken by our predecessor Committee on 23 April 2024, [Qq324](#), [336](#)

25. The FDA recommended supporting the distribution of British independent films via a new targeted 25% tax relief towards the Prints & Advertising (P&A) costs of films benefitting from the IFTC.⁵³ The UK Cinema Association and the Independent Cinema Office agreed, with the latter telling us:

If there isn't money to support advertising and promotional campaigns for these films they will not penetrate through the mass marketing campaigns of Hollywood titles and will remain largely unknown and unseen by audiences.⁵⁴

26. Jay Hunt OBE, Chair of the BFI, explained that given the financial risks that distributors face, without support for that part of the value chain “some of the good work that has been done on the production side is not going to pay back.”⁵⁵ The Minister told us there were both “good arguments” for a distribution tax credit and “some downsides”.⁵⁶ DCMS’s Deputy Director, Creative Industries, Alastair Jones, explained that the tax relief would need to deliver a benefit greater than the cost.⁵⁷ The FDA estimated its proposal would generate a return on investment of £2.54 for every £1 spent.⁵⁸

RECOMMENDATION

27. In the Autumn 2025 Budget, the Government should introduce a 25% tax relief for the Prints & Advertising (P&A) costs of films claiming the Independent Film Tax Credit, to support the distribution and exhibition of British films.

Co-productions

28. Co-productions between British film producers and, typically European, partners have been described as a “potential lifeline for independent British filmmakers”, offering alternative sources of public funding and access to additional markets.⁵⁹ Co-productions can be boosted by international networks and pan-territory funding sources. Since leaving the EU, the UK has not been a part of the EU’s cultural, creative and audiovisual co-operation programme Creative Europe, despite having previously been a

53 Film Distributors’ Association ([BF20004](#))

54 UK Cinema Association ([BF20007](#)), Independent Cinema Office ([BF20012](#))

55 [Q64](#)

56 [Q122](#)

57 [Q124](#)

58 Film Distributors’ Association ([BF20004](#))

59 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Producers Collective UK ([FIL0116](#)), November 2023, and oral evidence taken by our predecessor Committee on 21 February 2024, [Q130](#) [Rebecca O’Brien]

net beneficiary.⁶⁰ Between 2014 and 2020, UK films supported by Creative Europe’s MEDIA programme generated 80 million admissions across Europe and revenues of just over €575 million outside of the UK.⁶¹

29. There is strong appetite across the film sector for the UK to reassociate with Creative Europe.⁶² This could be delivered during the Review of the Implementation of UK-EU Trade and Co-operation Agreement in 2026, with producer Lord David Puttnam and others expressing confidence that it would be welcomed by our EU partners.⁶³ The Minister would not tell us the Government’s position on rejoining Creative Europe, stating that it needed to assess the cost of doing so.⁶⁴
30. The UK Global Screen Fund (UKGSF) was established in 2021 to address the loss of Creative Europe funding and boost international opportunities for the UK’s independent screen sector. Its budget of £7 million p.a. delivers a net benefit of £22 for every £1 spent and the BFI has bid “to more than double the size of the fund” at the 2025 Spending Review.⁶⁵ At present, the funding available through UKGSF is less than previously delivered in the UK through the Creative Europe MEDIA programme.⁶⁶ Indeed, the BFI told us that UKGSF is “one of the hardest” schemes to secure funding through, with only 18% of applicants receiving grants.⁶⁷
31. The BFI’s Spending Review bid would bring the level of UKGSF funding closer to what was lost from Creative Europe.⁶⁸ Yet the UKGSF does not support exactly the same activities as Creative Europe did, such as training.⁶⁹ As a result, the BFI’s CEO confirmed he is “keen to keep talking about joining the Creative Europe programme” alongside changes to the UKGSF’s budget, “because they do not really do quite the same thing”.⁷⁰ As

60 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Lord David Puttnam ([Filo0049](#)), November 2023

61 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([Filo0093](#)) para 73, November 2023

62 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([Filo0068](#)), Independent Film and Television Alliance ([Filo0086](#)), Animation UK ([Filo102](#)), Film London ([Filo117](#)), Screen Scotland ([Filo119](#)), British Film Institute ([Filo126](#)) para 2.65, November 2023

63 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Lord David Puttnam ([Filo0049](#)), November 2023

64 [Q113](#)

65 British Film Institute ([BF20021](#))

66 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Animation UK ([Filo102](#)), November 2023

67 [Q65](#) [Ben Roberts]

68 [Q65](#) [Ben Roberts]

69 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([Filo126](#)) para 2.65, November 2023

70 [Q65](#) [Ben Roberts]

Screen Scotland put it: “it is impossible to replace participation in a Europe-wide collaboration with a standalone programme for a country outside of the EU”.⁷¹

CONCLUSION

- 32.** The UK Global Screen Fund delivers excellent value for money, but is insufficient in level and scope to provide the support that our independent film sector requires.

RECOMMENDATION

- 33.** The Government should increase the budget for the UK Global Screen Fund in line with the BFI’s Spending Review bid to provide certainty and maximise the potential return on investment.

CONCLUSION

- 34.** The UK has not adequately compensated for the loss of Creative Europe funding, of which it was a net beneficiary, and simply increasing UKGSF will not deliver all the benefits that membership of that network did.

RECOMMENDATION

- 35.** As part of the Review of the Implementation of UK-EU Trade and Co-operation Agreement in 2026 the Government should seek to rejoin Creative Europe as an associate member.

71 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Scotland ([FILO119](#)), November 2023

3 The crisis in domestic HETV

36. High-end television (HETV) drives the UK’s screen industries, contributing £3.4 billion (61% of total spend) in 2024, compared to the £2.1 billion spent on film production.⁷² As with film, this is dominated by inward investment, which accounted for 82% of total spend on HETV last year.⁷³ The key players in the production of HETV in the UK are SVoD platforms (or ‘streamers’) such as Amazon, Netflix, Apple TV+ and Disney+; the public service broadcasters (PSBs) BBC, ITV, Channel 4, Channel 5, S4C in Wales and STV in Scotland; pay-TV providers such as Sky; and independent production companies that make content for domestic and international broadcasters and streaming platforms. Independent producer Jane Featherstone, whose shows include ‘Chernobyl’, ‘Black Doves’ and ‘The Split’, told us that this “mixed economy” had “enabled such a vibrant market” to emerge. Yet she cautioned that this ecosystem was “at a tipping point”.⁷⁴
37. Domestic HETV is in decline. Last year there was a 27% decrease in the number of domestic HETV productions made in the UK and a 25% fall in spend.⁷⁵ The independent production sector’s trade body, Pact, told us that producers are struggling and “[m]any companies have been forced to close due to the difficult economic climate”.⁷⁶ The BBC also warned that:

Multiple greenlit BBC productions are now stuck in funding limbo and are not progressing to production. Many freelancers are out of work and long-standing and successful production companies are closing:

72 Overall HETV statistics include some feature-length single episode productions because they apply for HETV tax relief. If those productions are counted as film, rather than HETV, the overall spend on HETV falls to £2.9 billion, or 52% of total spend. See: British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 5

73 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 7

74 [Q34](#)

75 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, pp 7–8 (Figures are typically revised as more production data is reported)

76 Pact (Producers Alliance for Cinema and Television) ([BF20003](#))

for example, just ten days before the BBC aired *Nightsleeper* (which has been watched by over 8m people), all staff at Fremantle’s Euston Films, the production company that created it, were laid off.⁷⁷

38. Writer and director Peter Kosminsky, who made 2015’s ‘*Wolf Hall*’ and its 2024 sequel ‘*The Mirror and the Light*’ for the BBC, told us that the funding challenges in domestic HETV would make it impossible to make ‘*The Mirror and the Light*’ today. He said that after a 10-year development process it “was only possible to begin production when the producer, the writer, the director and the leading actor all gave up a significant proportion of their fees”.⁷⁸
39. The reasons for this crisis in domestic HETV mirror the challenges the BFI identified in independent film: difficulties securing budgets, declining revenues, and rising costs. The commissioning budgets of PSBs have been squeezed by the real terms reduction of the BBC licence fee and a reduction in advertising revenue.⁷⁹ This, combined with challenges in the global sales market for British content, is making it harder for independent producers to raise the budgets for programmes.⁸⁰ At the same time, the revenues that independent producers make from shows is changing, largely due to the terms of contracts offered by streamers.⁸¹ Meanwhile, production costs are rising due to the competition for resources by high-budget inward investment production.⁸²

The value of domestic HETV

40. The importance of domestic HETV is demonstrated by the impact of shows such as ‘*Mr Bates vs. The Post Office*’. Jay Hunt, who as well as serving as Chair of the BFI is Creative Director for Apple TV+ in Europe, disputed the thesis “that the only television that speaks to British audiences is made by public service broadcasters”.⁸³ The commercial and critical success of Jack Thorne and Stephen Graham’s ‘*Adolescence*’, and the way the Netflix series has sparked a national conversation, reinforces her point. However, Jane Featherstone explained that although streamers must consider their British audiences, their business models dictate that shows also need to have global appeal, putting shows that serve domestic audiences, such

77 BBC ([BF20009](#))

78 Peter Kosminsky ([BF20022](#))

79 BBC ([BF20009](#)) and oral evidence taken by our predecessor Committee on 28 November 2023, [Q3](#) [Dr Alex Mahon]

80 [Q35](#) [Jane Featherstone]

81 [Q42](#) [Jane Featherstone]

82 [Q34](#) [Jane Featherstone] and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, BBC ([FIL0078](#)) para 22, November 2023

83 [Q80](#)

as ‘Sherwood’ and ‘Derry Girls’, at risk.⁸⁴ She stressed the urgency of supporting distinctly British content, given that commissioning decisions made now will not be reflected on screens until years in the future.⁸⁵ As Peter Kosminsky stated:

Whilst these programmes will always be a minority of our output, they are also an essential part of it. And we are losing it. Blink and it will be gone—and our audiences will not thank us for it.⁸⁶

41. The pressure to compete with streamers’ HETV budgets also diverts PSB spending away from other genres, such as soaps, comedy, and unscripted TV, which are vital parts of the UK’s media ecosystem and training grounds for those who go on to work for higher-budget productions.⁸⁷ The BBC stated that comedy producers are “increasingly prioritising TV drama as it is financially less risky.”⁸⁸ As in film, lower-budget TV is where many creatives start their careers. ‘Slow Horses’ and ‘One Life’ director James Hawes expressed concern about where his successors would train as many of the soaps and long-running dramas that people used to learn on had been cut.⁸⁹ The downturn in unscripted TV has had a serious impact on the production workforce and can, at least in part, be attributed to commissioners’ prioritisation of expensive dramas.⁹⁰
42. Anything that undermines our PSBs is also a threat to inward investment. US-based SVoD platforms such as Amazon and Netflix have been clear that the UK’s mixed production ecology drives their investment here.⁹¹ Jay Hunt recognised that the “extraordinary pipeline of R&D that sits between the PSBs, the commercial broadcasters, independent film, commercial film and now substantial inward investment” is what differentiates the UK from other markets.⁹² Paramount, which runs Channel 5, states that the UK’s success at attracting inward investment “is underpinned by the continuous and significant investment in talent, creativity, skills, and innovation” made by PSBs and that supporting them “is crucial to ensuring continued inward

84 [Q37](#)

85 [Q36](#)

86 Peter Kosminsky ([BF20022](#))

87 BBC ([BF20009](#)), [Q38](#) [Jane Featherstone]

88 BBC ([BF20009](#))

89 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q101](#)

90 The Guardian, [Senior TV producers take shelf-stacking jobs as UK industry remains in crisis](#), 7 March 2025 (accessed 10 March 2025)

91 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Amazon ([FIL0135](#)), November 2023 and Digital, Culture, Media and Sport Committee, Sixth Report of Session 2019–21, [The future of public service broadcasting](#), HC 156, para 66

92 [Q79](#)

investment into the UK film and HETV sectors.”⁹³ First-run PSB content is also valuable to SVoD platforms, which license it for distribution to their customers—spend on which has more than doubled since 2014.⁹⁴

- 43.** Supporting domestic HETV could also boost production in the UK’s nations and regions. Between 2017 and 2019, around 33% of the total HETV production spend took place in the UK nations and England’s regions outside London, compared to around 19% of the total film spend.⁹⁵ That has typically been driven by the PSBs, which are required by Ofcom to make a proportion of their programmes outside the M25.⁹⁶ ‘Doctor Who’ producer Jane Tranter’s Cardiff-based production company, Bad Wolf, is a powerful example of the impact that long-term investment in studios, skills and production can make to an area.⁹⁷ She stated that those benefits resulted from companies being headquartered in, and accountable to, the regions or nations, rather than simply parachuting in productions without any thought to sustaining the local industry.⁹⁸ Scotland’s screen agency, Screen Scotland, argued that supporting national and regional production means looking beyond simply where productions are filmed, “to consider both the origin of the creative voice and where the IP is held.”⁹⁹ Accordingly, it raised concerns about how the PSBs deliver their national production obligations under Ofcom, telling us that “the BBC fulfils the majority of its volume production quota for Scotland by commissioning series from companies that are headquartered in London and requiring those companies to outsource enough production work on each project to meet Ofcom’s ‘Scottish qualifying’ status.”¹⁰⁰

Reforming HETV tax relief

- 44.** High-end TV tax relief—which has operated as part of AVEC since January 2024—is one of the most significant drivers behind the sector’s growth.¹⁰¹ In 2019, every pound of relief generated £6.44 additional GVA.¹⁰² The headline

93 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Paramount ([FILO132](#)), November 2023

94 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Amazon ([FILO135](#)), November 2023

95 British Film Institute, [Screen Business 2021](#), December 2021, pp 27–28

96 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Alliance North ([FILO123](#)), November 2023

97 Bad Wolf ([BF20018](#))

98 Oral evidence taken by our predecessor Committee on 19 March 2024, [Qq196, 212](#) [Jane Tranter]

99 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Scotland ([FILO119](#)), November 2023

100 Screen Scotland ([BF20006](#))

101 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q196](#) [Jane Tranter]

102 British Film Institute, [Screen Business 2021](#), December 2021, p 31

HETV AVEC figure is 34%, which equates to a credit of 25.5% of qualifying expenditure once corporation tax has been deducted—the same as for most films, but lower than the real terms rate for animation and children’s TV (29.25%) and sub-£15 million films (40%).¹⁰³

45. Jane Tranter made the case for HETV made by UK-based production companies to receive the same uplift to tax relief as independent film. She stated that a targeted increase in tax relief for HETV could benefit domestic producers by requiring claimants to work with UK-based companies.¹⁰⁴ Likewise, Jane Featherstone called for the HETV tax relief to be rebalanced so that productions made in partnership with PSBs, or in the nations and regions, receive an uplift of 5% on the core HETV AVEC amount.¹⁰⁵ Doing so could then free up PSBs’ budgets to spend on other forms of content, and so support those ‘nursery slopes’.¹⁰⁶ She recommended that any potential uplift is limited to HETV productions with a budget of £1 million to £3 million per hour—the typical budget range of PSB-made HETV.¹⁰⁷
46. We put the case for an increase in HETV tax relief to the BFI’s CEO, Ben Roberts, who welcomed any intervention that supports growth.¹⁰⁸ The BFI has not been commissioned to undertake any modelling of an HETV uplift’s potential return on investment for HM Treasury or the sector, but told us it would be happy to do so.¹⁰⁹ The Minister committed to reviewing any evidence presented.¹¹⁰

CONCLUSION

47. Culturally British domestic HETV is vital to the UK’s identity, national conversations and talent pipeline, but it is under threat. Without urgent intervention, history will repeat itself and the problems that have been seen in independent film will extend to our once vibrant domestic television sector.

103 British Film Institute, [About UK creative industry expenditure credits](#), (accessed 19 February 2025)

104 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q228](#) [Jane Tranter]

105 [Q47](#) [Jane Featherstone]

106 [Q47](#) [Jane Featherstone]

107 Jane Featherstone ([BF20023](#))

108 [Q77](#) [Ben Roberts]

109 [Q77](#) [Ben Roberts]

110 [Q128](#) [Sir Chris Bryant MP]

CONCLUSION

48. Domestic HETV needs to be supported through enhanced tax incentives just as independent film has been. To tackle the issues facing domestic production, any increase in HETV tax relief must not merely incentivise streamers to spend more but specifically benefit public service broadcasters and independent producers. This might be done by limiting the uplift to HETV productions at the lower end of the budget range; however, further work is needed to build the economic case for this intervention.

RECOMMENDATION

49. We recommend the BFI urgently conducts analysis on the potential design and return on investment of a targeted uplift to HETV Audio-Visual Expenditure Credit for domestic productions with budgets of £1 million to £3 million per hour. The Government should commit to introducing the measure at the next fiscal event if the projected return on investment and impact on domestic production is found to be positive.

Intellectual Property

50. Under the Communications Act 2003, PSBs are subject to ‘terms of trade’ that set out principles they must apply when agreeing terms for the commissioning of independent productions. Broadly, they enable independent producers to retain the intellectual property (IP) rights to their programmes, and in turn generate additional secondary revenue.¹¹¹ PSBs also have an obligation to use independent producers for at least a defined minimum volume of their annual commissioning activities. Jane Tranter said the introduction of terms of trade was the “most important thing” to happen to the HETV sector.¹¹² We also heard that they enabled producers “to become creative entrepreneurs” with confidence to build their businesses and offer staff permanent contracts.¹¹³
51. Yet the growth of SVoD platforms, which are not covered by terms of trade, has had consequences for the value of UK-based IP. Jane Featherstone told us that the contracts offered by streaming platforms, whereby producers get a one-time ‘cost-plus’ fee in exchange for all the rights, limits their ability to build sustainable businesses by monetising their IP.¹¹⁴ Although the streamer bears all the risk if a programme does not do well, this situation

111 Pact, [Introduction of the Terms of Trade](#), (accessed 19 February 2025)

112 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q196](#) [Jane Tranter]

113 [Q34](#) [Jane Featherstone]

114 [Q41](#)

can prevent producers from benefitting from the success of a production.¹¹⁵ Streamers ‘holding back’ their rights for a longer period than PSBs also limits producers’ potential to exploit the secondary market, whereby shows made for one broadcaster or streamer can be sold to other platforms.¹¹⁶ Moreover, budget inflation means the value of those cost-plus deals is falling.¹¹⁷ Jane Featherstone told us that independent producers “have effectively gone from being a manufacturing industry to a service industry in respect to the streamers.”¹¹⁸

- 52.** The impact of ‘cost-plus’ deals is also felt by other creatives who no longer benefit from the same level of residuals—shares of future earnings paid to those involved in making TV shows.¹¹⁹ Director James Hawes told our predecessor Committee that the “buy-out” offered by streamers restricts his potential to benefit from the ongoing success of a programme. In contrast, the residuals he makes from the BBC’s ‘Merlin’ have enabled him to “make some brave decisions and spend some of my own money developing ideas ever since.” He argued that deriving ongoing value from IP is “vital” to helping creatives to build resilient careers in the industry, as we explore further in chapter 5.¹²⁰
- 53.** Netflix’s Senior Director of Public Policy, UK and Ireland, Benjamin King, told our predecessor Committee that the company offers “flexibility” in the deals it makes with producers, adding that the plurality of the market “means that there are multiple routes for different producers, depending on what they value most.”¹²¹ Jane Featherstone disputed terms are as flexible as Netflix claimed.¹²² Yet she expressed hope that increased competition in the SVoD market would give producers more options for where to take projects, encouraging platforms to offer them better deals in the long run.¹²³

115 [Q41](#) [Jane Featherstone] and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 2.25, November 2023

116 [Q44](#) [Jane Featherstone]

117 [Q42](#) [Jane Featherstone]

118 [Q41](#) [Jane Featherstone]

119 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, WGGB - Writers’ Guild of Great Britain ([FILO083](#)) paras 12–14, November 2023

120 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q94](#) [James Hawes]

121 Oral evidence taken by our predecessor Committee on 8 May 2024, [Q376](#) [Benjamin King]

122 [Q41](#) [Jane Featherstone]

123 [Q42](#)

54. Despite the challenges producers face in retaining their IP, there is no consensus on whether the terms of trade should be extended to SVoD platforms. Lord David Puttnam has argued in favour.¹²⁴ However, Jane Featherstone said it would not be appropriate, and others in the sector feel it could “strongly deter the streamers from investing here”.¹²⁵ Yet there seems to be political appetite: the Minister told us that as well as attracting the streamers to make content here, he wants British production companies to retain at least some of the IP, and acknowledged that this “may need some changes in the terms of trade”.¹²⁶

CONCLUSION

55. The success of the UK’s HETV sector relies on continuing to attract inward investment while maintaining a vibrant domestic industry underpinned by strong intellectual property rights. Yet the dynamic between independent producers and subscription video-on-demand (SVoD) platforms is not sustainable, and successful production companies are being gutted by deals that deny them the ability to fully monetise their IP. While the differences in business models mean it may not be appropriate to extend the existing terms of trade as they stand for PSBs to streamers, similar mechanisms must be considered.

RECOMMENDATION

56. We recommend the Government immediately commissions research on how regulatory measures, akin to the PSB terms of trade, could be applied to SVoD platforms to ensure that independent production companies developing IP in the UK maintain a minimum level of ownership over those rights.

The case for a streaming levy

57. Introducing a levy on SVoD services could help to correct the balance between domestic and inward production.¹²⁷ Peter Kosminsky made the case for 5% of each streamer’s UK subscription revenue to be paid into a fund that can then supplement the budgets of “high-end drama of specific

124 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Lord David Puttnam ([FIL0049](#)), November 2023

125 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Katherine Parsons, Enrico Bonadio and Naysun Alae-Carew ([FIL0105](#)), November 2023

126 [Qq121, 126](#) [Sir Chris Bryant MP]

127 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Lord David Puttnam ([FIL0049](#)), November 2023

interest to UK audiences but which doesn't necessarily have cross-border appeal."¹²⁸ In pursuing a levy, the UK would be following other countries, including France where our predecessor Committee heard that the public broadly supports the principle that money generated by the creative industries should go back to supporting creativity, and that those who benefit from works created should contribute to the financing of future projects.¹²⁹

- 58.** Unlike the calls for the IFTC, there is no cross-sector consensus on issuing a levy on SVoD services.¹³⁰ The Association for Commercial Broadcasters and On-Demand Services (COBA), which represents the sector, argued that a levy would “act as a major disincentive to investing in the UK”.¹³¹ However, it is hard to see how a levy on subscribers would impact on levels of production, given the range of factors that attract inward investors to make programmes in the UK, and the fact it would remain in the SVoD services’ commercial interests to grow their subscriber base.¹³² Representatives of Amazon, Netflix and Paramount queried what problem a levy would be trying to solve.¹³³ Gidon Freeman, Senior Vice-President, Government and Regulatory Affairs for NBCUniversal International, also pointed out that “the UK does not have a tradition of that kind of dramatic intervention” seen in places such as France, Italy and Spain.¹³⁴ However, there are more relevant comparators; other English-speaking countries directly competing with the UK for inward investment are considering levies to support their domestic industries—albeit, in the case of Canada, with legal challenges.¹³⁵
- 59.** It is true that SVoD platforms already support PSB content through co-productions and by licensing programmes to show for a ‘second-run’ on their own platforms.¹³⁶ Amazon said that its co-productions, such as ‘Fleabag’ and ‘Small Axe’ (with the BBC) and ‘Catastrophe’ (with Channel 4), enables PSBs “to continue to make world class content”.¹³⁷ It is estimated that non-PSB broadcasters and SVoD services contributed £143 million a year for PSB drama in 2023, up from £78 million in 2018. However, that

128 Peter Kosminsky ([BF20022](#))

129 Meeting with CNC, 28 February 2024 (See Annex 1)

130 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([FLO093](#)) para 95, November 2023

131 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, COBA ([FLO063](#)) para 21, November 2023

132 Peter Kosminsky ([BF20022](#))

133 Oral evidence taken by our predecessor Committee on 8 May 2024, [Qq369–371](#) [Chris Bird, Benjamin King, Mitchell Simmons]

134 Oral evidence taken by our predecessor Committee on 8 May 2024, [Q375](#) [Gidon Freeman]

135 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Coalition for Cultural Diversity ([FLO028](#)), November 2023

136 COBA (Association for Commercial Broadcasters and On-demand services) ([BF20001](#))

137 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Amazon ([FLO135](#)), November 2023

still only equates to 17% of the total cost of PSB drama, up from 13% in 2018.¹³⁸ Neither do the figures speak to the contractual terms of those co-productions. Indeed, the BBC echoed Jane Featherstone when it told us:

many of our former co-production partners are now focussed on exclusive rights in the UK as they launch their own content services and platforms, [and] therefore want exclusive rights to that content rather than sharing them with public service broadcasters (PSBs).¹³⁹

60. In 2019, the House of Lords Communications and Digital Committee did not endorse calls for a levy on streamers but said PSBs' access to third-party funding should be kept under review.¹⁴⁰ The Director General of the BBC, Tim Davie CBE, told us he was "open-minded" about the idea of a levy.¹⁴¹ The BFI said that it would publish analysis of the possible impacts of a levy this summer, although it does not expect to make recommendations.¹⁴² The Minister told us that the Government does "not have any plans at the moment" to pursue a levy.¹⁴³

CONCLUSION

61. In HETV, the balance between inward investment and domestic production is at a tipping point. It is time for streamers to put their money where their mouth is. They laud the UK's mixed production ecology, with public service broadcasters and independent producers at its heart, but their business practices are putting that at risk. They need to step up their support for the making of culturally British content, and not just reap the cultural and training benefits it provides. Ultimately, they should then benefit from a healthier supply of PSB-made shows that they can license for their platforms.

138 Confidential briefing on 'Estimated co-commissioner investment in UK PSB drama' (February 2025) shared by COBA (Association for Commercial Broadcasters and On-demand services)

139 BBC ([BF20009](#))

140 House of Lords Communications and Digital Committee, [First Report of Session 2019: Public service broadcasting: as vital as ever](#), HL paper 16, para 158

141 Oral evidence taken on 4 March 2025, The work of the BBC, HC 331, [Q39](#)

142 [Q83](#)

143 [Q127](#)

RECOMMENDATION

- 62.** We recommend that all subscription video-on-demand (SVoD) platforms that operate in the UK pay a 5% levy on their UK subscriber revenue into a cultural fund administered by the BFI to support domestic HETV production. The industry should establish this fund on a voluntary basis; however, if it does not do so within 12 months, or if there is not full compliance, the Government should introduce a statutory levy.

Advertising: the next disruption?

- 63.** Revenue from selling advertising on air and online drives ITV and Channel 4 investment in HETV content, yet it too is highly volatile.¹⁴⁴ Meanwhile, major SVoD platforms that formerly operated under a subscription model have been growing their advertising-supported subscription tiers. Analysis shows that Netflix can offer advertisers around 1.8 million viewers each week who cannot be readily reached via the commercial broadcasters, while the figures for Amazon Prime are even higher.¹⁴⁵ We also heard concerns about how the Competition and Markets Authority defines the advertising market, and its impact on broadcasters and companies operating in the UK.¹⁴⁶

CONCLUSION

- 64.** Advertising revenue is key to the HETV production ecosystem, and the market is changing as SVoD platforms grow their ad-supported subscription tiers. We intend to revisit the issue of advertising and its role in the TV ecosystem later in the Parliament.

144 Oral evidence taken by our predecessor Committee on 28 November 2023, [Q3](#) [Dr Alex Mahon]

145 Enders Analysis, [Netflix Q4 2024: More subs, more price rises](#), 22 January 2025

146 Discussion at Warner Bros. Discovery Leavesden, 21 January 2025 (See Annex 1)

4 Incentivising inward investment

65. The UK’s film and HETV industry is dominated by inward investment by US studios, television networks and cable companies, and SVoD platforms, which collectively accounted for 87% of film and 82% of HETV production spend in 2024.¹⁴⁷ The UK’s regulatory regime, intellectual property protections, tax incentives, production ecosystem, workforce and studio facilities have made it “one of the most in-demand places in the world to create new screen content.”¹⁴⁸ The British Film Commission, which is tasked by Government to support inward investment, has heralded the fact that “Disney, Netflix, Amazon, Warner Bros. and Universal now all have either permanent production bases or long-term leases in the UK, with others looking to establish a longer term base.”¹⁴⁹ It argued that film and HETV should be identified as key sub-sectors under the Government’s industrial strategy, with inward investment production “recognised as a primary driver that supports the whole industry.”¹⁵⁰
66. Inward investment brings significant economic and social benefits to the UK. As well as creating jobs and studio facilities, the industry’s economic value derives from its ‘ripple effect’, where spending on production is sourced from other areas of the economy, not just vendors working only in film and HETV. BFI analysis of production budgets found that 40% to 60% of total costs are spent in other sectors such as travel and transport, and hospitality and catering.¹⁵¹ Further ‘spillover’ benefits from production include inbound tourism and soft power: visitors frequently cite visiting TV and film locations as a reason to come to the UK, and in 2019 inbound visitors spent an estimated £892.6 million in film-related screen tourism.¹⁵² This has been

147 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023 and British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 1

148 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Motion Picture Association ([FIL0113](#)), November 2023

149 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

150 British Film Commission ([BF200005](#))

151 British Film Institute, [Screen Business 2021](#), December 2021, p 28

152 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, VisitBritain/VisitEngland ([FILO021](#)) para 5, November 2023

reflected in VisitBritain’s current ‘Starring GREAT Britain’ campaign, which puts the UK’s wealth of filming locations front and centre in a bid to attract more tourists to our shores.¹⁵³

67. Yet the UK’s exposure to the US market for inward investment is not without risk. In 2023, following record levels of investment after the pandemic, inward investment fell 49% in HETV and 35% in film.¹⁵⁴ That was precipitated by the Writers Guild of America strike (May-Sept 2023) and SAG-AFTRA strike (July-November 2023), during which many UK-based productions were paused or start dates were postponed.¹⁵⁵ Structural factors were also at play: many SVoD platforms have pivoted towards improving return on investment by lowering the average cost per title, or making fewer productions but at a higher quality.¹⁵⁶ As producer Jane Tranter explained, all this served to make “the UK industry very aware of how reliant it has become on inward investment, and how it was not always that way.”¹⁵⁷
68. With so many productions delayed during the strikes, it is not surprising that inward investment mounted a strong recovery in 2024 after filming resumed.¹⁵⁸ Yet the UK has been warned against complacency, as the highly mobile nature of productions, and attempts by other countries to attract them, make it a competitive market.¹⁵⁹ Indeed, Amazon cautioned:

It’s important for policymakers to appreciate that it’s much easier to change the location of a production than it is re-locate for other parts of the economy. The production landscape is hypercompetitive, with jurisdictions continually looking for ways to attract High End TV and film productions. Short term policy changes or additional costs to doing business could see an immediate impact on productions moving away from the UK, and at short notice.¹⁶⁰

153 [Q137](#) [Sir Chris Bryant MP] and VisitBritain, [VisitBritain launches global screen tourism campaign with blockbuster-inspired film](#), January 2025 (accessed 24 February 2025)

154 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, pp 3, 7

155 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q241](#) [Adrian Wootton]

156 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q241](#) [Andrew M Smith]

157 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q198](#)

158 British Film Institute, [Film and high-end television programme production in the UK, 2024](#), 6 February 2025, p 2

159 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 1.9, November 2023

160 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Amazon ([FIL0135](#)), November 2023

Given those comments, it is notable that Amazon has just paid a reported \$1 billion for full creative control over the James Bond franchise.¹⁶¹ While that shows the tremendous value of British IP to inward investors, it remains to be seen what facilities and talent the company will use to make Bond in the future.

The UK’s competitiveness

69. The Government wants the UK to be “the best place in the world to make film and high-end television.”¹⁶² We asked industry practitioners what the UK can do to achieve that aim. James Hawes said that having worked in production hubs from Prague to Cape Town, he has found it frustrating when permissions have not been granted for filming locations in the UK.¹⁶³ He compared it to working in Marseille, which was earmarked by the French Government as a production location, and where local government is empowered by the President to support projects filming there.¹⁶⁴ Indeed, in France our predecessor Committee heard that both big and small players across the industry are able to reach all levels of Government if facing challenges to growth.¹⁶⁵ The following policy areas have also been highlighted as key to maximising the UK’s competitiveness.

Competitive tax credits

70. Since their introduction for film in 2007 and HETV in 2013, the UK’s tax incentives have been vital to its status as a production hub.¹⁶⁶ However, the British Film Commission cautioned that because “every developed nation now offers some kind of financial incentive to attract high value film and TV work” the UK’s incentives are “ever more important in protecting our market share, particularly in the context of rising production costs and global inflation”.¹⁶⁷ We heard that the UK should more frequently benchmark its tax incentives against those of other territories to ensure they remain competitive—a conclusion also reached by the House of Lords

161 Deadline, [Amazon MGM Studios Shelled Out An Extra \\$1 Billion-Plus To Take Control Of James Bond: What’s Next For The Franchise](#), 20 February 2025 (accessed 10 March 2025)

162 [Q117](#) [Sir Chris Bryant MP]

163 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q85](#)

164 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q85](#)

165 Meeting with the Senate Cultural Affairs Committee and Interparliamentary Friendship Group, 27 February 2024 (See Annex 1)

166 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Screen Forum ([FILO059](#)), November 2023

167 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FILO103](#)), November 2023

Communications and Digital Committee in January 2023.¹⁶⁸ The Minister recognised this when he affirmed the Government’s commitment to tax credits and intention to keep them under review.¹⁶⁹

71. Yet the stability of the UK’s regime is vital in giving investors confidence about where to shoot productions.¹⁷⁰ Pinewood Group argued that even changes for the better could have detrimental impacts, stating that any reforms “need to be very carefully designed and messaged to avoid undermining the success of the existing programme—or creating the perception for international productions that they might do”.¹⁷¹ DCMS’s Deputy Director, Creative Industries, Alastair Jones, recognised this tension between maintaining competitiveness and ensuring stability, acknowledging that the Government does “not want to be tweaking them too often”.¹⁷²
72. Tax incentives are already going through two major changes with the roll-out of AVEC since January 2024, and the introduction of an enhanced rate and removal of the 80% cap on qualifying costs for UK VFX work from January 2025. The latter was first mentioned by the then Chancellor in the Autumn Statement 2023, by which point it was estimated that at least £1 billion of VFX work on films and series shot in the UK had been performed outside the UK.¹⁷³ As decisions about where productions shoot and where VFX work will take place can happen years in advance, uncertainty over the relief, which was finally confirmed by the current Government a year later at Autumn Budget 2024, no doubt lost the UK even more business in the meantime.¹⁷⁴
73. The overall success of the UK’s tax incentives has also led some to call for them to be used to stimulate industry action on production in the nations and regions of the UK, environmental sustainability, employing diverse production teams and tackling bullying and harassment (which we explore in chapter 5).¹⁷⁵ The head of Bectu, the union for workers in the

168 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([FIL0093](#)) para 85, November 2023 and House of Lords Communications and Digital Committee, Second Report of Session 2022–23, [At risk: our creative future](#), HL paper 125, para 80

169 [Q117](#) [Sir Chris Bryant MP]

170 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

171 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Pinewood Group ([FIL0129](#)) para 16, November 2023

172 [Q117](#) [Alastair Jones]

173 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Screen Alliance ([FIL0084](#)), November 2023

174 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Screen Alliance ([FIL0084](#)), November 2023

175 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Northern Ireland Screen ([FIL0100](#)), British Film Institute ([FIL0126](#)) para 6.97, Film Diversity Action Group ([FIL0031](#)), November 2023 and private session on

entertainment and media industries, Philippa Childs, told our predecessor Committee that linking eligibility for AVEC to diversity and inclusion would embed the industry’s “good intentions” because “money talks”.¹⁷⁶ Likewise, the CEO of the Film and TV Charity, Marcus Ryder MBE, called for a way to incentivise productions to use tools that support workers’ mental health.¹⁷⁷ However, the Minister cautioned that if tax incentives were made “too complicated”, there was a danger they would become “unusable”.¹⁷⁸

CONCLUSION

- 74.** The Government is right to commit to maintaining the competitiveness of the UK’s tax incentives, and changes must be balanced with stability. Yet the production sector is much more agile than Government, and the time it took to reform expenditure credits for VFX shows that policymaking and implementation needs to be quicker to keep the UK’s tax incentives globally competitive.

RECOMMENDATION

- 75.** Twice a year, the Government should benchmark the value and eligibility criteria of the UK’s film and HETV tax incentives against those of other countries. Where the UK’s offer is found to be less competitive, the Government should immediately review the financial case for changing the UK’s incentives in the context of the full range of economic support for the industry, and bring forward any changes deemed beneficial to maintaining overall competitiveness.

CONCLUSION

- 76.** We are not convinced that Audio-Visual Expenditure Credits are the best vehicle to incentivise wider industry practices, if doing so undermines the fundamental aim of attracting investment.

The Work of the Creative Industries Independent Standards Authority, 11 February 2025

176 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q520](#) [Philippa Childs]

177 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q520](#) [Marcus Ryder]

178 [Q120](#)

Availability of staff and studios

- 77.** The Creative Industries Policy and Evidence Centre found that the UK’s skilled workforce was a motivating factor for 47% of screen projects attracting foreign direct investment, and the talent pool is a significant draw for the likes of Amazon and Paramount.¹⁷⁹ However, the Independent Film and Television Alliance cautioned:

The rate at which the UK industry has been able to train new skilled film workers (e.g. particularly in craft, technology, accounting and production management) has not kept pace with rising demand. Not only has this mis-adjustment in the labour market led to wage inflation as a major contributor to rising budget costs, but it is now widely recognised as possibly the biggest challenge to the UK retaining its pole position as an attractive off-shore environment for foreign productions.¹⁸⁰

We consider the challenges facing the film and HETV workforce in detail in chapter 5.

- 78.** The rapid growth of inward investment production has increased demand for studio space, making it “increasingly difficult for the UK to compete on a studio rental cost basis with international counterparts.”¹⁸¹ Since 2020, stage space has increased from approx. 3 million sq. ft. to 6 million sq. ft. but the British Film Commission told us that continued Government support for its Stage Space Support & Development (SSSD) initiative is required to realise the more than £2 billion of viable projects still in the pipeline, particularly in the nations and regions.¹⁸² Those developments are much needed, as Sky called it “incredibly difficult” to access suitable facilities outside of south-east England.¹⁸³ Yet fluctuations in inward investment and domestic production make it difficult to forecast the UK’s studio space requirements. Many studio facilities are owned by, or under long-term lease to, inward investors.¹⁸⁴ Different scales of production also need different

179 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Policy and Evidence Centre ([FIL0111](#)) para 1.7, Amazon ([FIL0135](#)), Paramount ([FIL0132](#)), November 2023

180 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Film and Television Alliance ([FIL0086](#)) para 3.3, November 2023

181 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

182 [Q129](#) [Alastair Jones], British Film Commission ([BF20005](#))

183 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Sky ([FIL0091](#)), November 2023

184 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Pinewood Group ([FIL0129](#)), Warner Bros. Discovery ([FIL0133](#)), November 2023

types of studio spaces.¹⁸⁵ Ultimately, the Minister told us he does not have a figure for how much additional studio space the Government wants to deliver in the next decade.¹⁸⁶

- 79.** Business rates are an ongoing challenge for studio provision and investor confidence. After the Valuation Office Agency’s (VOA) 2023 Non-Domestic Rating Revaluation, Warner Bros. Discovery said that its liability for business rates at its Leavesden studio had “increased five-fold” and the British Film Commission stated that business rates rises risked “undermining the UK’s ability to compete internationally”.¹⁸⁷ At the 2024 Spring Budget, the then Chancellor announced 40% business rates relief for eligible film studios in England until 2034, which the current Government has taken forward.¹⁸⁸ The Government has also set out initial plans for reforming business rates.¹⁸⁹ Looking longer term, the British Film Commission called on the Government to ensure that the business rates revaluation process did not unintentionally disincentivise private sector investment in priority growth sectors such as film and HETV.¹⁹⁰

CONCLUSION

- 80.** It is concerning that the Government does not know how much additional studio space the UK will need to support both inward investment and domestic production in the years ahead. Recent business rates revaluations also risked devastating inward investment in studios across England and Wales. That must not happen again. The 40% relief for film studios is welcome, but temporary.

RECOMMENDATION

- 81.** In delivering its promised reform of business rates, the Government should prioritise growth sectors such as film and HETV and ensure reforms support, rather than undermine, investment in them.

185 [Q136](#) [Alastair Jones]

186 [Q129](#) [Sir Chris Bryant MP]

187 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Warner Bros. Discovery ([FIL0133](#)), British Film Commission ([FIL0103](#)), November 2023

188 HM Treasury, [Lights, Camera, Action! 40% business rates relief for film studios rolled out](#), 16 February 2025

189 HM Treasury, [Transforming Business Rates](#), October 2024

190 British Film Commission ([BF20005](#))

Production hubs

- 82.** There are seven established production hubs that can support inward investment production in the UK: Belfast in Northern Ireland; Bristol in south-west England; the Central Belt of Scotland; Leeds and West Yorkshire in north England; London and the south-east of England; Manchester and Liverpool in north-west England; and South Wales.¹⁹¹ The development of Crown Works Studios in Sunderland is expected to create a new hub in north-east England.¹⁹² However, the industry is still predominately focused on south-east England, with Screen Yorkshire identifying challenges in “overseas producers and studios understanding the geography of the UK and the availability and quality of locations, facilities and talent outside of London.”¹⁹³ The British Film Commission acknowledged there was “more to be done to drive further growth to the nations and regions”.¹⁹⁴
- 83.** There are significant regional variations in the support available for production, business and talent development, or to attract inward investment.¹⁹⁵ While the devolved nations provide filming incentives in addition to AVEC, there is no England-wide equivalent and the support offered by individual regional screen agencies varies.¹⁹⁶ Creative UK, which runs the ‘Filming in England’ scheme to promote film and HETV production across the English regions, stated:
- National agencies across the UK, including Filming in England, need increased, sustainable and long-term funding to ensure the UK remains a trusted and attractive destination for global productions.¹⁹⁷
- 84.** Tax incentives could be used to boost production nationally by providing an uplift to AVEC for productions shot in the nations and regions.¹⁹⁸ However, the Minister expressed scepticism about using tax incentives in this way, as he did not want to see “people saying that they are making a production and that they are based in Wales to meet some kind of quota or other,

191 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

192 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Fulwell 73 ([FILO095](#)), November 2023

193 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Yorkshire ([FILO108](#)), November 2023

194 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

195 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Manchester ([FILO087](#)), November 2023

196 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([FILO093](#)) para 69, November 2023

197 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative UK ([FILO093](#)) para 33, November 2023

198 Screen Scotland ([BF20006](#)) and oral evidence taken by our predecessor Committee on 19 March 2024, [Q228](#) [Jane Tranter]

whereas they are really all based in Highgate”.¹⁹⁹ Indeed, a previous proposal to use higher tax incentives to boost VFX work in the nations and regions was rejected by HM Treasury for being too “complex”.²⁰⁰ It is also unclear whether tax incentives alone would be enough to boost production in different parts of the UK, as an area’s infrastructure and availability of skilled workers are other major factors in attracting production.²⁰¹ Finally, pitting some parts of the country against others could disadvantage small companies in those regions, and the Minister told us he did not want to imply “‘South—bad’, ‘north—good’”.²⁰²

- 85.** Building the case for changing AVEC to support regional production will require robust data on production spend across the UK. That is currently lacking. Scotland’s screen agency stated that a lack of nation-by-nation breakdown of spend in existing BFI and British Film Commission statistics “hampers strategic efforts to see where interventions are working or failing to level up the UK’s production landscape” and recommended Government require AVEC claimants to report their spending in the nations and regions.²⁰³ The British Film Commission agreed that “improved data” on regional spend would be essential to measuring the impact of the Government’s industrial strategy.²⁰⁴

RECOMMENDATION

- 86.** The Government should require productions claiming AVEC to report a breakdown of their spending across the nations and regions of the UK. This would improve data on the national and regional distribution of production spend and support the case for any policy interventions such as potential uplifts to AVEC.
- 87.** Regional screen agencies were also concerned that the CEO of the British Film Commission is also the CEO of Film London, saying it “causes perceptual issues and structural bias”.²⁰⁵ In its defence, the British Film Commission stated that “a UK-wide approach” was “central to everything” it does and its “activities promote all four nations equally”.²⁰⁶ Its CEO, Adrian

199 [Q120](#)

200 Oral evidence taken by our predecessor Committee on 19 March 2024, [Qq270-274](#) [Neil Hatton]

201 [Qq133-134](#)

202 [Q133](#)

203 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Scotland ([Filo119](#)), November 2023

204 British Film Commission ([BF20005](#))

205 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Yorkshire ([Filo108](#)), Screen Scotland ([Filo119](#)), November 2023

206 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([Filo103](#)), November 2023

Wootton OBE, told our predecessor Committee that the joint role had been set by the Government in 2017, but that the organisations operated entirely separate teams and that he provided “objective promotion and support of the whole of the UK’s nations and regions”.²⁰⁷

RECOMMENDATION

- 88.** To address the industry’s perceptions of organisational London-centric bias, the Government should split the roles of British Film Commission CEO and Film London CEO the next time that the existing contracts are negotiated or the roles advertised.

Regulatory environment

- 89.** The UK’s domestic regulatory environment, as well as its relationships with key markets such as Europe and the US, are important to inward investors. Yet Jay Hunt, Chair of the BFI, expressed concerns about “a very challenging regulatory environment coming in in Europe, and immediately from the new US Administration”.²⁰⁸

European Works

- 90.** Since the UK left the EU, films and TV programmes made here have continued to qualify as ‘European works’ for the purposes of the EU’s Audiovisual Media Services Directive (AVMSD), which sets quotas for European content on both linear and video-on-demand services. This is an important factor in the UK’s overall attractiveness as an international production destination, valued by major inward investors including Warner Bros. Discovery and NBCUniversal.²⁰⁹ In France, representatives from the parent company of StudioCanal UK, which makes and distributes the ‘Paddington’ films, told our predecessor Committee that the UK qualifying under ‘European works’ enabled them to invest in so many successful co-productions here.²¹⁰
- 91.** The British Film Commission recommended the Government “remain alert to any proposals on the definition of a European work which are developed by the European Commission and, while respecting our status outside of the EU, do all that is possible to maintain a favourable policy landscape

207 Oral evidence taken by our predecessor Committee on 19 March 2024, [Qq279–283](#)

208 [Q79](#) [Jay Hunt]

209 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Warner Bros. Discovery ([Filo133](#)), NBCUniversal ([Filo070](#)), November 2023

210 Meeting with Canal+, 26 February 2024 (See Annex 1)

that incentivises cross-border production.”²¹¹ That includes reassociating with Creative Europe, as discussed in chapter 2, as membership “could help challenge any attempt to claim UK content was not ‘European’ for the purpose of fulfilling EU quotas by creating a closer link with European content production for UK producers.”²¹² The Minister recognised that when he told us:

The fact that UK film and television qualifies as European content is a very important aspect of our future in this sector, and we certainly do not want to lose that. Anything that we can do to enhance and protect that is obviously in our interests.²¹³

RECOMMENDATION

- 92.** The Government must be fully engaged with the EU’s discussions on ‘European works’ and mitigate any potential changes to the UK’s status under it. We ask the Government to write to us every six months with its latest assessment of the EU and its member states’ positions, relevant debates and policy developments, plus the action it is taking to protect the UK’s status.

US trade policy

- 93.** Given the importance of US inward investment to the UK, the BFI’s Chair expressed concern that President Trump has used “very protectionist language around Hollywood”.²¹⁴ Yet asked whether the Government had assessed how President Trump’s policies might impact production in the UK, the Minister told us that “[w]e have a very strong cultural relationship with the United States of America [...] I don’t foresee a problem.”²¹⁵

CONCLUSION

- 94.** It is tempting to see 2023’s inward investment crisis as a blip, but while the UK remains so exposed to US investment global political and market forces will continue to affect our film and HETV industry. Our recommendations to support domestic production should help ride out future storms, but the Government and industry must not become complacent about the UK’s status as the ‘Hollywood of Europe’.

211 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Commission ([FIL0103](#)), November 2023

212 British Screen Forum ([BF20013](#))

213 [Q115](#)

214 [Q79](#)

215 [Q167](#)

5 Supporting the workforce

95. The UK’s experienced, skilled and flexible film and HETV workforce is a major attraction to companies choosing to make work here.²¹⁶ In 2021, the Office for National Statistics (ONS) estimated that around 106,000 people worked in film and video production, distribution and exhibition.²¹⁷ HETV production and distribution also generated 28,760 direct FTEs throughout all parts of the value chain in 2019, rising to 64,310 once impacts among the wider economy (e.g. screen tourism and merchandising) were taken into account.²¹⁸ Like the rest of the creative industries, film and HETV relies on a higher proportion of freelance workers than the economy as a whole: in 2021, 44% of the production sector was self-employed, compared to 13% of the total UK workforce.²¹⁹
96. The industry’s reliance on freelance workers underpins many of the problems, and potential solutions, with training and retention that we shall explore in this chapter. Researchers from Bournemouth University argued that film and HETV employers have “shouldered little responsibility for worker supply, training, career development or general welfare” and “[t]he autonomous status of freelancers has generally excluded them from the benefits of more conventional employment arrangements (in terms of the expectations and responsibilities placed on employers)”.²²⁰

216 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Policy and Evidence Centre ([FILO111](#)) para 1.7, November 2023

217 80% work in production, 13% in distribution and 7% in exhibition. See: British Film Institute, [Film education and industry employment - full report, 2022, p 13](#)

218 British Film Institute, [Screen Business 2021](#), December 2021, pp 90–91

219 British Film Institute, [Film education and industry employment - full report, 2022, p 15](#). There is variation across the industry: for example, the VFX and post-production workforce are predominantly PAYE workers, either permanently employed or on short-term contracts. See: Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Screen Alliance ([FILO084](#)), November 2023

220 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Richard Wallis and Dr Christa van Raalte, Bournemouth University ([FILO025](#)) para 2.2, November 2023

CONCLUSION

97. From our world-class actors, writers, composers and directors to our highly skilled VFX artists and dedicated, hair and make-up professionals, costume designers and technical crew members, the people that make, distribute and exhibit British films and HETV programmes are a key reason the industry is a global success story.

Training skilled workers

Skills gap

98. During previous periods of high demand, a shortage of skilled workers has inhibited the film and HETV industry's growth.²²¹ Adrian Wootton, the head of the British Film Commission, stated that to attract inward investment "[t]he biggest factor now will not be our tax reliefs or our studio space; it will be whether we have the people to do it."²²² Shortages have created labour market distortions: competition for skilled crew pushes up costs, which significantly impacts British independent productions.²²³ We also heard about crews being "poached" or "show-jumping" between productions for better rates at short notice.²²⁴ The Chair of the BFI said that a mere 18 months ago "there was a palpable crisis in the sector [...] Productions were closing because there were not enough carpenters, and we could not start filming because we did not have any production finance people."²²⁵
99. The BFI is the national lead on workforce skills development for the film and television industries. It stated that "in recent years the sector has faced acute skills shortages at a range of roles and levels", while its 2022 review of skills estimated that between 15,130 and 20,700 additional people would be needed by this year to support the growth of film and HETV production.²²⁶ However, those figures do not reflect the industry downturn in 2023, during which many were out of work and large numbers left the industry. The BFI's Director of Skills and Workforce Development, Sara Whybrew, told our predecessor Committee that she did not know how many skilled workers

221 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Independent Film and Television Alliance ([FIL0086](#)) para 3.3, November 2023

222 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q264](#)

223 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 1.23, November 2023

224 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 1.23, Creative UK ([FIL0093](#)) para 57, November 2023

225 [Q88](#) [Jay Hunt]

226 British Film Institute, [BFI Skills Review 2022](#), June 2022, p 8

the industry needed then or into the future.²²⁷ That was echoed by the Chair of the BFI who pointed to a “complete lack of comprehensive data” on the industry’s workforce requirements, recognising “it is impossible to plan what the future asks will be when we don’t know what the picture is.”²²⁸ The head of the National Film and Television School (NFTS), Dr Jon Wardle, argued that despite the turmoil in the labour market over the past few years, it was important “to move away from this feast-and-famine approach and focus much more on long-term thinking”.²²⁹

Training provision

- 100.** The landscape for training in the film and HETV industry is highly fragmented, as Box 2 illustrates, and the former Chair of the BFI and CEO of Vue, Tim Richards CBE, told our predecessor Committee that greater efficiency was needed.²³⁰ Following the BFI’s Skills Review in 2022, the Screen Sectors Skills Task Force—a time-limited collaboration between 28 organisations—was set up to develop an industry-led approach to tackling the workforce challenges. In November 2023, it identified that:

Too often delivery of skills development is defined by competition for resources and recognition rather than meaningful collaboration. [...] Our approach has been too fragmented, too disjointed, too inward facing and too reactive.²³¹

227 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q405](#)

228 [Q85](#)

229 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q448](#) [Dr Jon Wardle]

230 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q343](#) [Tim Richards]

231 British Film Institute, [A Sustainable Future for Skills: the Report of the Screen Sectors Skills Task Force](#), November 2023, p 4

Box 2: Film and HETV bodies involved in skills and training

ScreenSkills: the industry-led skills body for the screen industries. It administers five skills funds for Film, HETV, Unscripted, Children’s and Animation, which are funded through voluntary levies based on a percentage of production budgets. It also supports training opportunities and provides e-learning.

BFI Skills Clusters: networks of local industry, education and training providers, and other screen organisations to co-ordinate skills and training in their respective areas in the nations and regions. The BFI is using £9 million of National Lottery money between 2023 and 2026 to fund six clusters in Scotland, Northern Ireland, the north of England, the West Midlands, Berkshire, and London and the south-east of England.

Education institutions: training in the formal education sector takes place in schools, universities and specialist institutions such as the London Film School or the National Film and Television School operating in Buckinghamshire, Leeds, Cardiff and Glasgow.

Independent training providers: smaller and grassroots organisations, such as Resource Productions in Slough, offering courses and opportunities often on a localised basis.

Industry initiatives: many organisations including the BBC and Channel 4 have their own training schemes, while Warner Bros. Discovery Leavesden is home to an on-site training facility ‘CrewHQ’.

Source: Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, ScreenSkills ([FILO055](#)), British Film Institute ([FILO126](#)), BBC ([FILO078](#)), Channel 4 ([FILO109](#)), The National Film and Television School ([FILO023](#)), November 2023

101. To address the fragmentation of skills initiatives across the country, the Screen Sectors Skills Task Force recommended that there be “one strategic body” for the UK-wide industry, with responsibility for bringing the screen sectors together, for providing workforce data and insight, and for demonstrating the impact of skills investment “in a more cohesive and pan-sectoral approach”.²³² It suggested that the existing industry-led skills body, ScreenSkills, underwent “significant transformation” to fulfil that role, including adopting a new governance model and putting partnership at the heart of its operations.²³³

232 British Film Institute, [A Sustainable Future for Skills: the Report of the Screen Sectors Skills Task Force](#), November 2023, p 4

233 British Film Institute, [A Sustainable Future for Skills: the Report of the Screen Sectors Skills Task Force](#), November 2023, pp 23–24

- 102.** Screen Scotland cautioned against a one-size-fits-all approach centred around a London-based organisation, arguing that ScreenSkills had not “recognised the devolved context for developing skills”, nor that there were “dedicated bodies across the UK that already focus on this task, and enjoy trusted relationships with local crew, facilities, and producers”. Instead, Scotland’s screen agency welcomed the approach taken by the BFI’s Skills Clusters, which it said had “distributed funding to national and regional level agencies who, together with local industry and productions, will be able to provide training where it is most needed.”²³⁴ It also criticised ScreenSkills for its weak accountability and “track record of not acting collegiately”, stating it had experienced “a failure of governance as much as of delivery.”²³⁵
- 103.** Our predecessor Committee questioned ScreenSkills’s CEO, Laura Mansfield, in May 2024 as the organisation developed its plan for how it would fulfil the role envisaged by the Task Force. She did not recognise the “one-size-fits-all” characterisation of ScreenSkills’s work, and said that having one strategic, convening body and localised approaches were not “mutually exclusive”.²³⁶ Pressed on when we, Government and the industry could expect to see meaningful results from ScreenSkills’ transformation, including targets, timescales and recommendations, she could not commit.²³⁷ Instead, she said ScreenSkills would publish a strategy in September 2024 setting out the next steps it would take.²³⁸
- 104.** That initial strategy, *Powering Skills*, was finally published in October 2024. It lacked the clear objectives and measurable targets that our predecessor Committee had been assured it would contain, referring instead to what its performance indicators “are likely to include”.²³⁹ The strategy outlined various initiatives that ScreenSkills would deliver as “a foundation to develop an industry-wide Workforce Plan.” ScreenSkills told us that this subsequent Workforce Plan would be data-driven, address immediate skills needs (including skills gaps and career pathways), and forecast future skills requirements to build greater resilience. However, its success would “depend on the availability of high-quality data and alignment with the industrial strategy.”²⁴⁰

234 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Scotland ([F1L0119](#)), November 2023

235 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Screen Scotland ([F1L0119](#)), November 2023

236 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q451](#)

237 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq476-481](#)

238 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq476-481](#)

239 ScreenSkills, [Powering Skills](#), October 2024, p 81

240 ScreenSkills ([BF20010](#))

105. Three years on from the BFI’s Skills Review and 18 months on from the Screen Sectors Skills Task Force’s review, we queried whether the industry really needed more strategies and plans, or whether it needed decisive action.²⁴¹ The BFI’s CEO, Ben Roberts, acknowledged the scale of the challenge ScreenSkills faced building data on such a large, fragmented workforce, and the fact it “has been working much more closely with the industry”.²⁴² However, the BFI had previously diverted some of its skills funding away from ScreenSkills into its own Skills Clusters.²⁴³ The Minister gave ScreenSkills “four stars out of five” in terms of effectiveness, and DCMS’s Deputy Director, Creative Industries, praised ScreenSkills’ administration of the Government’s creative careers programme, saying that “[i]t has done an excellent job with a very small amount of money, to the extent that the budget has almost multiplied by 10, thanks to the Treasury endorsement.”²⁴⁴

CONCLUSION

106. The film and HETV industry has been too slow to respond to skills shortages. That has had serious consequences for those working in it, and for the ability of domestic productions to afford to pay crews and creatives. Countless reviews, reports, strategies and plans for tackling this crisis have been published or promised, but essential questions remain unanswered about the number of people that are needed, the roles that need filling, the costs of training those people and the adequacy of current spending on skills to meet those costs. There is an urgent need not just for strategic thinking, but for a clear path to delivering practical measures that tackles the crisis once and for all.

CONCLUSION

107. We are not convinced ScreenSkills is up to the challenge of delivering meaningful action on skills and training. It has been slow to grasp the urgency of the situation, to identify its priorities and performance indicators and ultimately to tackle the root causes with confidence and authority.

241 [Q88](#)

242 [Q88](#) [Ben Roberts]

243 [Q85](#) [Ben Roberts]

244 [Q147](#)

RECOMMENDATION

- 108.** We recommend that the Government link any future public funding for ScreenSkills to specific, measurable outcomes based on it publishing and meeting ambitious and robust performance indicators.

Funding training

- 109.** It has been suggested the UK’s challenges around skills and training are organisational and structural, rather than financial.²⁴⁵ In 2022, the BFI recommended that the industry invested a minimum of 1% of production budgets into skills and training.²⁴⁶ The Screen Sector Skills Task Force subsequently concluded that its members collectively committed more than £100 million to skills in 2022—more than the target 1%.²⁴⁷ The Task Force’s chair, Georgia Brown, told our predecessor Committee:

It is not a money question. Throwing more money at it is not going to solve this; it will exacerbate the problem. What we need to do is fundamentally reorganise how we are operating, to effectively deploy that capital in the right areas to get maximum value back.²⁴⁸

- 110.** The argument that more money from the industry is not needed is not a surprising conclusion for an industry-led body to reach. Others, however, have suggested the industry could be spending more. Researchers from the University of Reading stated that “the industry invests very little in training” and the performers’ union Equity said that “[p]roduction companies—especially those in receipt of public subsidy through the tax system—must go further in reinvesting in education and skills development of the workforce.”²⁴⁹ Lord David Puttnam argued that it was in their interests to do so, maintaining that the wage inflation experienced across the industry had resulted from “successive years of under-investment in production skills”.²⁵⁰
- 111.** Keen to get a sense of how different SVoD platforms and major studios fund skills development, our predecessor Committee asked Amazon, Netflix, Paramount and NBCUniversal whether they were spending 1% of their

245 [Q85](#) [Jay Hunt] and oral evidence taken by our predecessor Committee on 21 May 2024, [Q404](#) [Georgia Brown] and [Q469](#) [Laura Mansfield]

246 British Film Institute, [BFI Skills Review 2022](#), June 2022, p 43

247 British Film Institute, [A Sustainable Future for Skills: the Report of the Screen Sectors Skills Task Force](#), November 2023, p 14

248 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q427](#) [Georgia Brown]

249 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Professor Lisa Purse, Dr Dominic Lees, Andrew Philip, and Dr Shweta Ghosh, University of Reading ([FIL0065](#)), Equity ([FIL0056](#)) para 1,3, November 2023

250 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Lord David Puttnam ([FIL0049](#)), November 2023

production budgets on training.²⁵¹ As all organisations were members of the Screen Sector Skills Task Force, and so presumably had supplied the data to that study, it was surprising that they could not immediately answer. We therefore wrote to the companies asking them to confirm what percentage of their total production budgets they invested in training and workforce development in the UK in each of the past three financial years, providing the option of replying confidentially.²⁵² Amazon and Netflix told us they had invested more than 1%, but did not supply the precise figures we requested, while Paramount and NBCUniversal did not supply any specific percentage or figure, citing commercial confidentiality.²⁵³

- 112.** Those companies’ lack of transparency illustrated the problem, already highlighted by Georgia Brown, of the industry’s funding for training being too fragmented and siloed.²⁵⁴ She told our predecessor Committee that when the Task Force started its work, data on how much the industry was spending, where it was spending it and what value and impact that spending had was simply not available.²⁵⁵ Laura Mansfield also said that consistent data from across the industry would be “massively important” to ScreenSkills achieving its goals.²⁵⁶

251 Oral evidence taken by our predecessor Committee on 8 May 2024, [Q400](#)

252 Letter from Dame Caroline Dinenage MP, Chair, Culture, Media and Sport Committee, to Chris Bird, Director, Prime Video UK, Amazon, Benjamin King, Senior Director of Public Policy, UK and Ireland, Netflix, Mitchell Simmons, Vice-President, Public Policy and Government Affairs, EMEA, Paramount, and Gidon Freeman, Senior Vice-President, Government and Regulatory Affairs, NBCUniversal International regarding on skills spending, [19 November 2024](#)

253 Letter from Benjamin King, Senior Director of Public Policy, UK and Ireland, Netflix, regarding on skills spending, [2 December 2024](#), Letter from Mitchell Simmons, Vice-President, Public Policy and Government Affairs, EMEA, Paramount, regarding on skills spending, [6 December 2024](#), Letter from Gidon Freeman, Senior Vice-President, Government and Regulatory Affairs, NBCUniversal International, regarding on skills spending, [16 December 2024](#), Letter from Monica Ariño, Director of Public Policy, UK, Amazon, regarding on skills spending, [19 December 2024](#)

254 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q430](#)

255 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q404](#)

256 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q486](#)

CONCLUSION

- 113.** Given how important skills are to the film and HETV industry, we are surprised that major streamers and studios could not give us a straight answer on how much they spend on training. The companies either don't know how much they are spending or have something to hide. Either way, we are not confident the industry has enough incentive to share the data that is needed to develop a coherent, sector-wide skills strategy. We also note that relying on voluntary contributions of 1% of production budgets delivers a fluctuating sum for skills training, which is an unreliable means of resourcing a vital need for the industry.

RECOMMENDATION

- 114.** We recommend that the Government introduces a statutory requirement for the entire film and HETV production industry to report their spending on skills and training as a percentage of their production budgets every financial year.

Reform of apprenticeship levy

- 115.** We heard that a perennial problem around funding training was the incompatibility of the Apprenticeship Levy with work in the film and HETV industry: organisations paying into the levy do not get the full benefit back because the rules around delivering apprenticeships do not fit with their requirements or working patterns.²⁵⁷ Indeed, it was calculated that the unused levy funds of the members of the Screen Sectors Skills Task Force amounted to the equivalent of 1,000 new apprenticeships per annum.²⁵⁸ Despite numerous pilots trialling how the levy could better suit the industry, the Motion Picture Association lamented that “the process of change has been painfully slow”.²⁵⁹ Meanwhile, the paucity of apprenticeships in the film and HETV sectors has damaged efforts to improve workforce diversity.²⁶⁰
- 116.** The industry has welcomed the Government's plans to reform the Apprenticeship Levy into a new Growth and Skills Levy; however, those reforms need to address a range of issues to ensure the new levy reflects

257 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q446](#) [Dr Jon Wardle]

258 British Film Institute, [A Sustainable Future for Skills: the Report of the Screen Sectors Skills Task Force](#), November 2023, p 14

259 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Motion Picture Association ([FIL0113](#)), November 2023

260 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q443](#) [Georgia Brown]

working practices in film and HETV.²⁶¹ As the majority of film and HETV contracts may only be for a few months, from August 2025 the Government intends to reduce the minimum length of an apprenticeship from 12 months.²⁶² It is also important that apprentices can move from one project with one employer to another, as that is the nature of freelance work in the industry.²⁶³ The BFI’s Director of Skills and Workforce Development, Sara Whybrew, said that allowing a proportion of the levy to be spent on structured and validated continuous professional development interventions would make it “work much harder for our industry and result in better outcomes”.²⁶⁴ Amazon also called for employers to be allowed to use the levy on bursaries, accessibility and the overheads of running apprenticeships; for large companies to be able to transfer funds to smaller companies to take on apprentices; for funding of a central agency to act as the ‘employer of record for apprentices’; for the creation of new apprenticeship standards; and for the period over which levy funds can be used to be extended.²⁶⁵

- 117.** Having worked closely with the National Film and Television School (NFTS), Amazon also identified a “need to incentivise high-quality training providers” to deliver apprenticeships by increasing the funding bands.²⁶⁶ Dr Jon Wardle, Director of the NFTS, agreed that getting “apprenticeship provision off the ground has probably been the hardest thing we have done” due to “the myriad additional regulations, rules and bureaucracy that get put around delivery” by the Education and Skills Funding Agency (ESFA) and Ofsted. He also said that “[u]niversities are uninterested in it because there is not enough money to incentivise them to get involved” and they consider the risk of being covered by Ofsted too high.²⁶⁷
- 118.** The Minister told us that DCMS was working with the Department for Education (DfE) on the portability of apprenticeships between employers, which “[a]ll the creative industries have been asking for”. He also confirmed the DfE is “looking at” helping particularly smaller organisations to cover the costs of delivering apprenticeships, but did not see a role for DCMS in ensuring that there are enough high-quality training providers

261 Screen Scotland ([BF20006](#)), British Film Commission ([BF20005](#)), Letter from Gidon Freeman, Senior Vice-President, Government and Regulatory Affairs, NBCUniversal International, regarding on skills spending, [16 December 2024](#)

262 [Q119](#)

263 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Channel 4 ([FIL0109](#)), November 2023

264 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q447](#) [Sara Whybrew]

265 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Amazon ([FIL0135](#)), November 2023

266 Oral evidence taken by our predecessor Committee on 8 May 2024, [Q399](#) [Chris Bird]

267 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq446-447](#) [Dr Jon Wardle]

in the industry to provide apprenticeships.²⁶⁸ When questioned whether a “disconnect” between DCMS and the DfE was to blame for the length of time it has taken successive Governments to reform the levy, the Minister assured us the two Departments work “very closely” together and DCMS’s Deputy Director, Creative Industries, said that the DfE recognised the importance of the creative industries to the Government’s industrial strategy.²⁶⁹

CONCLUSION

- 119.** We welcome the Government’s plans for a Growth and Skills Levy that meets the needs of the film and HETV sectors, and wider creative industries. The rollout of shorter apprenticeships is welcome, but the Government must now go further to ensure the industry maximises its use of levy funds and derives the fullest benefit from them.

RECOMMENDATION

- 120.** The Growth and Skills Levy must be fully compatible with work in the film and HETV sectors by:
- Ensuring portability of apprenticeships between employers;
 - Supporting smaller companies with the overhead costs of delivering apprenticeships;
 - Incentivising high-quality training providers and higher education institutions to provide apprenticeships, by reducing the bureaucratic obligations on them and by subsidising costs when cohorts are small; and
 - Funding high-quality continuous professional development.

268 [Qq140-143](#)

269 [Q144](#)

CONCLUSION

- 121.** Skills will be vital to the ability of the film and HETV sectors to contribute to the Government’s industrial strategy, but the Department for Culture, Media and Sport does not have enough of a stake in driving the skills agenda across Government. It is relying on the goodwill of the Department for Education to consider the creative industries when developing skills policy, and there is no guarantee that this will continue. We await the Government’s plans for the Growth and Skills Levy and industrial strategy and will revisit this issue if they do not address the skills needs across the creative industries.

Role of schools and education settings

- 122.** Engaging people in careers in film and HETV should begin at school; however, we found there was a lack of awareness about the potential opportunities on offer.²⁷⁰ We heard that while young people tended to be aware of the ‘above-the-line’ roles such as actor and director, they and their families and teachers were less familiar with the vast majority of jobs it took to make a film or HETV programme.²⁷¹ Dr Jon Wardle, Director of the NFTS, told our predecessor Committee “[I]f we had done this work 10 years ago, we might be in a better place now, with people coming through in those specialist roles.”²⁷² We note that the BFI is investing £5.95 million of National Lottery funding until 2026 in education charity Into Film, which already provides film resources for those working with 5–19 year olds, to help it to establish what interventions are needed to address this issue.²⁷³
- 123.** At higher and further education level, there is a case for closer alignment between what is offered in formal education settings and the production sector’s needs. The screen workforce is dominated by graduates: on average over 66% of the workforce holds a degree (rising to 70% in screen production specifically). However, the BFI stated that “[d]egree programmes are not adequately training individuals for the jobs we need people to do”.²⁷⁴ Researchers from the University of Reading agreed that “production studies across the four nations is uncoordinated, generating large numbers of talented graduates, but who may still be lacking in the skills and

270 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq407, 437](#) [Dr Jon Wardle]

271 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Screen Forum ([FIL0059](#)), November 2023 and oral evidence taken by our predecessor Committee on 19 March 2024, [Q197](#) [Jane Tranter]

272 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q407](#) [Dr Jon Wardle]

273 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.16, November 2023

274 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.19, November 2023

employment awareness required by the film and high-end TV industry.”²⁷⁵ Dr Jon Wardle said that the main problem was connecting education settings with the workplace, noting that industry-integrated degrees did not exist in the sector.²⁷⁶

- 124.** Technical training routes can be crucial at bridging the divide between education and industry, but need “parity of esteem” with degree-level courses.²⁷⁷ The BFI recommended that Government improve awareness of higher-level technical qualifications “that provide dedicated and occupationally specific technical training”, and protect level 2 and level 3 courses that provide routes into the industry when T Level options are not available.²⁷⁸ It noted that:

Effective delivery of T Levels can be challenging in occupational fields. For example, industry placements are not always viable in film and TV production due to under 18s not being permitted on set due to privacy practices and health and safety concerns, or there isn’t production taking place in the local area.²⁷⁹

Our predecessor Committee heard about the importance of level 3 qualifications to the VFX sector, where the occupational standards are too high to enable it to develop a relevant T Level.²⁸⁰

- 125.** ScreenSkills sees a particular role for higher education in delivering the advanced skills required by new technologies such as Virtual Production—where film locations are created digitally in real-time on set while a scene is being shot. Pointing to existing skills gaps in high-tech parts of the industry, ScreenSkills noted that “[w]ith technological advancements in all sectors, transferrable digital skills will be ever more pertinent”.²⁸¹ Yet Neil Hatton, head of the VFX and post-production trade body UK Screen Alliance, observed that the education system has historically not taught the right blend of maths, physics, art and coding skills needed not just in VFX, but in games, animation and the whole 3D-visualisation sector.²⁸²

275 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Professor Lisa Purse, Dr Dominic Lees, Andrew Philip, and Dr Shweta Ghosh, University of Reading ([FIL0065](#)), November 2023

276 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q437](#) [Dr Jon Wardle]

277 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.19, November 2023

278 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.21, November 2023

279 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.21, November 2023

280 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q268](#) [Neil Hatton]

281 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, ScreenSkills ([FIL0055](#)), November 2023

282 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q268](#) [Neil Hatton]

CONCLUSION

- 126.** The range of roles required to make film and HETV means entire cohorts of sixth-form students could find jobs in the industry that fit their skills and interests, and building awareness of career opportunities is essential to attracting new talent into the industry. However, there remains a clear need to convince educators, parents and young people from all communities that film and HETV offers a viable career path.

RECOMMENDATION

- 127.** The Government and BFI should launch a national awareness campaign highlighting the employment opportunities offered by film and HETV, and the range of skills the industry requires.

Retaining skilled workers

- 128.** The retention of existing staff is as significant as the training and recruitment of new people into the industry. One organisation focused on flexible working stated that “[t]here is a skills crisis because people are *leaving* the industry [...] not because there is a recruitment problem.”²⁸³ The trade union Bectu agreed that “shortages remain a chronic problem for the creative industries, with 40,000 workers expected to have left film and TV production” by this year, while 38% of respondents to a July 2024 survey said they planned to leave the industry in the next five years.²⁸⁴ That was reflected in the Film and TV Charity’s most recent biennial survey of film and TV workers, to which 32% of respondents said they were taking serious steps to leave the industry.²⁸⁵ Research has found that women are particularly affected by the many factors that cause high attrition, and tend to leave the industry younger than men.²⁸⁶
- 129.** The various reasons for the industry’s retention crisis, which we explore below, also impact on workers’ mental health. The Film and TV Charity’s surveys suggest that the mental health of those working in the industry has deteriorated significantly in recent years, with 35% of respondents in 2024 saying their mental health is poor or very poor compared with 24% in 2022.²⁸⁷ For the first time, respondents from the Black and Global Majority

283 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, ReelTime Media ([FIL0036](#)), November 2023

284 Bectu ([BF20008](#)) and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FIL0088](#)), November 2023

285 The Film and TV Charity ([BF20011](#))

286 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, The Film and TV Charity ([FIL0022](#)), November 2023

287 The Film and TV Charity ([BF20011](#))

reported distinctly worse mental health than others, indicating that they have been unequally impacted by the turmoil of recent years.²⁸⁸ Yet there are efforts to counteract some of the causes of poor mental health, with those who have benefited from the charity’s ‘Whole Picture Toolkit’, a guide to addressing workplace wellbeing along the whole production value chain, less likely to report poor mental health or be considering leaving the industry. The charity’s CEO, Marcus Ryder, said that although the Scottish PSB STV mandates the toolkit’s use on all productions, it would be helpful if more productions were incentivised to do so.²⁸⁹

Precarity of employment

- 130.** As we highlighted at the start of this chapter, the production sector is “uniquely dependent” on freelance workers.²⁹⁰ Yet getting work has been characterised as “feast or famine” with “an overabundance of work one minute, and none the next”.²⁹¹ That was evident during the Covid-19 pandemic and the years since, reaching crisis point during the 2023 US strikes.²⁹² In July 2024, a year on from the SAG-AFTRA strike and the subsequent halt in UK film and TV production, 52% of the workforce were still out of work, and just 6% had seen a full recovery in their employment.²⁹³
- 131.** The weakness of the UK’s domestic production sector, as outlined in chapters 2 and 3, arguably contributed to that crisis. Scotland’s strong mixed economy helped it to weather the downturn of 2023, but from a UK-wide perspective the industry was less robust.²⁹⁴ Pact’s CEO, John McVay OBE, told our predecessor Committee that “if we had a more viable film industry ourselves it might have helped people navigate that strike”.²⁹⁵ Bectu agreed that:

288 The Film and TV Charity ([BF20011](#))

289 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq505, 520](#) [Marcus Ryder]

290 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Richard Wallis (Principal Academic at Bournemouth University), and Dr Christa van Raalte (Associate Professor at Bournemouth University) ([FIL0025](#)) para 2.3, November 2023

291 Bectu ([BF20008](#))

292 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q489](#) [Philippa Childs]

293 Bectu ([BF20008](#))

294 Screen Scotland ([BF20006](#))

295 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q52](#) [John McVay]

As the independent film sector has been declining, it is increasingly difficult for workers to turn to independent production for work, demonstrating how an overreliance on inward investment can negatively affect UK film and TV production.²⁹⁶

- 132.** The 2023 US strikes exacerbated the cost-of-living crisis for the industry’s workforce and its impact on their mental health. During the disputes, 9 in 10 UK film and TV workers were worried about their financial security, and 6 in 10 struggled with their mental health.²⁹⁷ Demand for the Film and TV Charity’s hardship grants reflected that insecurity of income: it gave out £1 million in 2023, up from the typical £300,000 a year.²⁹⁸ Yet the head of Bectu, Philippa Childs, challenged: “Given the economic importance of this industry to the UK economy, how can it be right that the workforce have to rely on charity?”²⁹⁹ She recommended the industry contribute more broadly to a fund that would support people when they are not working. As she observed:

We have heard that lots of money goes into skills and training, but it is a waste of money if people just leave at the other end. So the industry needs to be a bit more imaginative about how it supports its workforce.³⁰⁰

- 133.** While the strikes shone a light on the unpredictability of work in film and HETV, the industry’s structures and employment practices also contribute to freelancers’ feeling of precarity. The director of BAFTA-winning ‘Top Boy’, Myriam Raja, confessed to feeling “a lack of security” around her career, telling our predecessor Committee that she was writing, unpaid, and had not worked for nearly a year.³⁰¹ Those conditions make working in film and HETV less accessible and affordable to people from lower socio-economic backgrounds.³⁰²
- 134.** The Government could play a role in ensuring freelance workers across the creative industries have more financial security. As we explored in chapter 3, film and HETV director James Hawes called for better protection of IP so that it generates a stable income to help freelance creatives to bridge the gap between paid jobs.³⁰³ He also highlighted that countries such as France,

296 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FILO088](#)), November 2023

297 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FILO088](#)), November 2023

298 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q509](#) [Marcus Ryder]

299 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q491](#)

300 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q492](#)

301 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq463–464](#)

302 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Directors UK ([FILO115](#)) para 165, November 2023

303 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q93](#)

Ireland and South Korea “all have systems for supporting creatives who have proven themselves in the industry in periods when they are between jobs.”³⁰⁴ A study backed by the British Screen Forum and the Film and TV Charity suggested that introducing a policy akin to Ireland’s basic income for those working in the arts, or Sweden’s minimum hourly wage for creative workers, would have a significant impact on the disposable incomes of people working in film and HETV.³⁰⁵

CONCLUSION

- 135.** The British film and HETV industry benefits hugely from the flexibility afforded by a predominantly freelance workforce, but in return both it and the Government need to do more to support freelancers when they are out of work.

RECOMMENDATION

- 136.** In its forthcoming industrial strategy, the Government should set out specific measures to address pay precarity among freelancers working across the creative industries, such as a guaranteed basic income or minimum hourly wage.

Working conditions

- 137.** Working conditions are a major cause of people leaving the industry. Claiming that staff are “treated very shoddily and casually”, one freelance hair and make-up artist explained what freelancing means in practice:

Even though most people are self-employed (because they don’t have a choice any other way), they are not in control of their working lives at all. They cannot choose where they work, at what times, when to eat, or sleep, to be able to job-share or go part-time, to take the afternoon [off] to see their children’s sports day, or indeed visit a doctor. The only choice is to not take a job.³⁰⁶

- 138.** Working hours in film and HETV are “far higher than the UK average”, with standard working days in TV drama typically hitting 12 hours and one in seven people in the industry working 61+ hour weeks (compared to one

304 Oral evidence taken by our predecessor Committee on 21 February 2024, [Q93](#)

305 Doris Ruth Eikhof and Hannah Randolph, [Make Freelancing Pay: Can we use taxes & benefits to boost competitiveness, and improve workforce diversity and retention in the UK screen sector?](#), March 2025, p 31

306 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Mrs Ann Fenton ([FIL0009](#)), November 2023

in 50 of the general population).³⁰⁷ The pressures of long working hours are particularly borne by freelancers. Data suggests freelancers work, on average, 50-plus hours a week, while staff doing the same jobs work closer to 43 hours a week.³⁰⁸ Long hours are also “a major challenge for people with caring responsibilities, disabled people and those with long commutes”.³⁰⁹ Research by ‘Parents and Carers in Performing Arts’ found that working patterns reduced the median earnings for those with caring responsibilities, and forced many to leave the industry or turn down work.³¹⁰ They also led to health and safety concerns. The Mark Milsome Foundation, set up in the memory of a camera operator killed in 2017 while filming a car stunt, stated that long working hours “are one of the main safety concerns of crew”: 29% of respondents to its survey often felt in danger of having a road accident because they were too tired to drive from a shoot, and 9% had had at least one car accident.³¹¹

- 139.** Producer Jane Tranter argued that the industry must address retention and working practices, but that “[h]ow we do that is a real issue because, if you shorten the days, you up the production budget”.³¹² Research on a blueprint for shorter working days found that introducing an eight-hour working day would require scripts to be fixed earlier in the production process and raise costs by about 4%, but that this could be offset by fewer unpredictable costs arising later.³¹³ Marcus Ryder of the Film and TV Charity argued that although there were points in a production when long hours might be necessary, “the idea that we should just roll over and accept that we have to work long hours does not stand up to close scrutiny.”³¹⁴
- 140.** Bectu has called for Government to work with the industry on developing plans to improve conditions for the workforce, as they did during the pandemic to develop ‘return-to-work’ guidance.³¹⁵ Multiple stakeholders also support the idea of a Freelancers’ Commissioner, as recommended in our predecessor Committee’s report on Creator Remuneration, to advocate

307 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Policy and Evidence Centre ([FIL0111](#)) para 6.9, Bectu ([FIL0088](#)), November 2023

308 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q498](#) [Marcus Ryder]

309 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, University of York ([FIL0018](#)), November 2023

310 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Equity ([FIL0056](#)) para 14.3, November 2023

311 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Mark Milsome Foundation ([FIL0097](#)), November 2023

312 Oral evidence taken by our predecessor Committee on 19 March 2024, [Q225](#)

313 Timewise, [DESIGNING A BLUEPRINT FOR A SHORTER WORKING DAY IN FILM & SCRIPTED DRAMA](#), 2023, p 19

314 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q498](#)

315 Bectu, [UK film and TV industry slowdown: a sector in crisis](#), February 2024, p 16

for freelancers within Government.³¹⁶ As well as working with the industry to tackle working conditions, the commissioner could build understanding of the nature of freelance working in the creative industries as Government pursues its reforms of employment rights, which would deliver benefit beyond just film and HETV.³¹⁷

CONCLUSION

- 141.** The film and HETV industry will continue to lose workers if it does not address systemic issues with working conditions, and the Government should hold it accountable for doing so. The prioritisation of the predominantly freelance creative industries in the industrial strategy, and the Government's wider commitment to employment rights, makes the case for giving freelancers a dedicated voice within policymaking stronger than ever.

RECOMMENDATION

- 142.** We repeat our predecessor Committee's call for the Government to appoint a Freelancers' Commissioner, with appropriate powers and cross-departmental oversight. The Freelancers' Commissioner should work with the film and HETV industry to develop a framework for addressing pay precarity, hours, working conditions and behaviours that is published within 12 months of their appointment.

Bullying and harassment

- 143.** The scale of bullying and harassment in the UK's film and HETV industry is evidenced by a 2022 Film and TV Charity survey, which found that in the preceding year:
- 33% of respondents experienced bullying behaviour at work;
 - 24% of Black and Global Majority respondents experienced racial harassment or discrimination at work;
 - 12% of respondents experienced sexual harassment or discrimination (16% for those who identify as female or non-binary);

316 Culture, Media and Sport Committee, Fifth Report of Session 2023–24, [Creator Remuneration](#), HC 156, and written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Creative UK ([FLO093](#)) para 142, Directors UK ([FLO115](#)) para 125, November 2023

317 Bectu ([BF20008](#))

- 19% of respondents who considered themselves to live with a disability or long-term health condition experienced related harassment or discrimination.³¹⁸

Bullying and harassment not only causes serious harm to individuals, but affects the industry’s retention of staff and ability to recruit.³¹⁹

144. There are multiple reasons why the film and HETV sectors in particular, and the creative industries more widely, are more likely to suffer from “toxic” workplace cultures.³²⁰ Freelancers may be reliant upon other creative professionals for work and find it difficult to speak out against them, may avoid reporting inappropriate behaviour because of concern about jeopardising future opportunities, or may simply find themselves shut out of internal complaints processes once a short-term contract has come to an end.³²¹ Power and wealth imbalances, and high levels of patronage where an individual can dictate the progress of another’s career, can exacerbate those issues.³²² Many smaller companies also simply lack the formal HR processes or expertise to deal with cases appropriately.³²³

145. Multiple stakeholders have welcomed the formation of the Creative Industries Independent Standards Authority (CIISA) to uphold high standards of behaviour across the creative industries.³²⁴ Crucially, CIISA will act as a single, independent body that provides oversight for the whole film and TV industry, which is necessary in a workforce where freelancers move between

318 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, The Film and TV Charity ([FILO022](#)), November 2023

319 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Independent Standards Authority (CIISA) ([FILO073](#)), November 2023

320 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Richard Wallis and Dr Christa van Raalte, Bournemouth University ([FILO025](#)) para 2.10, November 2023

321 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Heidi Ashton, University of Warwick ([FILO066](#)), Bectu ([FILO088](#)), Elle Jay Bea HR Consulting Ltd ([FILO090](#)), November 2023

322 [Q148](#) [Sir Chris Bryant MP], and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Equity ([FILO056](#)) para 14.4, November 2023

323 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Independent Standards Authority (CIISA) ([FILO073](#)), November 2023

324 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FILO088](#)), British Film Institute ([FILO126](#)) para 6.89, The Film and TV Charity ([FILO022](#)), British Academy of Film and Television Arts (BAFTA) ([FILO057](#)), Creative UK ([FILO093](#)) para 136, Channel 4 ([FILO109](#)), UK Screen Alliance ([FILO084](#)), November 2023

contracts.³²⁵ Larger employers, such as major studios and streamers, often have their own policies and procedures for tackling bullying and harassment in place, and may consider it beneficial to deal with complaints internally in order to manage the reputational risk.³²⁶ However, we heard compelling arguments from CIISA’s CEO Jen Smith and Chair Baroness Helena Kennedy KC about why it is in the wider workforce’s interests that an independent body exists to put the interests of individuals ahead of corporate reputations. This would include CIISA reporting and acting on systemic issues raised by those working in the creative industries—particularly ensuring freelancers’ voices are heard and acted on to improve standards of behaviour for all.³²⁷

- 146.** The formation of CIISA by no means solves the problem of bullying and harassment in the creative industries. For CIISA to operate effectively in the long-term, the whole of the industry needs to get behind it by providing sufficient funding and upholding its standards framework. It operates under a tiered contribution model, in which organisations voluntarily commit no more than 0.1% of their annual UK turnover.³²⁸ However, we have heard that this “cannot provide the long-term funding security that CIISA needs” as support has not been “universal” and it is “taking much longer than expected” to secure long-term funding commitments from all stakeholders across the industries CIISA represents (which include theatre and music as well as film and TV).³²⁹ Alternative funding models proposed by CIISA include a mandatory levy or for contributions to CIISA to be made mandatory for all in receipt of creative sector expenditure credits.³³⁰
- 147.** The Secretary of State for Culture, Media and Sport, the Rt. Hon. Lisa Nandy MP, told us she is “prepared to take further action” to compel organisations to engage with CIISA’s work.³³¹ When we asked the Minister of State for Media, Tourism and Creative Industries what action that might involve, he confirmed that the Government was looking at whether only companies signed up to CIISA could be deemed eligible for accessing tax incentives,

325 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Independent Standards Authority (CIISA) ([FILO073](#)), November 2023

326 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Creative Industries Independent Standards Authority (CIISA) ([FILO073](#)), November 2023

327 Private session on The Work of the Creative Industries Independent Standards Authority, 11 February 2025

328 Creative Industries Independent Standards Authority, [CIISA Prospectus](#), October 2024

329 Letter from Jen Smith, Chief Executive, Creative Industries Independent Standards Authority, regarding further information regarding CIISA, [4 March 2025](#)

330 Letter from Jen Smith, Chief Executive, Creative Industries Independent Standards Authority, regarding further information regarding CIISA, [4 March 2025](#)

331 Oral evidence taken on 10 December 2024, The Work of the Department, HC 330, [Q13](#)

but acknowledged it was “complicated”.³³² We considered the potential implications of imposing too many conditions on eligibility for tax incentives in chapter 4.

CONCLUSION

- 148.** It is in the film and HETV industry’s interests to tackle bullying and harassment through effective self-regulation. Yet for the Creative Industries Independent Standards Authority (CIISA) to operate effectively, the industry must see supporting it financially and ideologically to be a fundamental part of operating in the UK. That has not yet happened. The Government must send a strong message that it is prepared to use all means at its disposal to compel the creative industries, including the film and HETV sectors specifically, to support CIISA.

RECOMMENDATION

- 149.** All parts of the creative industries under CIISA’s remit should commit to unconditional, long-term funding within six months. In the meantime, the Government should explore all options for funding CIISA in case the industry does not deliver a voluntary solution. If linking eligibility for Audio-Visual Expenditure Credits with support for CIISA is too complex and will potentially deter inward investment, industries under CIISA’s remit could be subject to a levy to fund its work.

Recruiting a diverse workforce

- 150.** Despite numerous initiatives, standards and targets, the film and HETV industry workforce remains under-representative in terms of race, gender, disability, and those from lower socio-economic backgrounds.³³³ It is a particular issue at senior levels, resulting in fewer visible role models and industry gatekeepers—those who make funding and commissioning decisions—from diverse backgrounds.³³⁴ It often falls to grassroots organisations such as Resource Productions, whose CEO our predecessor Committee heard from during the inquiry, to build awareness of jobs in film and HETV among local communities, and give people the practical support to pursue opportunities.³³⁵

332 [Q149](#)

333 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) paras 6.77–6.78, November 2023

334 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q1](#) [Gurinder Chadha] and on 21 May 2024, [Q472](#) [Myriam Raja]

335 Oral evidence taken by our predecessor Committee on 21 May 2024, [Qq472–474](#) [Myriam Raja and Dominique Unsworth]

151. The causes of the retention crisis that we have outlined are particularly acute for people from under-represented communities. They also struggle to find initial routes into jobs because of industry-wide informal employment practices. Researchers from the University of York argued that to recruit a more diverse workforce changes are needed to how people enter and build their careers, stating:

more equitable recruitment practices are required, including expanding where roles are advertised, and committing resources to recruiting inclusively based on the skills needed for a role rather than social networks, using diverse recruitment panels.³³⁶

As we have already explored, increasing the number of apprenticeships in film and HETV could also be “game-changing” at providing routes in for people from a wider range of backgrounds.³³⁷

152. Opportunities for those in creative roles to develop skills and contacts can help them to build their careers. Director Myriam Raja cited schemes such as Creative England’s programme iShorts and Channel 4’s Random Acts as vital to her career.³³⁸ However, producer and head of the Screen Berkshire BFI Skills Cluster, Dominique Unsworth MBE, cautioned that many schemes that supported low-budget films have closed.³³⁹ As a result, there are fewer opportunities for filmmakers from under-represented backgrounds to get experience of building a portfolio career in the creative industries, or to evidence to families and local communities that they “can be part of an amazing, creative thing while earning other money elsewhere”.³⁴⁰ She also highlighted that some film talent schemes had been funded by the Arts Council, not the BFI, because the latter does not have sufficient resources.³⁴¹ However, the CEO of the BFI disputed the charge that development schemes had disappeared, telling us that they “have transformed in accordance with the market”, with a focus now on short films rather than low-budget feature films.³⁴²

336 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, University of York ([FIL0018](#)), November 2023

337 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q443](#) [Georgia Brown]

338 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q458](#)

339 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q473](#)

340 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q473](#)

341 Oral evidence taken by our predecessor Committee on 21 May 2024, [Q482](#)

342 [Q96](#)

CONCLUSION

- 153.** The industry's attempts to become more inclusive and representative of communities across the UK have made some progress in terms of the stories that are being told and the people working in front of and behind the camera. But the film and HETV sectors remain highly under-representative, and more must be done.

RECOMMENDATION

- 154.** We recommend that the BFI significantly increase the number of funded short film schemes in the nations and regions. This could be rapidly delivered through BFI Skills Clusters by targeting funding to schemes giving the next generation of filmmakers the chance to develop their skills and professional reputations.

6 Cinema exhibition

- 155.** Cinemas sit at the heart of the UK’s film culture and wider industry. Disputing the notion that being screened in a cinema marks the last stage of a film’s value chain—enabling producers to recoup their investment and little else—Mark Cosgrove from Bristol’s Watershed said that cinema’s role is “at the beginning” in inspiring the next generation of filmmakers and providing them with pathways into the industry.³⁴³ Cinemas can introduce audiences to a broad range of films, fostering lifelong passion for the art form and building the market for the many projects being produced on our shores.³⁴⁴ Cinemas’ financial role in the ecosystem must not be overlooked: as Tim Richards, the CEO of Vue and former Chair of the BFI, observed, it is “the engine that drives all the ancillary revenue streams”.³⁴⁵
- 156.** The relationships between production (the making of a film), distribution (the release of a film to generate revenue) and exhibition (the showing of a film in cinemas and at film festivals) are not consistently appreciated by the industry or in policymaking.³⁴⁶ Our predecessors’ 2003 Report concluded that “the industry has concentrated on production with insufficient emphasis on distribution”, and the Film Distributors’ Association (FDA) argued that “[t]he last 20 years has seen the balance of support lean even further towards production”.³⁴⁷ Alex Hamilton, CEO of StudioCanal UK, compared the UK to France, which has a “more cohesive system right the way through the value chain”, and recommended that British policymaking considers all parts of the ecosystem “as a coherent whole”.³⁴⁸

Outlook for cinemas

- 157.** The UK’s cinema sector is not homogenous and can be broadly split into three parts: large multinational multiplex cinema chains (e.g. Odeon, Vue, Cineworld) that are predominantly publicly listed companies and account

343 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q285](#)

344 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Watershed ([F1L0029](#)), November 2023

345 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q324](#) [Tim Richards]

346 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q46](#) [Phil Clapp]

347 Culture, Media and Sport Committee, Sixth Report of Session 2002–03, [The British Film Industry](#), HC 667 and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Distributors’ Association ([F1L0053](#)), November 2023

348 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q334](#) [Alex Hamilton]

for around 75% of the UK’s box office; smaller boutique commercial chains (e.g. Everyman and Curzon); and community-based independent cinemas that may be not-for-profit or a small business.³⁴⁹ All are under pressure, leading the Independent Cinema Office to conclude that “UK cinemas are in their most precarious position for decades”.³⁵⁰ Among independent cinemas, 46% of respondents to a November 2024 survey said they needed further support to remain operational.³⁵¹ The viability of commercial cinema sites is also at risk, with the UK Cinema Association warning that “we have already seen the closure of ten sites operated by a number of the major operators but there is every chance that without some redress, a significant number more sites will now be at risk.”³⁵² In 2024, the UK had 977 cinemas (a 10% decrease on the number in 2019), of which 447 were independent (a 21% decrease on 2019).³⁵³

Revenue and cost pressures

- 158.** Although the Culture Recovery Fund provided substantial support for independent cinemas during the Covid-19 pandemic, the cinema sector as a whole has not yet recovered from the period, which “dealt a devastating blow” and meant it “lost at least £2 billion in revenues, including income from box office, food and drink sales and screen advertising.”³⁵⁴ Box office figures for 2024 show total cinema admissions 28% lower and box office revenue 22% lower than in 2019.³⁵⁵ While admissions in 2024 were up on the previous year, box office revenue actually fell 0.1%—although this might be attributed to the types of films released and lower ticket prices for family films.³⁵⁶
- 159.** Like many others in the retail, hospitality and leisure sector, all cinemas have faced increased costs, particularly for energy, utilities and staffing, over recent years. In November 2024, 45% of respondents to an Independent Cinema Office survey projected a loss by the end of the 2024–25 financial year and 53% said rising costs was the biggest barrier to growing the organisation.³⁵⁷ The UK Cinema Association warned that increases to the National Living Wage and of Employer National Insurance

349 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q47](#) [Phil Clapp]

350 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([FIL0068](#)), November 2023

351 Independent Cinema Office ([BF20012](#))

352 UK Cinema Association ([BF20007](#))

353 Figures supplied by the British Film Institute via email, 3 March 2025

354 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film London ([FIL0117](#)), UK Cinema Association ([FIL0101](#)), November 2023

355 British Film Institute, [The UK box office, 2024](#), 6 February 2025, p 2

356 British Film Institute, [The UK box office, 2024](#), 6 February 2025, p 3

357 Independent Cinema Office ([BF20012](#))

contributions represented “a significant and unwelcome ‘double-hit’” on the cinema sector, adding 10% to 15% to the sector’s overall payroll.³⁵⁸ Those costs cannot necessarily be passed onto customers without potentially reducing demand.³⁵⁹

Audience demand and film supply

- 160.** Audience habits have changed since the pandemic. Although the number of people going to the cinema has broadly returned to normal, the frequency with which they go has declined by around 40%. That means the average cinemagoer who went to the cinema six times a year before the pandemic, is now going three or four times a year.³⁶⁰ In particular, older audiences have not returned to the same level, which has affected both box office income and concession sales.³⁶¹
- 161.** Changing audience behaviours have been exacerbated by changes to the theatrical release window—an industry arrangement between distributors and exhibitors that favours cinemas over other forms of release. Before the pandemic, films became available online only after around four months.³⁶² During the pandemic, some studios opted to release films direct to streaming platforms rather than wait for cinemas to reopen. Although studios “re-asserted their support for the theatrical market” once audiences returned to cinemas, the move to shorter release windows has persisted: now, the typical window is four weeks.³⁶³ Cinemas themselves observed that “[a]udience behaviour is changing—people are signed up to multiple home streaming platforms using increasingly high-quality kit”.³⁶⁴
- 162.** Yet theatrical release of films remains important, even with the rise of streaming. For producers and creatives, cinema release is a pre-requisite for eligibility for a BAFTA or Academy Award nomination.³⁶⁵ For audiences, cinemas offer a different atmosphere and experience. As director and writer Gurinder Chadha put it: “people who watch movies on streamers

358 UK Cinema Association ([BF20007](#))

359 Watershed ([BF20015](#))

360 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q51](#) [Phil Clapp]

361 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([FILO068](#)), November 2023

362 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Roderik Smits ([FILO040](#)), Independent Cinema Office ([FILO068](#)), November 2023

363 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FILO101](#)), Independent Cinema Office ([FILO068](#)), November 2023

364 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Watershed ([FILO029](#)), November 2023

365 [Q75](#) [Ben Roberts]

also go to the cinema because they love film”.³⁶⁶ She also observed that “British cinema is alive and well on certain streamers”, and the UK Cinema Association recognised that US studios and streamers alike, including Apple and Amazon, recognise “the value of giving their films a cinema release.”³⁶⁷ However, Netflix arguably remains a disruptor, prioritising its “members” who it feels “do not want to pay twice to see the same content”.³⁶⁸

- 163.** Overall, we found little appetite for the UK mandating a longer theatrical release window. Amazon’s Director of Prime Video UK, Chris Bird, said:

Any business model where you create demand for an asset and then restrict availability of that asset is challenging. When you think about the complexity, the cost involved and the time and effort that it takes to generate awareness, marketing campaigns and PR campaigns for films, putting them into a blackout period where they are simply unavailable makes it very challenging to reignite awareness of those films when they release on a platform.³⁶⁹

Our predecessor Committee heard that France’s ‘Media Chronology’, whereby streaming platforms have to wait between six and 17 months before showing films released in cinemas, means that some films (notably, in Amazon’s case, ‘Saltburn’) do not make it to cinemas in the first place as streamers do not want to wait before making it available on their platforms.³⁷⁰

- 164.** The supply of films is also key: there needs to be enough films that audiences want to see to get people back into cinemas. The fall in last year’s box office was exacerbated by the 2023 US strikes, which delayed the release schedule for many films.³⁷¹ Yet the UK Cinema Association argued that cinemas have long suffered from “a lack of a consistent slate of diverse, audience-friendly and well-marketed titles, across all genres but

366 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q25](#)

367 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q25](#) and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FIL0101](#)), November 2023

368 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Dr Roderik Smits ([FIL0040](#)), November 2023 and oral evidence taken by our predecessor Committee on 23 January 2024, [Qq391–393](#) [Benjamin King]

369 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q396](#) [Chris Bird]

370 Meeting with CNC, 28 February 2024 (See Annex 1) and ScreenDaily, [French culture minister submits proposal to renew windowing agreement](#), 29 January 2025 (accessed 29 January 2025)

371 [Q74](#) [Ben Roberts]

particularly in the mid-market and independent space”.³⁷² The Managing Director of Picturehouse, Clare Binns, agreed that “the public want choice” and alternatives to “the Hollywood world view.”³⁷³

- 165.** Some have argued that the issue is quality rather than quantity. The Independent Cinema Office argued that “[t]he market is saturated with content”, citing a 29% increase in the number of films released in 2022 compared to ten years before, but that “[a] relatively small proportion of these films (about 7%) accounted for over 90% of the 2022 UK box office.”³⁷⁴ Andy Leyshon, head of the FDA, agreed that it is problematic that only approximately “5% of all releases play in a saturation in 600-plus cinemas as most films will release in under 50 screens.”³⁷⁵ That situation is particularly acute for independent British films, with the UK “significantly behind” other key European film markets in terms of the proportion of box office derived from domestic films.³⁷⁶ Those countries’ box offices have also bounced back stronger than the UK’s, which the head of the UK Cinema Association said was “almost entirely due to their domestic films.”³⁷⁷ We considered proposals to support the marketing of domestic films in chapter 2.

CONCLUSION

- 166.** The problem facing cinemas is not that too few films are being released; it is that there is not enough variety and quality in the films that are reaching cinemas to tempt cinemagoers through the doors. The solution is therefore not simply more films, but better films with improved marketing. That should in part be addressed by Government through our recommendation for a distribution tax relief (paragraph 27), which will help to grow domestic demand for British films and enable cinemas to benefit from the Independent Film Tax Credit.

372 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FILO101](#)), November 2023

373 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q321](#) [Clare Binns]

374 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([FILO068](#)), November 2023

375 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q57](#) [Andy Leyshon]

376 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FILO101](#)), November 2023

377 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q60](#) [Phil Clapp]

Infrastructure and people

- 167.** BFI research into audience attitudes to cinema shows it is increasingly considered a luxury experience. Unfortunately, as the BFI’s Chair Jay Hunt told us, the cinema estate leaves a lot to be desired, with infrastructure that is “deteriorating rapidly” not “the best possible place for people to spend time.”³⁷⁸ Others have argued that capital investment to improve cinemas’ energy efficiency would reduce operating costs and enhance the customer experience.³⁷⁹ The UK Cinema Association noted that the Italian Government has made €100 million available for cinemas to invest in measures to ensure greater energy efficiency.³⁸⁰
- 168.** The ability of independent cinemas, in particular, to connect with audiences, develop education programmes and effectively market smaller films relies on having staff with dedicated skills in those areas.³⁸¹ Not only have lots of those roles been lost due to financial pressures, but historically investment in exhibition-specific skills has been “ridiculously low” with the sector receiving less than 3% of funding from industry skills body ScreenSkills over the past 10 years.³⁸²

The case for support

- 169.** In considering policy interventions to support cinemas, it is important to recognise the similarities and differences between commercial and independent cinemas. Many of the pressures that cinemas experience apply similarly across the sector. All cinemas can contribute to local areas: independent cinemas may rightly pride themselves on being community and cultural spaces, yet commercial cinemas are important fixtures of towns, driving footfall to high streets and local restaurants.³⁸³ As Jay Hunt told us, in some parts of the country a cinema is the only form of cultural provision, and as an art form cinema is particularly successful at reaching audiences from lower socio-economic groups.³⁸⁴

378 [Q74](#) [Jay Hunt]

379 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FLO101](#)), November 2023

380 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, UK Cinema Association ([FLO101](#)), November 2023

381 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q292](#) [Catharine Des Forges]

382 Oral evidence taken by our predecessor Committee on 23 April 2024, [Qq292](#), [307](#) [Catharine Des Forges]

383 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q286](#) [Catherine Des Forges], [Q315](#) [Tim Richards], [Q334](#) [Clare Binns]

384 [Q74](#) [Jay Hunt]

170. However, there are notable differences between the larger multiplex cinema chains and independent cinemas. The business models and funding structures of commercial multiplexes are fundamentally different to those of independent cinemas, especially those that receive public funding through the BFI or operate as charities. For example, smaller cinemas with fewer screens have smaller profit margins and are less able to capitalise on the opportunities to generate revenue offered by ‘blockbuster’ releases.³⁸⁵ Moreover, although the extension of the business rates relief scheme for retail, hospitality, and leisure properties into 2025–26 was welcomed, it will not benefit all independent cinemas equally as some already pay reduced rates or are exempt.³⁸⁶ Independent cinemas typically offer a much wider range of activities, such as talks, training and community events to their commercial counterparts.³⁸⁷ This was recognised during the pandemic, as eligibility for the Culture Recovery Fund did not extend to cinemas that were subsidiaries of larger companies or owned by corporate shareholders.

Reduced VAT on cinema tickets

171. The exhibition sector was unanimous in its calls for a permanent, reduced rate of VAT on cinema tickets.³⁸⁸ We were told the temporary 5% rate introduced during the pandemic benefitted cinemas and customers, and that the UK was an outlier in Europe in not applying a reduced rate to cinemas and other cultural venues.³⁸⁹ The UK Cinema Association argued that this was “incompatible with the Government’s stated aims of ensuring as open access as possible to cultural opportunities for all parts of the community.”³⁹⁰ However, it is not clear that a reduction in VAT in cinema tickets would be passed on to cinemagoers. The Independent Cinema Office told us a reduction “would enable venues to invest the residuals back into their businesses”; however, if this were the case, alternative help would still be needed by independent cinemas with a turnover less than £90,000 or that are otherwise exempt (as per the issues with business rates relief).³⁹¹

385 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([F1L0068](#)), November 2023

386 Independent Cinema Office ([BF20012](#))

387 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q289](#) [Mark Cosgrove]

388 Independent Cinema Office ([BF20012](#)), UK Cinema Association ([BF20007](#)). VAT is added to the majority of products and services sold by VAT-registered businesses and charities (those with VAT taxable turnover greater than £90,000) in the UK. See: GOV.UK, ‘[How VAT works](#)’, (accessed 19 March 2025)

389 UK Cinema Association ([BF20007](#))

390 UK Cinema Association ([BF20007](#))

391 Independent Cinema Office ([BF20012](#))

- 172.** The cinema sector has echoed the arguments of grassroots music venues (GMVs), which our predecessor Committee considered.³⁹² The Government’s response to those calls acknowledged that “[a]ny request for new reliefs must be considered within the context of the Government receiving numerous requests for VAT relief from different sectors every year” and that:

From a broader economic perspective, using VAT reliefs to redirect economic activity into one area does not necessarily increase economic activity overall, but may only displace it from other areas, particularly when taking into account the need for raising tax revenue elsewhere to fund the relief.³⁹³

CONCLUSION

- 173.** It is understandable that the exhibition sector seeks a VAT reduction when it faces so many challenges around costs, box office revenue and infrastructure. However, those calls must be considered alongside the regular requests we hear for reduced rates of VAT from across the creative industries, and the Government’s broader economic and policy position. The Government has ignored previous calls to assess the impact of VAT cuts on live music, but now the creative industries are a key pillar of its industrial strategy, it should think again.

RECOMMENDATION

- 174.** We recommend that the Government reviews the impact of a permanent cut to VAT on entry to cultural events, including cinema tickets, to identify whether it would support the growth of the creative industries.

New funding models

- 175.** The BFI told us that the challenges faced by the independent cinema sector meant there was a case for a new public funding model.³⁹⁴ At present, no capital or organisational funds are available to independent cinemas: they can only access project funding.³⁹⁵ The BFI proposed that independent

392 GMVs also called for a similar reduced rate of VAT on their tickets, in line with European countries, to give operators more headroom during difficult financial period. They also suggested that doing so might open the door to the industry redistributing money to the grassroots via a levy. See: Culture, Media and Sport Committee, Seventh Report of Session 2023–24, [Grassroots Music Venues](#), HC 527

393 Culture, Media and Sport Committee, Third Special Report of Session 2024–25, [Grassroots Music Venues: Government response](#), HC 380

394 [Q72](#) [Ben Roberts]

395 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q307](#) [Catherine Des Forges]

cinemas should benefit from a similar structure to the National Portfolio Organisation (NPO) model that Arts Council England (ACE) administers for cultural venues, under which certain arts organisations, museums and libraries receive regular funding over a multi-year period.³⁹⁶ Although some cinemas operating as part of ‘combined arts’ venues are eligible for ACE funding, the Independent Cinema Office said extending that model across the sector would “allow venues to achieve a greater degree of economic stability and support to innovate and invent new business models and means of operation.”³⁹⁷ We queried how strong the case for grant funding to support independent cinemas was, given the pressures on Departmental budgets.³⁹⁸ The BFI said it was “open to how we get to the right solution” for independent cinemas, but that its “first job is to present the challenge” to DCMS.³⁹⁹

- 176.** There were other ideas for support. The Independent Cinema Office proposed that VAT on cinema tickets be redirected into public funding streams to support the independent sector.⁴⁰⁰ In that case, VAT would become something similar to France’s TSA (tax on cinema tickets), where 10.72% of the ticket price is collected on each ticket sold and then used to fund the CNC, which supports both production and exhibition.⁴⁰¹ That would still result in a cost to the Exchequer. On the case for a more general levy on cinema tickets to be redirected into the independent sector, Mark Cosgrove of Watershed said that he was “not sure that taking money out of exhibition is necessarily a wise thing to do, given how tight things are” and the CEO of the UK Cinema Association, Phil Clapp, said that “[a]nything that takes further money out of the pocket of cinema operators at a time when that is at a premium would be bad.”⁴⁰²

396 [Q72](#) [Ben Roberts]

397 Independent Cinema Office ([BF20012](#))

398 [Q71](#)

399 [Q72](#) [Ben Roberts]

400 Independent Cinema Office ([BF20012](#))

401 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Independent Cinema Office ([FIL0068](#)), November 2023 and CNC, ‘About Us’, (accessed 19 February 2025)

402 Oral evidence taken by our predecessor Committee on 23 January 2024, [Q60](#) [Phil Clapp]

CONCLUSION

- 177.** Independent cinemas need and deserve organisational and capital funding to continue to perform their vital cultural roles in the heart of communities. Without it, there is a risk that the Culture Recovery Fund's investment in independent cinemas will have been for nothing. However, supporting this part of the sector should not divert money from commercial cinemas, which serve a cultural function of their own and are also under significant pressures.

RECOMMENDATION

- 178.** The Government should fund the BFI's proposals to deliver core funding, similar to Arts Council England's National Portfolio Organisation model, for independent cinemas. This should include a capital funding pot to upgrade cinemas' infrastructure and improve their energy efficiency.

7 Impact of Artificial Intelligence

179. The use of artificial intelligence (AI) tools by the UK’s film and HETV industry attracts productions to our shores and offers significant potential for growth. For example, Metaphysic’s Martin Adams told us that Robert Zemeckis’s 2024 film ‘Here’, which used AI to age and de-age the cast, was made in the UK because of its reputation for excellent production facilities and technological innovation.⁴⁰³ We heard of a strong appetite across the whole of the film and HETV value chain, including exhibition, to embrace the opportunities that AI presents.⁴⁰⁴ However, we were also told about the potential negative impact of generative AI—a sub-set of AI tools that generate text, images, audio, video or other media in response to user prompts—on copyright, the wider workforce, and the film and HETV industry.

Maximising potential

180. Producers and creatives told us they were keen to embrace the opportunities that AI offers, while using it in an ethical and responsible way, but needed guidance and help doing so.⁴⁰⁵ At present, there is no fixed definition to describe the practice of designing, developing, and deploying AI while upholding values of trust, transparency, fairness and privacy. However, we heard that practitioners considered ‘ethical use’ of AI in film and HETV to include using tools trained on licensed data to ensure copyright was upheld; ensuring that anyone whose creative work or likeness was manipulated by AI tools had given informed consent; and ensuring creatives did not lose out financially.⁴⁰⁶ It was also suggested that audiences might want to be made aware when generative AI has been used in a film or programme.⁴⁰⁷

403 [Q3](#) [Martin Adams]

404 [Q58](#) [Jane Featherstone], and oral evidence taken by our predecessor Committee on 21 February 2024, [Q98](#) [James Hawes] and on 23 April 2024, [Q323](#) [Tim Richards]

405 [Qq58–59](#) [Jane Featherstone], and oral evidence taken by our predecessor Committee on 21 February 2024, [Q97–99](#) [James Hawes], and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Channel 4 ([FILO109](#)), November 2023

406 [Q14](#)

407 [Qq15–16](#)

- 181.** Industry bodies, including Pact, Equity and the Writers’ Guild of Great Britain, have developed guidelines for the ethical use of generative AI in film and HETV, which are underpinned by respect for “human creativity”.⁴⁰⁸ We understand that BAFTA is considering whether a certification scheme, similar to one that measures a production’s carbon footprint, could be used to embed and incentivise ethical practice in the use of AI tools across the industry.⁴⁰⁹ However, there is debate over what legislation, if any, is needed to underpin and enforce those industry standards.⁴¹⁰
- 182.** Embracing the opportunities of generative AI may also require changes to the UK’s tax incentives. Nick Lynes, whose company Flawless develops AI-powered post-production tools, told us that the UK’s tax credit system needs to keep up with the rapid changes in filmmaking that are blurring the lines between production and post-production.⁴¹¹ He told us that the new enhanced AVEC rate for visual effects (VFX) costs “was designed around a linear filmmaking process with a traditional understanding of filmmaking”, but that more productions could be attracted to the UK if the incentive covered new filmmaking techniques.⁴¹²
- 183.** To maximise the potential of generative AI, the film and HETV workforce needs the skills to use it effectively. When asked how easy it was to recruit people with the necessary skills to use AI tools, producer Benjamin Field told us training opportunities were being developed.⁴¹³ However, producer Jane Featherstone expressed concern that she had “not heard anyone talk about training for AI” when discussing skills and training.⁴¹⁴ Metaphysic’s Martin Adams also cited the disparity between the salaries that the film and HETV industry could offer and those offered by major AI developers as a barrier to recruitment.⁴¹⁵ We heard that could already be a barrier to getting enough teachers to train filmmakers to use AI tools.⁴¹⁶
- 184.** Jay Hunt, Chair of the BFI, agreed that the industry as a whole needed support to understand and navigate generative AI, and suggested that the BFI’s “thought leadership” would be significant at such a time.⁴¹⁷ The Government’s AI Opportunities Action Plan recommends the appointment of an AI Sector Champion in the creative industries to work between industry

408 [Q14](#) [Benjamin Field]

409 [Q14](#) [Benjamin Field], and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, BAFTA albert ([FIL0145](#)), November 2023

410 [Q14](#)

411 [Q4](#)

412 [Q5](#) [Nick Lynes]

413 [Q11](#)

414 [Q51](#)

415 [Q12](#)

416 [Q61](#)

417 [Q99](#)

and Government and develop AI adoption plans.⁴¹⁸ Asked if that was a role for the BFI, its CEO said “we will absolutely be a sector champion for AI” whether formally or not.⁴¹⁹ In the meantime, the BFI’s Spending Review bid will ask for funding for an “AI observatory” bringing together academics and researchers to share insights with the industry. It also plans to build a “tech demonstrator hub” to help those in the film and HETV sectors understand what AI tools could mean for their work.⁴²⁰

CONCLUSION

- 185.** Industry guidelines based around protecting human creativity in the use of generative AI are welcome, but the film and TV sectors are calling out for help to embrace the growth potential of generative AI in a way that is fair, responsible and legally compliant.

RECOMMENDATION

- 186.** At the Spending Review, the Government should fund the BFI’s development of an AI observatory and tech demonstrator hub to enable it to provide effective leadership around the industry’s use of AI.

RECOMMENDATION

- 187.** The Government’s AI Sector Champion for the creative industries, once appointed, should work with the industry to develop an AI certification scheme for the ethical use of generative AI in film and HETV. In setting out guidelines for the responsible use of generative AI, the scheme should consider the interests of copyright holders, creatives and audiences. To ensure compliance and protect the industry from irresponsible use of AI tools, the Government should mandate certification for UK-based broadcasters or productions claiming tax incentives and National Lottery funding.

418 Department for Science, Innovation and Technology, [AI Opportunities Action Plan](#), CP 1241, 13 January 2025

419 [Q102](#) [Ben Roberts]

420 [Q101](#) [Ben Roberts]

Risks and challenges

Copyright

- 188.** The success of the UK’s film and HETV sectors, like the wider creative industries, rests on a strong copyright and intellectual property framework, which the Motion Picture Association called “vital” to “sustaining investment”.⁴²¹ There was strong opposition to any breach of that framework in favour of AI development, which Equity told us “could impact inward investment and is highly likely to undermine the growth-potential of our industries”.⁴²²
- 189.** The Government’s December 2024 consultation on copyright and AI proposed introducing a data mining exception that would allow AI developers to train their models on material except in cases where rights holders have expressly reserved their rights.⁴²³ We heard that such an “opt out” system would be “unfair and unworkable”, giving rights holders an “illusion” but “no real control.”⁴²⁴ Equity stated that such a regime “would throw open centuries of creative content to exploitation without licensing and remuneration, destroying the value of these assets [...] and undermining long-established property rights.”⁴²⁵
- 190.** Legal consultant and co-convenor of the University of Reading’s Synthetic Media Research Network, Dr Mathilde Pavis, told us that an opt-out regime would likely be “in breach of the UK’s international obligations under intellectual property treaties”, which “clearly outline that any exceptions or carve-out of creators’ copyright, including performers’ rights, cannot place an undue burden on the rights holder.”⁴²⁶ She explained that European rights holders have responded “very negatively” to the EU’s ‘opt-out’ provisions, with evidence that rights holders’ preferences are not being honoured and claims that the measure is in breach of the EU’s international treaty obligations.⁴²⁷ However, the Minister seemed unconcerned about this, telling us that the UK’s interests are best served by proceeding “in the same direction” as other major economic blocs.⁴²⁸

421 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Motion Picture Association ([FIL0113](#)), November 2023

422 Equity ([BF20019](#))

423 Intellectual Property Office, Department for Science, Innovation and Technology, Department for Culture, Media and Sport, [Copyright and Artificial Intelligence](#), CP 1205, 17 December 2024

424 [Q27](#) [Ed Newton-Rex]

425 Equity ([BF20019](#))

426 [Q27](#) [Dr Mathilde Pavis]

427 [Q30](#) [Dr Mathilde Pavis]

428 [Q163](#) [Sir Chris Bryant MP]

- 191.** Broadly, the film and HETV sectors, like the wider creative industries, were in favour of requiring AI companies to license copyrighted works to ensure creative content is used with permission and remuneration.⁴²⁹ The Chair of the BFI told us that the priority had to be protecting creative rights holders because “copyright historically has delivered huge returns for UK plc.”⁴³⁰ The BFI later stated it supports “strengthening the copyright framework to require licensing in all cases, alongside a commitment to transparency measures, so that UK producers, writers, directors, and performers can fully exploit their copyrighted works and catalogues”.⁴³¹
- 192.** A licensing approach need not necessarily make the UK less attractive to AI developers. The CEO of Fairly Trained, Ed Newton-Rex, told us:

The major economic opportunity from AI does not come from exploiting the life’s work of the world’s creators without permission. [...] You train on creative work you haven’t licensed if you want to replace the creative industries with AI without paying them—not if you want to cure cancer with AI.⁴³²

He recommended the UK invest in data centres, AI education and training, tax breaks for AI companies, and visa schemes for researchers. Through that, he argued the UK could “be the home of responsible AI development and responsible AI companies [...] without destroying our creative industries by upending copyright law.”⁴³³ We considered these and other issues alongside our colleagues on the Science, Innovation and Technology Committee and have shared our joint views with the Government.⁴³⁴

CONCLUSION

- 193.** Getting the balance between AI development and copyright wrong will undermine the growth of our film and HETV sectors, and wider creative industries. Proceeding with an ‘opt-out’ regime stands to damage the UK’s reputation among inward investors for our previously gold-standard copyright and IP framework.

429 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 6.59, Creative UK ([FIL0093](#)) para 171, Warner Bros. Discovery ([FIL0133](#)), November 2023

430 [Q99](#)

431 ScreenDaily, “[We support strengthening the copyright framework](#)”: BFI outlines its position on AI and creative works, 26 February 2025 (accessed 4 March 2025)

432 [Q31](#) [Ed Newton-Rex]

433 [Q31](#) [Ed Newton-Rex]

434 Letter from Dame Caroline Dinenage MP, Chair, Culture, Media and Sport Committee, and Chi Onwurah MP, Chair, Science, Innovation and Technology Committee, to Peter Kyle MP, Secretary of State for Science, Innovation and Technology, and Lisa Nandy MP, Secretary of State for Culture, Media and Sport, regarding AI and copyright, [25 February 2025](#)

RECOMMENDATION

- 194.** The Government should abandon its preference for a data mining exception for AI training with rights reservation model, and instead require AI developers to license any copyrighted works before using them to train their AI models.

Impact on jobs and incomes

- 195.** High-profile creative artists have spoken out about the unlicensed use of creative works to train generative AI models.⁴³⁵ Their concerns are reflected throughout the workforce, from extras and crew members to designers and composers.⁴³⁶ Organisations representing creative workers shared concerns that generative AI tools would compete with human creatives for work, ultimately offering a cheaper alternative.⁴³⁷ The union Equity found that 65% of performers think the development of AI technology poses a threat to employment opportunities in the performing arts sector, rising to 93% for audio artists.⁴³⁸ Director James Hawes cautioned that in a relatively short amount of time, generative AI might be used to develop programme outlines or scripts that would in turn put the next generation of creatives out of work.⁴³⁹ The Writers' Guild of Great Britain was concerned that "writers could be used to 'polish' draft scripts written by AI tools rather than develop original work themselves and be paid less as a consequence."⁴⁴⁰
- 196.** Concerns over the impact of AI on the UK industry mirror those in the US, where the perceived threat of generative AI to screenwriters and performers made the issue central to the 2023 Writers Guild of America and SAG-AFTRA strikes. The resulting agreements included strict and consensual controls on the use of AI in scriptwriting, rewriting and producing source material and

435 [Statement on AI training](#), (accessed 19 March 2025) and oral evidence taken by the Culture, Media and Sport Committee and Science, Innovation and Technology Committee on 4 February 2024, [Q44](#) [Max Richter]

436 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Bectu ([FILO088](#)), British Film Designers Guild ([FILO033](#)), Musicians' Union ([FILO043](#)), November 2023

437 [Q21](#) [Liam Budd], and written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, WGGB - Writers' Guild of Great Britain ([FILO083](#)) para 38, November 2023

438 Equity, '[4 out of 5 performers don't understand their rights when working with AI](#)', 21 April 2022 (accessed 3 March 2025)

439 Oral evidence taken by our predecessor Committee on 21 February 2024, [Qq97-99](#)

440 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, WGGB - Writers' Guild of Great Britain ([FILO083](#)) para 40, November 2023

rules on the alteration and replication of actors' likenesses.⁴⁴¹ Ed Newton-Rex told us that he expects the “backlash [...] to grow” and that British artists were “willing to strike”, with protests “leading to AI film screenings being cancelled”.⁴⁴² Dr Pavis told us that while the film and HETV industry might be expected to use generative AI tools in a way that is “good for the ecosystem”, it could still be vulnerable to its use in other sectors, such as advertising and video games.⁴⁴³

CONCLUSION

- 197.** Our world-class creatives are the lifeblood of the UK’s film and HETV sectors. However, the rapid growth of generative AI technologies threatens their earnings and future employment opportunities. This is not just an issue for one part of the industry: it about real lives and livelihoods, and the impact will be felt by the most vulnerable.

Performer rights and consent

- 198.** We were also told that AI’s impact on the rights of performers risked being overlooked.⁴⁴⁴ We heard that performers were “vulnerable” and “pessimistic” about AI because of a “patchwork” of out-of-date legislation to enforce people’s rights over their performances and likenesses in the digital age.⁴⁴⁵ Dr Pavis described performers as the “canaries in the coalmine”, and called for a system where digital identities were as protected as physical ones.⁴⁴⁶

Contracts

- 199.** The Copyright, Designs and Patents Act 1988 (CDPA) confers economic and moral rights over artistic works, including performances.⁴⁴⁷ Performers typically waive, license or assign their individual rights via contracts.⁴⁴⁸ However, Equity found that 79% of performers did not

441 Backstage, [Unpacking SAG-AFTRA’s New AI Regulations: What Actors Should Know](#), 18 January 2024 (accessed 3 March 2025) and AP, [In Hollywood writers’ battle against AI, humans win \(for now\)](#), 27 September 2023 (accessed 3 March 2025)

442 [Q24](#) [Ed Newton-Rex]

443 [Q32](#) [Dr Mathilde Pavis]

444 [Q27](#) [Liam Budd]

445 [Qq24, 27](#) [Liam Budd], [Q26](#) [Dr Mathilde Pavis]

446 [Q21](#) [Dr Mathilde Pavis]

447 Intellectual Property Office, [The rights granted by copyright](#), (accessed 4 March 2025)

448 Trades Union Congress, [Artificial Intelligence for Creative Workers: A TUC Manifesto](#), 3 March 2025, p 13

have a full understanding of their rights before signing a contract for AI work. AI technology is also not covered in historic collective bargaining agreements.⁴⁴⁹

- 200.** There have already been cases where performance contracts, signed before AI tools were conceived, have been used to justify the use of those performances to train AI models.⁴⁵⁰ Dr Pavis argued that it was important that where contracts allowed performers to transfer their rights, it was for a particular project purpose only, cautioning against broad clauses that transferred rights in perpetuity or for different uses.⁴⁵¹ The Trades Union Congress (TUC) manifesto on ‘AI for Creative Workers’ agreed and argued that evidence of a worker’s “free and informed consent” was also needed, calling for such safeguards to be enshrined in law.⁴⁵² The industry is developing tools to capture and manage performers’ consent to the re-use of their recorded image or voice by generative AI tools during the production process.⁴⁵³ However, such systems are not yet universal.⁴⁵⁴

Image rights

- 201.** We also heard there was an “urgent need” for the UK to codify image rights to protect performers from the unauthorised use of their identity by generative AI tools (alongside protecting the general public from non-consensual exploitation of an individual’s likeness).⁴⁵⁵ At present, the UK does not offer any protections against “unauthorised digital imitations of people” or ‘digital replicas’: what is created by AI tools synthesising someone’s voice, face or body, for example in the creation of ‘deepfakes’.⁴⁵⁶ This has already led to performers and other high profile figures, such as founder of MoneySavingExpert Martin Lewis, having their voices and likenesses cloned and used in scams.⁴⁵⁷ Although the Government is taking action to criminalise the creation of sexually explicit ‘deepfakes’, the TUC noted that there remained “a gap in protection” for non-criminal yet harmful uses of people’s likeness.⁴⁵⁸

449 Equity, [4 out of 5 performers don’t understand their rights when working with AI](#), 21 April 2022 (accessed 3 March 2025)

450 Financial Times, [How actors are losing their voices to AI](#), 1 July 2023 (accessed 4 March 2025)

451 [Q23](#)

452 Trades Union Congress, [Artificial Intelligence for Creative Workers: A TUC Manifesto](#), 3 March 2025, p 13–14

453 [Q17](#) [Nick Lynes]

454 [Q9](#) [Benjamin Field]

455 Equity ([BF20019](#))

456 [Q21](#) [Dr Mathilde Pavis]

457 The Guardian, [AI cloning of celebrity voices outpacing the law, experts warn](#), 19 November 2024 (accessed 4 March 2025)

458 Trades Union Congress, [Artificial Intelligence for Creative Workers: A TUC Manifesto](#), 3 March 2025, p 15

202. Legal reform may be needed. The Copyright, Designs and Patents Act 1988 (CDPA) applies to recordings of performances, but does not apply to synthetic, AI-generated performances.⁴⁵⁹ It was introduced at a time when CDs were the dominant recording format and the main imitators of performers were tribute acts or lookalikes.⁴⁶⁰ Equity seeks reform of the CDPA to protect against unauthorised synthetic AI-generated performances that reproduce someone’s voice or likeness. Specifically, it recommends:

- Section 182(1) should be revised to include performance synthesis, and the digital cloning of live performances as an act of ‘recording’;
- Section 182A of the Act should be revised to include performance synthesis, and the digital cloning of recordings as an act of making ‘a copy’;
- Alternatively, Part 2 of the Act should be revised to introduce a separate right to control the reproduction of performances.⁴⁶¹

203. The UK’s GDPR framework applies to any data that is capable of identifying a performer, such as voice and likeness. However, Dr Pavis told us that GDPR was not designed to stop the unauthorised use of that data by generative AI tools, and that it does not speak to the CDPA.⁴⁶² Equity’s Industrial Official for Recorded Media, Liam Budd, told us that weak enforcement meant GDPR was failing to protect performers’ personal data, particularly in respect to generative AI tools.⁴⁶³

204. Under copyright law, moral rights protect an individual’s right to be identified as a performer, and to object to any distortion of their artistic works. They cover live performances and sound recordings, but do not currently extend to audiovisual performances.⁴⁶⁴ In its 2023 Report on ‘Connected tech: AI and creative technology’, our predecessor Committee recommended that the Government implement the Beijing Treaty on Audiovisual Performances, to which the UK has been a signatory since 2013, which would extend those rights to audiovisual performances.⁴⁶⁵ The

459 [Copyright, Designs and Patents 1988](#), section 182

460 Equity (BF20019), [Q21](#) [Dr Mathilde Pavis]

461 Equity (BF20019)

462 [Q26](#) [Dr Mathilde Pavis]

463 [Q31](#) [Liam Budd]

464 Intellectual Property Office, [Consultation on the options for implementing the Beijing Treaty on Audiovisual Performances](#), (accessed 4 March 2025)

465 Culture, Media and Sport Committee, Eleventh Report of Session 2022–23, [Connected tech: AI and creative technology](#), HC 1643

previous Government committed to ratifying the Treaty and the Intellectual Property Office consulted on this in autumn 2023, but is yet to implement it.⁴⁶⁶

- 205.** Stakeholders also argued that performers’ rights should be unwaivable, that is unable to be transferred to any other party.⁴⁶⁷ Dr Pavis told us that otherwise:

the distributor, the media companies and the platforms will acquire those rights, and they will be running the show and will not protect those people’s dignity, privacy and autonomy.⁴⁶⁸

CONCLUSION

- 206.** Although the film and HETV industry may be motivated to protect performers’ interests, with the history of collective bargaining agreements equipping it do so, that situation is not common across all the creative industries. The UK’s patchwork of copyright, intellectual property and data protection legislation is failing to protect performers from the nefarious use of generative AI technologies, such as unauthorised voice cloning and deepfakes.

RECOMMENDATION

- 207.** The Government should legislate to prevent historical contract waivers from being interpreted to allow the use of recorded performances by AI tools.

RECOMMENDATION

- 208.** Within the next six months the Government should also conduct a review of the Copyright, Designs and Patents Act 1988 and the UK’s GDPR framework to consider whether further legislation is needed to prevent unlicensed use of data for AI purposes.

RECOMMENDATION

- 209.** We repeat our predecessor Committee’s calls for the Government to implement the Beijing Treaty within the next six months, including extending unwaivable moral rights to audiovisual performances.

466 Intellectual Property Office, [Consultation on the options for implementing the Beijing Treaty on Audiovisual Performances](#), (accessed 4 March 2025)

467 [Q31](#) [Liam Budd], Equity ([BF20019](#))

468 [Q26](#) [Dr Mathilde Pavis]

8 The work of the BFI

210. The BFI is the UK’s lead organisation for film, television and the moving image. As a non-departmental public body and cultural charity, it has a triple role as a public funder, distributing National Lottery and grant-in-aid money; as a cultural charity, operating the BFI National Archive and a year-round cultural programme including the BFI London Film Festival; and as the Government’s lead policy advisory body.⁴⁶⁹ It also fulfils a number of roles vital to the UK’s status as a production hub: for example, its Certification Unit administers the Cultural Tests and Co-production treaty assessments required to access AVEC.⁴⁷⁰

Funding and remit

- 211.** The BFI generates approximately 30% of its income through ticket sales, subscriptions to its video-on-demand platform BFI Player, and fundraising.⁴⁷¹ In addition to its grant-in-aid settlement from DCMS, it receives ring-fenced funding to deliver specific programmes such as the UK Global Screen Fund (£7 million p.a.). However, its core grant-in-aid settlement has remained at the same level since 2011, amounting to around a 30% cut in real terms.⁴⁷² That decline has limited its capacity to deliver support to vital parts of the film ecosystem, such as independent cinemas.⁴⁷³
- 212.** Following the closure of the UK Film Council in 2011, the BFI took on many of its functions. Since then, the BFI’s remit has continued to expand, now including video games and Extended Reality as well as film and HETV.⁴⁷⁴ However, its own strategy recognises that “constraints” on its funding

469 [Q63](#) [Ben Roberts]

470 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 3.20, November 2023

471 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 3.21, November 2023

472 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 3.25, November 2023

473 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)), May 2024

474 Extended Reality is an umbrella term for Augmented Reality (AR), Virtual Reality (VR) and Mixed Reality (MR) content.

limits its ability to offer financial support to those other parts of the screen industry, and the BFI told us that additional grant-in-aid and National Lottery funding will be required for it to deliver this expanded remit.⁴⁷⁵

- 213.** Given the concerns we heard about the plight of domestic HETV, we asked what support the BFI offered the UK’s HETV sector specifically. Its CEO Ben Roberts could not give us an exact split between HETV and film, but told us that the increasingly blurred lines between the two formats—for example, with independent filmmakers going on to work in HETV and vice versa—meant much of the BFI’s talent development and business support work benefitted both sectors.⁴⁷⁶

BFI Certification Unit

- 214.** Early in our predecessor Committee’s inquiry, the BFI warned that its financial position was adversely affecting its ability to deliver services to the industry. Since 2011, the number of tax incentives administered by the BFI Certification Unit had increased from one (film) to six (film, independent film, HETV, video games, animation, children’s TV), with applications also increasing five-fold. However, that increased demand had not been reflected in an increase in grant-in-aid, resulting in a backlog of applications and an increase in turnaround times from 4–6 weeks to 18–20 weeks.⁴⁷⁷
- 215.** The challenges faced by the Certification Unit had consequences for the UK’s reputation as a production destination. Northern Ireland Screen said the delays were “beginning to undermine [the UK’s] reputation for stability and security” and the BFI itself recognised:

there is a significant risk that studios will seek faster processes when considering where to make future productions especially as other countries are making large investments in production infrastructure to attract inward investment.⁴⁷⁸

It is positive that during our inquiry additional Government support enabled the Unit to reduce turnaround times to 8–10 weeks. However, the BFI stated that “[t]he Unit’s increased operating costs must be reflected in the BFI’s baseline grant-in-aid settlement going forward.”⁴⁷⁹

475 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) paras 3.22, 3.37, November 2023

476 [Q81](#) [Ben Roberts]

477 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 1.11, November 2023

478 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Northern Ireland Screen ([FILO100](#)), British Film Institute ([FILO126](#)) para 1.11, November 2023

479 British Film Institute ([BF20021](#))

CONCLUSION

- 216.** Too often the BFI’s responsibilities have been expanded by the Government without a commensurate, long-term increase in the grant-in-aid support available to it. That has put the UK’s reputation with inward investors at risk and could undermine the growth of the vital sectors under its remit.

RECOMMENDATION

- 217.** At each Spending Review, the Government should ensure any recent or upcoming changes to the screen sector’s tax incentives, including but not limited to the addition of new forms of expenditure credit, are reflected in a commensurate increase in the grant-in-aid settlement for the BFI’s Certification Unit.

National Lottery

- 218.** As one of the UK’s National Lottery distributors, the BFI is responsible for allocating 2.7% of annual National Lottery receipts for good causes.⁴⁸⁰ That is a share of the overall 20% of receipts that go to arts distributing bodies (sports and heritage bodies also receive 20% each, and charitable causes get 40%).⁴⁸¹ The BFI’s share of the overall allocation for the arts was last amended in 2007.⁴⁸²

Table 1: National Lottery allocations for the Arts

Body	%
Arts Council England	13.956
Creative Scotland	1.780
Arts Council of Wales	1.00
Arts Council of Northern Ireland	0.560
British Film Institute	2.704
Total Arts allocation	20%

Source: National Lottery Distribution Fund annual report and accounts 2023 to 2024 - GOV.UK

480 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 3.32, November 2023

481 Department for Culture, Media and Sport, [National Lottery Distribution Fund annual report and accounts 2023 to 2024](#), 26 July 2024

482 [National Lottery etc. Act 1993](#), section 23

219. The BFI invests lottery money across five main areas: audience development, skills and education, supporting production and creativity, heritage, and industry growth.⁴⁸³ Reflecting on the allocations, CEO Ben Roberts told us it did “a lot with a very small share of the pie”.⁴⁸⁴ However, he also observed that the significant market growth in film and HETV since allocations were first set had had an impact on what the BFI needed to do with its Lottery funding, and encouraged the Government to review the allocation.⁴⁸⁵ In particular, he highlighted operations and capital funding for independent cinemas (as explored in chapter 6) as an area that could benefit from enhanced Lottery funding.⁴⁸⁶

220. Yet reallocating the shares of Lottery money for good causes between distributing bodies is complex, and not a zero-sum game. As the Minister observed:

If we were to restructure the good causes from the lottery, and there are arguments for that, the danger is where do you take the money from? Do you take it from Arts Council England? Do you take it from heritage lottery, sport and civil society?⁴⁸⁷

He challenged us to tell the Department where an additional share for the BFI should come from.⁴⁸⁸

221. It is also important to consider the wider context for the National Lottery since Allwyn took over its operation in February 2024. The BFI’s CEO told us he was “excited by Allwyn’s projections for lottery income”, because if it delivers its commitment to double receipts over the course of the licence, the BFI could do a lot more with its 2.7% share.⁴⁸⁹ However, significant doubts have been raised around the likelihood of Allwyn delivering those projections, especially given the continued delays to its plans to switch to a new technological provider.⁴⁹⁰

483 [Q69](#) [Ben Roberts]

484 [Q68](#) [Ben Roberts]

485 [Qq68–69](#) [Ben Roberts]

486 [Q72](#) [Ben Roberts]

487 [Q152](#) [Sir Chris Bryant MP]

488 [Q153](#)

489 [Q68](#) [Ben Roberts]

490 The Telegraph, [National Lottery facing £2bn charity shortfall](#), 1 March 2025 (Accessed 3 March 2025)

CONCLUSION

- 222.** The amount of National Lottery funding available to the BFI must reflect its role and remit, which has changed considerably since the allocations were last set. Determining where an increase for the BFI might come from, however, requires a thorough review across the different sectors and distributing bodies. Such a review is long overdue, and should not be delayed by the protracted uncertainty around the level of returns for good causes under Allwyn.

RECOMMENDATION

- 223.** We recommend the Government conducts a review of how National Lottery returns for good causes are allocated between distributing bodies by the end of the 2025–26 financial year.

Screen heritage

- 224.** Screen heritage encompasses the history of moving image production (films, videos, and television), the technological, political and economic context in which they were created, and the impact that they have across society. Screen heritage is more than just the recorded images themselves, as it includes ephemera related to productions (e.g. costumes, locations, scripts), the media and formats on which they are made, and the subsequent works that they have inspired.⁴⁹¹
- 225.** The BFI’s Royal Charter requires it to “care for and develop collections reflecting the moving image history and heritage of Our United Kingdom”, and it has an ambition “to reframe the public’s relationship with the nation’s screen heritage by establishing the most open moving image collection in the world”.⁴⁹² The BFI National Archive is the UK’s national collection of moving image heritage with a collection of millions of titles spanning more than 100 years of film, TV and the moving image.⁴⁹³ It is also the UK’s designated national television archive, with a duty to record and collect programmes from PSBs (other than the BBC, which maintains its own).⁴⁹⁴

491 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, University of York ([FILO018](#)), November 2023

492 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) paras 5.2, 5.8, November 2023

493 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 5.3, November 2023

494 British Film Institute, ‘[Television](#)’, (accessed 5 March 2025)

Value of film and TV archives

- 226.** Alongside the BFI National Archive, the UK is home to national, regional, commercial, private, and public sector collections.⁴⁹⁵ In our roundtable on screen heritage, representatives from some of those archives highlighted their role in engaging diverse communities, strengthening local identities, and reflecting local histories.⁴⁹⁶ For example, we heard how the Yorkshire and North East Film Archive curated materials for veteran groups and how Leeds City Council’s library worked with the local Jamaican community.
- 227.** There is significant demand for public access to screen archives: the BFI’s Britain on Film project, which categorises its collection by geography, has received more than 90 million online views.⁴⁹⁷ Education charity Into Film told us how archive material can act as a free educational resource that develops media literacy skills and provides an alternative appeal to textbooks, particularly for students with special educational needs and disabilities.⁴⁹⁸ Archives also provide value to the film sector by inspiring talent and attracting new audiences.⁴⁹⁹
- 228.** We heard there were many barriers to providing the public with access to material held in film archives. British film enthusiast Theo Morgan observed that 39% of the British feature films in the BFI National Archive, over 2,200 films, are not accessible for viewing.⁵⁰⁰ The BFI’s CEO even told us “that the archive is so huge that only 2% to 3% of the holdings of the archive are accessible to the public across the entirety of the collections.”⁵⁰¹ The main challenges the BFI faced were digitisation and preservation, which required resource: its CEO told us funding to understand what was in the archive and the resources needed to get it online would be “transformative”.⁵⁰²

495 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, University of York ([FLO018](#)), November 2023

496 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

497 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FLO126](#)) para 5.5, November 2023

498 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

499 Oral evidence taken by our predecessor Committee on 23 April 2024, [Q285](#) [Mark Cosgrove] and written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Bectu ([FLO088](#)), November 2023

500 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Theo Morgan ([FLO074](#)), November 2023

501 [Q90](#)

502 [Q90](#)

Statutory deposit scheme

- 229.** Unlike the statutory requirement for publishers of print materials to deposit a copy of each work they publish into legal deposit libraries, the UK has no legal deposit legislation for the moving image. As a result, screen archives “rely on a system of voluntary deposit as the primary method of developing the nation’s screen heritage collections.”⁵⁰³ It is thought that this has resulted in the BFI National Archive holding just 53% of all British feature films released since 1911.⁵⁰⁴ Indeed, the BFI recognises that the lack of statutory deposit “poses a serious threat to the long-term development of the national collection, its world-leading reputation, and the public’s enjoyment of it.”⁵⁰⁵ As the Minister himself acknowledged, voluntary schemes are hampered by the fact:

it is really difficult to choose what to keep and what not to keep. What we think today that people might look back at in 20 years is not necessarily what they will want.⁵⁰⁶

- 230.** Film Archives UK and the BFI support further research into a statutory deposit scheme for the moving image, in line with countries including the USA, Canada and Australia.⁵⁰⁷ However, the BFI warned it would require a considerable operational change and increase in its National Archive’s resource. Its CEO told us that:

If we were to receive everything, I think that would be challenging for us, because part of our conversation with DCMS at the moment is around the fact that our conservation centre is now full [...]
Conceptually, a statutory deposit is a great idea. It would bring us up to the standard of a lot of other archives around the world. However, we would have to look at how that would be resourced.⁵⁰⁸

- 231.** Beyond film, there is also a case for considering how the National Archive collects the growing amount of HETV content on SVoD platforms. The BFI told us that its “ambition is for all major non-public service broadcasters and VOD providers to support the archiving of the UK’s indigenous production as standard practice.” However, it is yet to establish archival

503 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 5.17, November 2023

504 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Theo Morgan ([FIL0074](#)), November 2023

505 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 5.17, November 2023

506 [Q138](#) [Sir Chris Bryant MP]

507 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FIL0124](#)), British Film Institute ([FIL0126](#)) para 5.19, November 2023

508 [Q103](#)

agreements with major platforms such as Apple TV+ and Disney+, and the agreements it does have with Netflix and Amazon only provide the archive with a partial, curated selection of their UK content.⁵⁰⁹ In 2019, the House of Lords Communications and Digital Committee recommended that the Government “broaden the requirement to provide programmes and fund the BFI National Archive to non-public service broadcasters and SVODs which produce content in the UK.”⁵¹⁰

RECOMMENDATION

- 232.** To safeguard our national collection of film and TV, and increase public access to it, the Government should introduce and resource a statutory deposit scheme for the moving image. Given the complexity and resource implications of this, the Government should first conduct research into a statutory deposit scheme for the moving image to be published within 12 months. This research should determine the potential scope of such a scheme, the changes that would have to be made to the BFI National Archive, including expansion of its conservation centre, and the initial and ongoing costs of the scheme for publishers and the BFI.

Copyright framework

- 233.** We were told that the Government could make minor changes to copyright law to enable greater public access to materials held by screen archives.⁵¹¹ The BFI proposed several targeted amendments to the Copyright, Designs and Patents Act 1988 (CDPA) that would bring legislation up-to-date with the technological and operational realities that archives operate under.⁵¹² They include:

- **Updating the ‘dedicated terminals’ exception:** Section 40B of the CDPA allows archives and libraries to make archival materials available to the public through ‘dedicated terminals’, meaning access to materials can only be provided on archives’ premises. However, the term is not defined, leaving organisations unsure whether internet-connected devices are covered.⁵¹³

509 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) para 5.16, November 2023

510 House of Lords Communications and Digital Committee’s, First Report of Session 2019, [Public service broadcasting: as vital as ever](#), HL paper 16, para 109

511 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

512 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FIL0126](#)) paras 5.20–5.23, November 2023

513 Private briefing shared by the British Film Institute via email, 9 December 2024

- **Broadening the definition of ‘educational establishments’:** Section 174 of the CDPA allows ‘educational establishments’ to record, copy, and communicate broadcasts for non-commercial purposes. Broadening the definition to include libraries and heritage institutions would allow for more visitors and staff to view recordings.⁵¹⁴
- **Abolishing the ‘2039 rule’:** Under the CDPA, works published after July 1989 that were created by an author who died before 1969 are protected by copyright until 31 December 2039.⁵¹⁵ Abolishing the rule would enable heritage organisations to make these works available to the public.⁵¹⁶

In addition, the BFI recommends:

- **Introducing a statutory copyright exception to enable use of commercially unavailable works held in collections:** this would reduce the burden on archives’ resources of trying to trace the rights holders of works that are not commercially available.⁵¹⁷
- **Restoring the statutory exception for works with untraceable copyright holders (‘orphan works’):** when the UK left the EU, an exemption that had allowed heritage organisations to make orphan works available to the public and create non-commercial reproductions was reversed.⁵¹⁸

The Minister told us the Government were “open to looking at” changes to copyright to increase public access to archives, but did not want “to create an overly burdensome system”.⁵¹⁹

RECOMMENDATION

- 234.** The Government should introduce targeted copyright exemptions that allow for greater access to archive material without harming copyright holders. Those include adjusting legislation concerning ‘dedicated terminals’, broadening the definition of ‘educational establishments’, amending the ‘2039’ rule, and introducing exemptions for orphan works and commercially unavailable works.

514 Private briefing shared by the British Film Institute via email, 9 December 2024

515 [Copyright, Designs and Patents Act 1988](#)

516 Private briefing shared by the British Film Institute via email, 9 December 2024

517 Private briefing shared by the British Film Institute via email, 9 December 2024

518 Private briefing shared by the British Film Institute via email, 9 December 2024

519 [Q139](#) [Sir Chris Bryant MP]

Skills

- 235.** The screen archive sector faces its own skills crisis. The BFI told us that the sector has an “ageing skilled workforce without an emerging skilled generation” and that the only pathways into film archiving are through industry connections or overseas training, which restricted the diversity of the potential workforce.⁵²⁰ The UK already lacks sufficient numbers of people with cataloguing and collection-management skills, with other traditional film archive skills at risk.⁵²¹ We heard that a lack of new entrants limited opportunities for the existing workforce to develop leadership or management skills, causing them to leave the sector.⁵²²
- 236.** The UK has no university course tailored to the unique combination of digital, photographic and heritage skills required to be a film archivist.⁵²³ At least in part, that is because the workforce is too small to make degrees financially viable for education providers.⁵²⁴ We heard that there should be a sector-led effort, in collaboration with universities and the Government, to develop a degree-level apprenticeship focused on the skills needed to preserve and present archive material.⁵²⁵ When we put this proposal to DCMS, its Deputy Director, Creative Industries, Alastair Jones agreed that ensuring archives had a talent pipeline was “absolutely essential” but offered no commitment to working with DfE to develop a solution.⁵²⁶

RECOMMENDATION

- 237.** The Government, in collaboration with the screen heritage sector and education providers, should develop a degree-level apprenticeship standard for film preservation and presentation within the next 24 months. To enable education institutions to deliver apprenticeships with small student cohorts, the Growth and Skills Levy should provide dedicated funding to make it economical for them.

520 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FLO126](#)) para 6.49, November 2023

521 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FLO124](#)), November 2023

522 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FLO126](#)) paras 6.49, 6.51, November 2023

523 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FLO126](#)) para 5.24, November 2023

524 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

525 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

526 [Q145](#) [Alastair Jones]

National screen heritage strategy

- 238.** In 2007, the Government and the BFI implemented a five-year ‘Strategy for UK Screen Heritage’, which led to £25 million of investment into the BFI National Archive, regional film archives and the national archives of the devolved nations (collectively known as the ‘RNAs’).⁵²⁷ Its introduction followed calls by our predecessor Committee in 2003 for a strategy to support film archives.⁵²⁸ Since the strategy lapsed in 2012, however, momentum has been lost, so Film Archives UK called for a new strategy not only to address the sector-specific needs of film archives, but to secure “the long-term future of the sector and to address the inherent underfunding of RNAs.”⁵²⁹
- 239.** There is no consistent financial support for RNAs, and as organisational structures vary—archives may be small charities, or parts of universities, local authorities or national libraries—they often fall between the gaps of available funding.⁵³⁰ When archives are part of wider organisations, their budgets are often squeezed by wider economic pressures on higher education and local authorities.⁵³¹ A 2021 survey of screen heritage organisations found that only 6% felt that their funding was sufficient, with most respondents explaining that a material proportion of their annual funding was not guaranteed.⁵³² That impacts strategic, long-term planning and the ability of archives to carry out core activities such as curation.⁵³³ With some RNAs facing “uncertainty and potential closure”, the BFI stated that additional National Lottery or public funding for the UK’s archives was “essential”.⁵³⁴

527 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), November 2023

528 Culture, Media and Sport Committee, Sixth Report of Session 2002–03, [The British Film Industry](#), HC 667

529 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), November 2023

530 Roundtable at BFI National Archive, 3 December 2024 (See Annex 2)

531 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 5.26, November 2023

532 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), November 2023

533 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), Yorkshire and North East Film Archives ([FILO106](#)) para 9, November 2023

534 Written evidence received for our predecessor Committee’s inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), British Film Institute ([FILO126](#)) para 5.27, November 2023

240. The preservation quality and accessibility of archival material is dependent on the sustained health of the archives storing it.⁵³⁵ However, the screen heritage sector faces problems with ageing infrastructure.⁵³⁶ Without capital investment, we heard, there has been an inability to maintain environmental standards for buildings that consume significant amounts of energy due to data storage, temperature regulation and dehumidification.⁵³⁷ More resource is also needed to upgrade storage facilities and deliver the sub-zero conditions that are advised to preserve some film materials.⁵³⁸

RECOMMENDATION

241. Within the next 12 months, the Government should work with the BFI and wider screen heritage sector to create a National Screen Heritage Strategy, including in the areas of funding, skills and infrastructure. The strategy should be reviewed and renewed periodically, to maintain focus on the needs and resilience of screen archives, rather than being allowed to expire and once again leave screen archives at risk.

535 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), November 2023

536 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 5.28, November 2023

537 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, British Film Institute ([FILO126](#)) para 5.28, Film London ([FILO117](#)), November 2023

538 Written evidence received for our predecessor Committee's inquiry into British Film and High-End Television, Film Archives UK ([FILO124](#)), November 2023

Annex 1: Visits

The following visits and meetings were held by our predecessor Committee (pre-May 2024) and our Committee (post-October 2024) in support of this inquiry:

Pinewood Studios

Iver Heath, England (February 2023)

Pre-inquiry studio visit, including tour of production sets, underwater stage and post-production studio.

BBC and ITV

Manchester and Salford Quays, England (January 2024)

Set visits including discussions with ‘Inside No.9’ cast, production crew (including trainees) and representatives of BBC comedy; and discussions with representatives of ITV Studios and associated labels, ITV Academy, ITV News and others across the business.

French film and TV industry

Paris, France (February 2024)

Meetings with:

- Dame Menna Rawlings DCMG CVO, His Majesty’s Ambassador to France;
- Representatives of the Canal+ Group, Vivendi Foundation, and the British Council;
- French Senators, including members of the Standing Committee on Cultural Affairs;
- the Centre national du cinéma et de l’image animée (CNC); and
- representatives of Studios de la Montjoie.

BBC Studioworks, Kelvin Hall

Glasgow, Scotland (May 2024)

Studio visit for meeting with representatives of Screen Scotland and Synchronicity Films.

BFI National Archive

Berkhamsted, England (December 2024)

Visit to the John Paul Getty Jr Conservation Centre, including tour of National Television Archive, Digital Media Preservation facility, conservation laboratory and storage warehouse.

Warner Bros. Discovery Leavesden

Watford, England (January 2025)

Studio visit with presentations from senior executives, and tour of sound stages, backlot and CrewHQ training facility.

Annex 2: Roundtables

The following roundtables were held by our predecessor Committee (pre-May 2024) and our Committee (post-May 2024) in support of this inquiry:

Independent Film

London, England (March 2024)

Industry roundtable facilitated by the British Screen Forum on challenges facing independent film. Discussion points included:

- Industry trends, including spend and budgets;
- Development, financing and pre-production of independent film, including anticipated impact of Independent Film Tax Credit;
- Challenges facing production, including competing for staff and retention of workers due to poor mental health;
- Case for distribution tax relief and challenges for British cinemas, particularly in relation to domestic content.

Table 2: Participants

British Screen Forum	SISTER
London Film School	Together TV
BASE/DEGI	Artem Special Effects
Film4	Netflix
Protagonist Pictures	BBFC
ODEON Cinema Group	Film Distributors' Association
UK Cinema Association	Sixteen Films
Screen Scotland	Sympathetic Ink
3 Mills Studios	Harbottle & Lewis
Walt Disney Company	Vue
British Film Institute	Film + TV Charity
Equity	Fieldfisher
Character Seven	Pinewood Studios Group
Wiggin LLP	The Ingenious Group
See-Saw Films	Rationale Consulting
BBC Film	Resource Productions
NBCUniversal International	NFTS
Directors UK	Channel 4
Amazon	ScreenSkills
CMS CMNO	British Film Commission/Film London

Screen Heritage

Berkhamsted, England (December 2024)

Sector roundtable facilitated by the British Film Institute on value of screen heritage. Discussion points included:

- How screen archives are used in communities, including education settings, and by filmmakers;

- Challenges in training and recruiting workforce with necessary skills;
- Potential and current applications of AI in archival practice and filmmaking;
- Practical challenges of a statutory deposit scheme for the moving image;
- Copyright changes to increase public access to archives;
- Funding challenges for regional archives;
- Case for a national screen heritage strategy.

Table 3: Participants

British Film Institute	Into Film
BBC	Leeds City Council
The Box	The National Library of Scotland
Film Archives UK	Open University
Consequential	Yorkshire and North-East Film Archive
Futureland Films	

Conclusions and recommendations

The future of British film

1. The Independent Film Tax Credit is a game-changer for domestic production and a welcome sign of continued Government commitment to the sector. But it is not a silver bullet for all the problems facing independent British film. Without further intervention, producers will still struggle to develop and raise finance for films, and the films that are made will not be seen by audiences. (Conclusion, Paragraph 14)
2. Development is the essence of R&D in the film sector. Funding it is essential for producers to develop valuable intellectual property, pay creative teams from the earliest stages of a project and maintain a consistent slate of films. This is vital for the Government's growth agenda, as funding production companies' slate development will enable them to grow resilient businesses. (Conclusion, Paragraph 18)
3. The Government should immediately amend the definition of R&D for tax relief purposes so that it captures creative activity by the film and HETV sectors, and wider creative industries. (Recommendation, Paragraph 19)
4. The Government should immediately review the impact of changes to the Enterprise Investment Scheme and Seed Enterprise Investment Scheme on the film sector to ensure producers can and do access the full range of finance for their films. It should report its findings to us within six months. (Recommendation, Paragraph 22)
5. In the Autumn 2025 Budget, the Government should introduce a 25% tax relief for the Prints & Advertising (P&A) costs of films claiming the Independent Film Tax Credit, to support the distribution and exhibition of British films. (Recommendation, Paragraph 27)
6. The UK Global Screen Fund delivers excellent value for money, but is insufficient in level and scope to provide the support that our independent film sector requires. (Conclusion, Paragraph 32)

7. The Government should increase the budget for the UK Global Screen Fund in line with the BFI's Spending Review bid to provide certainty and maximise the potential return on investment. (Recommendation, Paragraph 33)
8. The UK has not adequately compensated for the loss of Creative Europe funding, of which it was a net beneficiary, and simply increasing UKGSF will not deliver all the benefits that membership of that network did. (Conclusion, Paragraph 34)
9. As part of the Review of the Implementation of UK-EU Trade and Co-operation Agreement in 2026 the Government should seek to rejoin Creative Europe as an associate member. (Recommendation, Paragraph 35)

The crisis in domestic HETV

10. Culturally British domestic HETV is vital to the UK's identity, national conversations and talent pipeline, but it is under threat. Without urgent intervention, history will repeat itself and the problems that have been seen in independent film will extend to our once vibrant domestic television sector. (Conclusion, Paragraph 47)
11. Domestic HETV needs to be supported through enhanced tax incentives just as independent film has been. To tackle the issues facing domestic production, any increase in HETV tax relief must not merely incentivise streamers to spend more but specifically benefit public service broadcasters and independent producers. This might be done by limiting the uplift to HETV productions at the lower end of the budget range; however, further work is needed to build the economic case for this intervention. (Conclusion, Paragraph 48)
12. We recommend the BFI urgently conducts analysis on the potential design and return on investment of a targeted uplift to HETV Audio-Visual Expenditure Credit for domestic productions with budgets of £1 million to £3 million per hour. The Government should commit to introducing the measure at the next fiscal event if the projected return on investment and impact on domestic production is found to be positive. (Recommendation, Paragraph 49)
13. The success of the UK's HETV sector relies on continuing to attract inward investment while maintaining a vibrant domestic industry underpinned by strong intellectual property rights. Yet the dynamic between independent producers and subscription video-on-demand (SVoD) platforms is not sustainable, and successful production companies are being gutted by deals that deny them the ability to fully monetise their IP. While the

differences in business models mean it may not be appropriate to extend the existing terms of trade as they stand for PSBs to streamers, similar mechanisms must be considered. (Conclusion, Paragraph 55)

14. We recommend the Government immediately commissions research on how regulatory measures, akin to the PSB terms of trade, could be applied to SVoD platforms to ensure that independent production companies developing IP in the UK maintain a minimum level of ownership over those rights. (Recommendation, Paragraph 56)
15. In HETV, the balance between inward investment and domestic production is at a tipping point. It is time for streamers to put their money where their mouth is. They laud the UK's mixed production ecology, with public service broadcasters and independent producers at its heart, but their business practices are putting that at risk. They need to step up their support for the making of culturally British content, and not just reap the cultural and training benefits it provides. Ultimately, they should then benefit from a healthier supply of PSB-made shows that they can license for their platforms. (Conclusion, Paragraph 61)
16. We recommend that all subscription video-on-demand (SVoD) platforms that operate in the UK pay a 5% levy on their UK subscriber revenue into a cultural fund administered by the BFI to support domestic HETV production. The industry should establish this fund on a voluntary basis; however, if it does not do so within 12 months, or if there is not full compliance, the Government should introduce a statutory levy. (Recommendation, Paragraph 62)
17. Advertising revenue is key to the HETV production ecosystem, and the market is changing as SVoD platforms grow their ad-supported subscription tiers. We intend to revisit the issue of advertising and its role in the TV ecosystem later in the Parliament. (Conclusion, Paragraph 64)

Incentivising inward investment

18. The Government is right to commit to maintaining the competitiveness of the UK's tax incentives, and changes must be balanced with stability. Yet the production sector is much more agile than Government, and the time it took to reform expenditure credits for VFX shows that policymaking and implementation needs to be quicker to keep the UK's tax incentives globally competitive. (Conclusion, Paragraph 74)
19. Twice a year, the Government should benchmark the value and eligibility criteria of the UK's film and HETV tax incentives against those of other countries. Where the UK's offer is found to be less competitive, the Government should immediately review the financial case for changing the

UK's incentives in the context of the full range of economic support for the industry, and bring forward any changes deemed beneficial to maintaining overall competitiveness. (Recommendation, Paragraph 75)

20. We are not convinced that Audio-Visual Expenditure Credits are the best vehicle to incentivise wider industry practices, if doing so undermines the fundamental aim of attracting investment. (Conclusion, Paragraph 76)
21. It is concerning that the Government does not know how much additional studio space the UK will need to support both inward investment and domestic production in the years ahead. Recent business rates revaluations also risked devastating inward investment in studios across England and Wales. That must not happen again. The 40% relief for film studios is welcome, but temporary. (Conclusion, Paragraph 80)
22. In delivering its promised reform of business rates, the Government should prioritise growth sectors such as film and HETV and ensure reforms support, rather than undermine, investment in them. (Recommendation, Paragraph 81)
23. The Government should require productions claiming AVEC to report a breakdown of their spending across the nations and regions of the UK. This would improve data on the national and regional distribution of production spend and support the case for any policy interventions such as potential uplifts to AVEC. (Recommendation, Paragraph 86)
24. To address the industry's perceptions of organisational London-centric bias, the Government should split the roles of British Film Commission CEO and Film London CEO the next time that the existing contracts are negotiated or the roles advertised. (Recommendation, Paragraph 88)
25. The Government must be fully engaged with the EU's discussions on 'European works' and mitigate any potential changes to the UK's status under it. We ask the Government to write to us every six months with its latest assessment of the EU and its member states' positions, relevant debates and policy developments, plus the action it is taking to protect the UK's status. (Recommendation, Paragraph 92)
26. It is tempting to see 2023's inward investment crisis as a blip, but while the UK remains so exposed to US investment global political and market forces will continue to affect our film and HETV industry. Our recommendations to support domestic production should help ride out future storms, but the Government and industry must not become complacent about the UK's status as the 'Hollywood of Europe'. (Conclusion, Paragraph 94)

Supporting the workforce

- 27.** From our world-class actors, writers, composers and directors to our highly skilled VFX artists and dedicated, hair and make-up professionals, costume designers and technical crew members, the people that make, distribute and exhibit British films and HETV programmes are a key reason the industry is a global success story. (Conclusion, Paragraph 97)
- 28.** The film and HETV industry has been too slow to respond to skills shortages. That has had serious consequences for those working in it, and for the ability of domestic productions to afford to pay crews and creatives. Countless reviews, reports, strategies and plans for tackling this crisis have been published or promised, but essential questions remain unanswered about the number of people that are needed, the roles that need filling, the costs of training those people and the adequacy of current spending on skills to meet those costs. There is an urgent need not just for strategic thinking, but for a clear path to delivering practical measures that tackles the crisis once and for all. (Conclusion, Paragraph 106)
- 29.** We are not convinced ScreenSkills is up to the challenge of delivering meaningful action on skills and training. It has been slow to grasp the urgency of the situation, to identify its priorities and performance indicators and ultimately to tackle the root causes with confidence and authority. (Conclusion, Paragraph 107)
- 30.** We recommend that the Government link any future public funding for ScreenSkills to specific, measurable outcomes based on it publishing and meeting ambitious and robust performance indicators. (Recommendation, Paragraph 108)
- 31.** Given how important skills are to the film and HETV industry, we are surprised that major streamers and studios could not give us a straight answer on how much they spend on training. The companies either don't know how much they are spending or have something to hide. Either way, we are not confident the industry has enough incentive to share the data that is needed to develop a coherent, sector-wide skills strategy. We also note that relying on voluntary contributions of 1% of production budgets delivers a fluctuating sum for skills training, which is an unreliable means of resourcing a vital need for the industry. (Conclusion, Paragraph 113)
- 32.** We recommend that the Government introduces a statutory requirement for the entire film and HETV production industry to report their spending on skills and training as a percentage of their production budgets every financial year. (Recommendation, Paragraph 114)

- 33.** We welcome the Government’s plans for a Growth and Skills Levy that meets the needs of the film and HETV sectors, and wider creative industries. The rollout of shorter apprenticeships is welcome, but the Government must now go further to ensure the industry maximises its use of levy funds and derives the fullest benefit from them. (Conclusion, Paragraph 119)
- 34.** The Growth and Skills Levy must be fully compatible with work in the film and HETV sectors by: (Recommendation, Paragraph 120)
- Ensuring portability of apprenticeships between employers;
 - Supporting smaller companies with the overhead costs of delivering apprenticeships;
 - Incentivising high-quality training providers and higher education institutions to provide apprenticeships, by reducing the bureaucratic obligations on them and by subsidising costs when cohorts are small; and
 - Funding high-quality continuous professional development.
- 35.** Skills will be vital to the ability of the film and HETV sectors to contribute to the Government’s industrial strategy, but the Department for Culture, Media and Sport does not have enough of a stake in driving the skills agenda across Government. It is relying on the goodwill of the Department for Education to consider the creative industries when developing skills policy, and there is no guarantee that this will continue. We await the Government’s plans for the Growth and Skills Levy and industrial strategy and will revisit this issue if they do not address the skills needs across the creative industries. (Conclusion, Paragraph 121)
- 36.** The range of roles required to make film and HETV means entire cohorts of sixth-form students could find jobs in the industry that fit their skills and interests, and building awareness of career opportunities is essential to attracting new talent into the industry. However, there remains a clear need to convince educators, parents and young people from all communities that film and HETV offers a viable career path. (Conclusion, Paragraph 126)
- 37.** The Government and BFI should launch a national awareness campaign highlighting the employment opportunities offered by film and HETV, and the range of skills the industry requires. (Recommendation, Paragraph 127)
- 38.** The British film and HETV industry benefits hugely from the flexibility afforded by a predominantly freelance workforce, but in return both it and the Government need to do more to support freelancers when they are out of work. (Conclusion, Paragraph 135)

39. In its forthcoming industrial strategy, the Government should set out specific measures to address pay precarity among freelancers working across the creative industries, such as a guaranteed basic income or minimum hourly wage. (Recommendation, Paragraph 136)
40. The film and HETV industry will continue to lose workers if it does not address systemic issues with working conditions, and the Government should hold it accountable for doing so. The prioritisation of the predominantly freelance creative industries in the industrial strategy, and the Government's wider commitment to employment rights, makes the case for giving freelancers a dedicated voice within policymaking stronger than ever. (Conclusion, Paragraph 141)
41. We repeat our predecessor Committee's call for the Government to appoint a Freelancers' Commissioner, with appropriate powers and cross-departmental oversight. The Freelancers' Commissioner should work with the film and HETV industry to develop a framework for addressing pay precarity, hours, working conditions and behaviours that is published within 12 months of their appointment. (Recommendation, Paragraph 142)
42. It is in the film and HETV industry's interests to tackle bullying and harassment through effective self-regulation. Yet for the Creative Industries Independent Standards Authority (CIISA) to operate effectively, the industry must see supporting it financially and ideologically to be a fundamental part of operating in the UK. That has not yet happened. The Government must send a strong message that it is prepared to use all means at its disposal to compel the creative industries, including the film and HETV sectors specifically, to support CIISA. (Conclusion, Paragraph 148)
43. All parts of the creative industries under CIISA's remit should commit to unconditional, long-term funding within six months. In the meantime, the Government should explore all options for funding CIISA in case the industry does not deliver a voluntary solution. If linking eligibility for Audio-Visual Expenditure Credits with support for CIISA is too complex and will potentially deter inward investment, industries under CIISA's remit could be subject to a levy to fund its work. (Recommendation, Paragraph 149)
44. The industry's attempts to become more inclusive and representative of communities across the UK have made some progress in terms of the stories that are being told and the people working in front of and behind the camera. But the film and HETV sectors remain highly under-representative, and more must be done. (Conclusion, Paragraph 153)

- 45.** We recommend that the BFI significantly increase the number of funded short film schemes in the nations and regions. This could be rapidly delivered through BFI Skills Clusters by targeting funding to schemes giving the next generation of filmmakers the chance to develop their skills and professional reputations. (Recommendation, Paragraph 154)

Cinema exhibition

- 46.** The problem facing cinemas is not that too few films are being released; it is that there is not enough variety and quality in the films that are reaching cinemas to tempt cinemagoers through the doors. The solution is therefore not simply more films, but better films with improved marketing. That should in part be addressed by Government through our recommendation for a distribution tax relief (paragraph 27), which will help to grow domestic demand for British films and enable cinemas to benefit from the Independent Film Tax Credit. (Conclusion, Paragraph 166)
- 47.** It is understandable that the exhibition sector seeks a VAT reduction when it faces so many challenges around costs, box office revenue and infrastructure. However, those calls must be considered alongside the regular requests we hear for reduced rates of VAT from across the creative industries, and the Government's broader economic and policy position. The Government has ignored previous calls to assess the impact of VAT cuts on live music, but now the creative industries are a key pillar of its industrial strategy, it should think again. (Conclusion, Paragraph 173)
- 48.** We recommend that the Government reviews the impact of a permanent cut to VAT on entry to cultural events, including cinema tickets, to identify whether it would support the growth of the creative industries. (Recommendation, Paragraph 174)
- 49.** Independent cinemas need and deserve organisational and capital funding to continue to perform their vital cultural roles in the heart of communities. Without it, there is a risk that the Culture Recovery Fund's investment in independent cinemas will have been for nothing. However, supporting this part of the sector should not divert money from commercial cinemas, which serve a cultural function of their own and are also under significant pressures. (Conclusion, Paragraph 177)
- 50.** The Government should fund the BFI's proposals to deliver core funding, similar to Arts Council England's National Portfolio Organisation model, for independent cinemas. This should include a capital funding pot to upgrade cinemas' infrastructure and improve their energy efficiency. (Recommendation, Paragraph 178)

Impact of Artificial Intelligence

51. Industry guidelines based around protecting human creativity in the use of generative AI are welcome, but the film and TV sectors are calling out for help to embrace the growth potential of generative AI in a way that is fair, responsible and legally compliant. (Conclusion, Paragraph 185)
52. At the Spending Review, the Government should fund the BFI's development of an AI observatory and tech demonstrator hub to enable it to provide effective leadership around the industry's use of AI. (Recommendation, Paragraph 186)
53. The Government's AI Sector Champion for the creative industries, once appointed, should work with the industry to develop an AI certification scheme for the ethical use of generative AI in film and HETV. In setting out guidelines for the responsible use of generative AI, the scheme should consider the interests of copyright holders, creatives and audiences. To ensure compliance and protect the industry from irresponsible use of AI tools, the Government should mandate certification for UK-based broadcasters or productions claiming tax incentives and National Lottery funding. (Recommendation, Paragraph 187)
54. Getting the balance between AI development and copyright wrong will undermine the growth of our film and HETV sectors, and wider creative industries. Proceeding with an 'opt-out' regime stands to damage the UK's reputation among inward investors for our previously gold-standard copyright and IP framework. (Conclusion, Paragraph 193)
55. The Government should abandon its preference for a data mining exception for AI training with rights reservation model, and instead require AI developers to license any copyrighted works before using them to train their AI models. (Recommendation, Paragraph 194)
56. Our world-class creatives are the lifeblood of the UK's film and HETV sectors. However, the rapid growth of generative AI technologies threatens their earnings and future employment opportunities. This is not just an issue for one part of the industry: it about real lives and livelihoods, and the impact will be felt by the most vulnerable. (Conclusion, Paragraph 197)
57. Although the film and HETV industry may be motivated to protect performers' interests, with the history of collective bargaining agreements equipping it do so, that situation is not common across all the creative industries. The UK's patchwork of copyright, intellectual property and data protection legislation is failing to protect performers from the nefarious use of generative AI technologies, such as unauthorised voice cloning and deepfakes. (Conclusion, Paragraph 206)

- 58.** The Government should legislate to prevent historical contract waivers from being interpreted to allow the use of recorded performances by AI tools. (Recommendation, Paragraph 207)
- 59.** Within the next six months the Government should also conduct a review of the Copyright, Designs and Patents Act 1988 and the UK's GDPR framework to consider whether further legislation is needed to prevent unlicensed use of data for AI purposes. (Recommendation, Paragraph 208)
- 60.** We repeat our predecessor Committee's calls for the Government to implement the Beijing Treaty within the next six months, including extending unwaivable moral rights to audiovisual performances. (Recommendation, Paragraph 209)

The work of the BFI

- 61.** Too often the BFI's responsibilities have been expanded by the Government without a commensurate, long-term increase in the grant-in-aid support available to it. That has put the UK's reputation with inward investors at risk and could undermine the growth of the vital sectors under its remit. (Conclusion, Paragraph 216)
- 62.** At each Spending Review, the Government should ensure any recent or upcoming changes to the screen sector's tax incentives, including but not limited to the addition of new forms of expenditure credit, are reflected in a commensurate increase in the grant-in-aid settlement for the BFI's Certification Unit. (Recommendation, Paragraph 217)
- 63.** The amount of National Lottery funding available to the BFI must reflect its role and remit, which has changed considerably since the allocations were last set. Determining where an increase for the BFI might come from, however, requires a thorough review across the different sectors and distributing bodies. Such a review is long overdue, and should not be delayed by the protracted uncertainty around the level of returns for good causes under Allwyn. (Conclusion, Paragraph 222)
- 64.** We recommend the Government conducts a review of how National Lottery returns for good causes are allocated between distributing bodies by the end of the 2025-26 financial year. (Recommendation, Paragraph 223)
- 65.** To safeguard our national collection of film and TV, and increase public access to it, the Government should introduce and resource a statutory deposit scheme for the moving image. Given the complexity and resource implications of this, the Government should first conduct research into a statutory deposit scheme for the moving image to be published within 12 months. This research should determine the potential scope of such

a scheme, the changes that would have to be made to the BFI National Archive, including expansion of its conservation centre, and the initial and ongoing costs of the scheme for publishers and the BFI. (Recommendation, Paragraph 232)

- 66.** The Government should introduce targeted copyright exemptions that allow for greater access to archive material without harming copyright holders. Those include adjusting legislation concerning ‘dedicated terminals’, broadening the definition of ‘educational establishments’, amending the ‘2039’ rule, and introducing exemptions for orphan works and commercially unavailable works. (Recommendation, Paragraph 234)
- 67.** The Government, in collaboration with the screen heritage sector and education providers, should develop a degree-level apprenticeship standard for film preservation and presentation within the next 24 months. To enable education institutions to deliver apprenticeships with small student cohorts, the Growth and Skills Levy should provide dedicated funding to make it economical for them. (Recommendation, Paragraph 237)
- 68.** Within the next 12 months, the Government should work with the BFI and wider screen heritage sector to create a National Screen Heritage Strategy, including in the areas of funding, skills and infrastructure. The strategy should be reviewed and renewed periodically, to maintain focus on the needs and resilience of screen archives, rather than being allowed to expire and once again leave screen archives at risk. (Recommendation, Paragraph 241)

Formal minutes

Tuesday 1 April 2025

Members present:

Dame Caroline Dinenage, in the Chair

Bayo Alaba

Zöe Franklin

Rt Hon Damian Hinds

Dr Rupa Huq

Natasha Irons

Liz Jarvis

Paul Waugh

Report Consideration

Draft Report (*British film and high-end television*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 241 read and agreed to.

Annexes agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

Adjournment

Adjourned till Tuesday 22 April at 2.00 pm.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee’s website.

Wednesday 11 December 2024

Martin Adams, Co-founder, Metaphysic; **Benjamin Field**, Executive Producer, Deep Fusion Films; **Nick Lynes**, Co-Chief Executive, Flawless [Q1-18](#)

Liam Budd, Industrial Official for Recorded Media, Equity; **Ed Newton-Rex**, Chief Executive, Fairly Trained; **Dr Mathilde Pavis**, Consultant [Q19-33](#)

Tuesday 7 January 2025

Jane Featherstone, Founder and Chief Creative Officer, Sister [Q34-62](#)

Tuesday 28 January 2025

Ben Roberts, Chief Executive, British Film Institute (BFI); **Jay Hunt OBE**, Chair, British Film Institute (BFI) [Q63-107](#)

Sir Chris Bryant MP, Minister for Creative Industries, Arts and Tourism, Department for Culture, Media and Sport; **Alastair Jones**, Deputy Director, Creative Industries, Department for Culture, Media and Sport [Q108-168](#)

The predecessor Committee held the following oral evidence sessions in 2024. Transcripts can be viewed on the predecessor Committee’s [inquiry publications page](#) of the Committee’s website.

Tuesday 23 January 2024

Gurinder Chadha OBE, Writer, Director and Producer [Q1-36](#)

Phil Clapp, Chief Executive, UK Cinema Association; **Andy Leyshon**, Chief Executive, Film Distributors’ Association; **John McVay OBE**, Chief Executive, Pact [Q37-79](#)

Wednesday 21 February 2024

James Hawes, Director [Q80-116](#)

Rebecca O'Brien, Producer, Sixteen Films [Q117-154](#)

Ollie Madden, Director, Film4; **Eva Yates**, Director, BBC Film [Q155-192](#)

Tuesday 19 March 2024

Jane Tranter, Co-Founder and Chief Executive, Bad Wolf [Q193-234](#)

Neil Hatton, Chief Executive, UK Screen Alliance; **Andrew M Smith OBE DL**, Corporate Affairs Director, Pinewood Group Limited; **Adrian Wootton OBE**, Chief Executive, British Film Commission [Q235-284](#)

Tuesday 23 April 2024

Mark Cosgrove, Head of Cinema, Watershed; **Catharine Des Forges**, Director, Independent Cinema Office [Q285-311](#)

Clare Binns, Managing Director, Picturehouse Cinemas; **Alex Hamilton**, Chief Executive, Studiocanal UK; **Tim Richards CBE**, Chief Executive, Vue [Q312-345](#)

Wednesday 8 May 2024

Chris Bird, Director, Prime Video UK, Amazon; **Gidon Freeman**, Senior Vice President, Government and Regulatory Affairs, NBCUniversal International Ltd.; **Benjamin King**, Senior Director of Public Policy, UK and Ireland, Netflix; **Mitchell Simmons**, Vice President, Public Policy & Government Affairs EMEA, Paramount [Q346-403](#)

Tuesday 21 May 2024

Georgia Brown, Chair, Screen Sectors Skills Task Force; **Dr Jon Wardle**, Director, National Film and Television School; **Sara Whybrew**, Director of Skills and Workforce Development, British Film Institute [Q404-448](#)

Laura Mansfield, Chief Executive, ScreenSkills; **Myriam Raja**, Writer and Director; **Dominique Unsworth MBE**, Chief Executive, Resource Productions [Q449-486](#)

Philippa Childs, Deputy general secretary and Head, Bectu; **Marcus Ryder**, Chief Executive, The Film and TV Charity [Q487-520](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

BF numbers are generated by the evidence processing system and so may not be complete.

1	BBC	BF20009
2	British Film Institute	BF20021
3	Badwolf	BF20018
4	Bectu	BF20008
5	British Film Commission	BF20005
6	British Screen Forum	BF20013
7	COBA (Association for Commercial Broadcasters and On-demand services)	BF20001
8	Equity	BF20019
9	Fairclough, Professor Kirsty (Research and Innovation Lead for the School of Digital Arts at Manchester Metropolitan University)	BF20002
10	Featherstone, Jane (Founder and Chief Creative Officer, SISTER)	BF20023
11	Film Distributors' Association	BF20004
12	Independent Cinema Office	BF20012
13	Kosminsky, Peter (Writer and director of television drama)	BF20022
14	Pact (Producers Alliance for Cinema and Television)	BF20003
15	Screen Scotland	BF20006
16	ScreenSkills	BF20010
17	The Film and TV Charity	BF20011
18	UK Cinema Association	BF20007
19	Watershed	BF20015

The following written evidence to the inquiry into British film and high-end television (HC 157) can be viewed on the [inquiry publications page](#) of the Committee's website.

FIL numbers are generated by the evidence processing system and so may not be complete.

20	AD Branch Bectu & AD Guild	FIL0071
21	Altham, Mr Jon	FIL0118
22	Amazon	FIL0135
23	Animation UK	FIL0102
24	Anonymised	FIL0121
25	Anonymised	FIL0060
26	Anonymised	FIL0030
27	Anonymised	FIL0015
28	Anonymised	FIL0008
29	Ashton, Dr Heidi (Associate Professor, University of Warwick)	FIL0066
30	Association of Camera Operators (ACO)	FIL0137
31	Association of Motion Picture Sound	FIL0035
32	BAFTA albert	FIL0145
33	BBC	FIL0078
34	BBFC	FIL0026
35	Bectu	FIL0088
36	Birds' Eye View Films (trading as Reclaim The Frame)	FIL0051
37	Bramley, Dr Ryan (Lecturer in Education & Academic Lead for Student Support, University of Sheffield)	FIL0134
38	British Academy of Film and Television Arts (BAFTA)	FIL0057
39	British Film Commission	FIL0103
40	British Film Designers Guild	FIL0033
41	British Film Institute	FIL0126
42	British Film Institute	FIL0144
43	British Independent Film Awards C.I.C.	FIL0085
44	British Screen Forum	FIL0059
45	Brownian Motion	FIL0050
46	CAMA AssetStore	FIL0041

47	Champion, Dr Katherine (Senior Lecturer Media and Communications, University of Stirling); and Kelly, Dr Lisa (Senior Lecturer Television Studies, University of Glasgow)	FIL0122
48	Channel 4 Television Corporation	FIL0109
49	Chordia, Mr Neil (Head of Scripted/Executive Producer, ie:entertainment)	FIL0062
50	City-Region Economic Development Institution (City-REDI), University of Birmingham	FIL0044
51	Clayton, Rafe (Lecturer, University of Leeds)	FIL0048
52	COBA	FIL0063
53	Costume Symposium UK	FIL0038
54	Craig, Paul (Executive Producer / CEO at Viewtorch Pictures Media)	FIL0037
55	Creative Industries Independent Standards Authority (CIISA)	FIL0073
56	Creative Industries Policy and Evidence Centre	FIL0111
57	Creative UK	FIL0093
58	Crofts, Dr Charlotte (Professor of Cinema Arts at University of the West of England)	FIL0012
59	Day One Trust & The London Screen Academy	FIL0047
60	Department for Culture, Media and Sport	FIL0061
61	Directors UK	FIL0115
62	Doc Society	FIL0130
63	Documentary Film Council	FIL0127
64	Documentary Producers UK	FIL0141
65	Elle Jay Bea HR Consulting Ltd	FIL0090
66	Equity	FIL0056
67	Erhabor, Mario (Creative Consultant, EMACHE Studios)	FIL0014
68	Fenton, Mrs Ann (Hair & Makeup Supervisor, Sminko Ltd)	FIL0009
69	Fenwick, Dr James (Associate Professor, Department of Culture and Media, Sheffield Hallam University)	FIL0112
70	Feref	FIL0136
71	Film Archives UK	FIL0124
72	Film Distributors' Association (FDA)	FIL0053
73	Film Diversity Action Group	FIL0031
74	Film Export UK	FIL0082

75	Film Hub Wales	FIL0020
76	Film London	FIL0117
77	Fleet, Mr Danny (Founder and Executive Producer, Presence Team)	FIL0139
78	Fluidity Films Ltd	FIL0019
79	Franklin, Dr Michael (Lecturer in Creative and Cultural Entrepreneurship, Goldsmiths College, University of London)	FIL0027
80	Fulwell 73	FIL0095
81	Gleason, Mr. Alexander	FIL0075
82	Goodridge, Mr Mike (Chief executive, Good Chaos Ltd)	FIL0054
83	Griffin, Dr Ken	FIL0138
84	Guerilla Films Limited	FIL0016
85	Hertfordshire Local Enterprise Partnership	FIL0080
86	Historic Houses	FIL0017
87	Independent Film & Television Alliance [IFTA]	FIL0086
88	Independent Cinema Office	FIL0068
89	Knight, Louis (3D Modeller/Concept Artist at Self employed)	FIL0006
90	Kuhn, Mr Michael (Chair, Qwerty Films Ltd)	FIL0002
91	Liverpool Film Office	FIL0052
92	Magic Dust Visual Effects Ltd	FIL0011
93	Mark Milsome Foundation	FIL0097
94	Miah, Professor Andy (Chair of Science Communication & Future Media, University of Salford, Manchester)	FIL0042
95	Mistry, Miss Meera (Producer/AP and PC, Meera TV Ltd)	FIL0081
96	Morgan, Theo	FIL0074
97	Motion Picture Association	FIL0113
98	Musicians' Union	FIL0043
99	NBCUniversal International Ltd.	FIL0070
100	National Film and Television School	FIL0023
101	Newell, Mr. Mark	FIL0096
102	North East Screen	FIL0004
103	Northern Ireland Screen	FIL0100
104	Pact (Producers Alliance for Cinema and Television)	FIL0098
105	Paramount	FIL0132

106	Parsons, Ms Katherine (Media Consultant and Executive Producer, Self employed); Bonadio, Dr Enrico (Reader, City University); and Alae-Carew, Mr Naysun (Managing Director, Blazing Griffin)	FIL0105
107	Patel, Mr Kalpesh (Independent Filmmaker)	FIL0001
108	Pinball London Ltd	FIL0125
109	Pinewood Group Limited	FIL0129
110	Producers Collective UK	FIL0116
111	Prop Makers Ltd	FIL0013
112	Purse, Professor Lisa (Professor of Film, University of Reading); Lees, Dr Dominic (Associate Professor in Filmmaking, University of Reading); Philip, Mr Andrew (Knowledge Exchange Fellow, University of Reading); and Ghosh, Dr Shweta (Lecturer in Screen Practices and Industries, University of Reading)	FIL0065
113	Puttnam, Lord David (CEO & Founder Atticus Education; Independent Film Producer; Member of the House of Lords (1997 – 2021))	FIL0049
114	Qureshi, Faisal (Producer/Writer, Freelance)	FIL0089
115	Reel Cinemas	FIL0007
116	ReelTime Media	FIL0036
117	Roxburgh Production Fund	FIL0143
118	Roxburgh Production Fund	FIL0039
119	S4C	FIL0120
120	SLVision	FIL0034
121	Screen Alliance North; Screen Manchester; Liverpool Film Office; and North East Screen	FIL0123
122	Screen Manchester	FIL0087
123	Screen Scotland	FIL0119
124	Screen Yorkshire	FIL0108
125	ScreenSkills	FIL0055
126	Simmons, Miss Helen (Producer / Company Director, Erebus Pictures Limited)	FIL0072
127	Sky	FIL0091
128	Smith, Dr Martin (Visiting Fellow in Creative Industries, Goldsmiths in the University of London)	FIL0005

129	Smith, Dr Martin (Visiting Fellow in Creative Industries, Goldsmiths in the University of London)	FIL0142
130	Smits, Dr Roderik (Research Fellow, University Carlos III of Madrid)	FIL0040
131	Society of Authors	FIL0092
132	Speirs, Kathy (Producer, Up Helly Aa Ltd)	FIL0079
133	Stead	FIL0069
134	Sunderland City Council	FIL0077
135	Szemeredy, Zsofia (Co-Founder, Green Eyes Productions Ltd.)	FIL0003
136	Teledwyr Annibynnol Cymru (TAC)	FIL0104
137	The Film and TV Charity	FIL0022
138	The Heritage Alliance	FIL0114
139	The Ivors Academy of Music Creators; and The Musicians' Union	FIL0067
140	Thulsa Doom	FIL0131
141	Triana, Mr Eugenio (Course Leader and Senior Lecturer, Film Distribution and Marketing Masters, Birmingham City University)	FIL0107
142	UK Cinema Association	FIL0101
143	UK Coalition For Cultural Diversity	FIL0028
144	UK Research and Innovation	FIL0064
145	UK Screen Alliance	FIL0084
146	University of York	FIL0018
147	VMI.TV Ltd	FIL0024
148	VisitBritain/VisitEngland	FIL0021
149	WGGB - Writers' Guild of Great Britain	FIL0083
150	Wallis, Dr Richard (Principal Academic, Bournemouth University); and van Raalte, Dr Christa (Associate Professor, Bournemouth University)	FIL0025
151	Warner Bros. Discovery	FIL0133
152	Watershed	FIL0029
153	Welsh Government	FIL0128
154	Yorkshire Film Archive	FIL0106

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

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Number	Title	Reference
3rd Special	Grassroots music venues: Government response	HC 380
2nd Special	Trusted voices: Government response	HC 292
1st Special	Creator remuneration: Government response	HC 293