

Culture, Media and Sport Committee

British film and high-end television: Government Response

Fourth Special Report of Session 2024–25

HC 1123

Culture, Media and Sport Committee

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Contacts

All correspondence should be addressed to the Clerk of the Culture, Media and Sport Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6188 | 020 7219 1679 (media enquiries); the Committee's email address is CommonsCMS@parliament.uk. You can follow the Committee on X (formerly Twitter) using [@commonsCMS](https://twitter.com/commonsCMS).

Fourth Special Report

The Culture Media and Sport Committee published its First Report of Session 2024–25, [British film and high-end television](#) (HC 328), on 10 April 2025. The Government Response was received on 27 June 2025 and is appended below

Appendix: Government Response

Introduction

The government welcomes the Committee’s report on British film and high-end television (HETV), noting the significant time and commitment dedicated by the current Committee and its predecessor Committee in the last Parliament. We fully support the fundamental tenets of the report: that our vibrant UK film and HETV industry makes a vital economic, social and cultural contribution to the UK, and that it requires active support to thrive.

The government’s commitment to this industry is absolute. We want the UK to be the best place in the world to make films and HETV, which is why film and TV has been identified as a priority for growth within our Creative Industries Sector Plan, which itself is a key component of the government’s Industrial Strategy. We have, with the Committee’s permission, delayed our response to the Committee’s report, so as to be able to incorporate key aspects of the Sector Plan into our response.

In short, we want a healthy, mixed film and TV landscape, where public service broadcasters provide an engine room of creativity; where a strong independent sector creates more UK IP, producing and distributing British content seen at home and around the world; and where major inward investment continues to inject money into the economy, create jobs and nurture our creative and technical skills excellence.

UK film and HETV content is amongst the best, from *Bridgerton* to *Bridget Jones*, and *Rivals* to *Rye Lane*, with iconic characters like Paddington, Wallace & Gromit and Harry Potter recognised around the world. UK production spend on film and HETV reached £5.6 billion in 2024, a 31% increase since 2023, with £4.8bn of this total coming from inward investment and co-productions.¹ There are over 180,000 passionate, talented people working across film and television production.² And we are at the cutting edge of creativity, with our strength in visual effects and virtual production positioning us well for next-generation content creation.

The industry has experienced a tumultuous few years, from Covid-19 creating a period of hyper-demand, to the US Guild strikes in 2023 shutting down much of the production sector overnight, to newer concerns about the future of our mutually beneficial links with the US. The government recognises the challenges our domestic sector is facing - rising production costs,³ barriers in accessing finance, challenges around IP retention, difficulty finding freelance work,⁴ skills gaps,⁵ diversity challenges, and worsening mental health.⁶ We agree with the Committee on the need to ensure the resilience of our domestic sector and protect our domestic workforce, which is the bedrock of future growth and the only way to ensure the UK remains a powerhouse of British content creation.

We will also remain a strong global partner and retain our position as a destination of choice for inward investment. This is a globally interconnected industry where productions are by their very nature international partnerships developed across borders and seeking international audiences. A strong UK industry provides mutual benefits to both the UK and its international partners, and we will continue to support the sector to collaborate with global partners and investors. We recognise there is no room for complacency in maintaining our international position of strength, with many other countries offering generous tax incentives, infrastructure investment, and financial support for content creation.⁷

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- 1 Inward investment in HETV was £2.8bn, a 36% increase since 2023, and inward investment in film was £1.85bn, a 78% increase since 2023. British Film Institute (2025) [Official BFI statistics](#)
 - 2 https://www.screenskills.com/media/pfcoubcw/ampere_sizing-workforce_final-report_2025.pdf
 - 3 [Lights, camera, cash: UK TV and film is booming but is everyone in on the action? | The National](#)
 - 4 https://www.screenskills.com/media/pfcoubcw/ampere_sizing-workforce_final-report_2025.pdf
 - 5 https://www.screenskills.com/media/pfcoubcw/ampere_sizing-workforce_final-report_2025.pdf
 - 6 <https://filmtvcharity.org.uk/stories-events/news/2024-looking-glass-report/>
 - 7 Olsberg SPI [The Global Incentives Index—Olsberg SPI](#)

The government agrees with the Committee that it is not just production but distribution and exhibition that underpin the economic and cultural success of the film and TV sector. Indeed, films that have a theatrical release tend to outperform ‘straight-to-streaming’ films.⁸ We recognise the challenges that cinemas are facing whilst still recovering from the impact of Covid-19. Whilst there have been changes in viewer habits and box office figures are yet to reach pre-pandemic levels,⁹ the box office success of recent releases such as *A Minecraft Movie* and *Mission: Impossible – The Final Reckoning* show that UK audience appetite for the big screen experience remains.¹⁰

We are already taking steps to stimulate the further growth of this sector, enhancing our competitive tax incentives with new tax support for independent film and an uplift in relief for visual effects, and providing business rates relief for film studios and for cinemas and other retail, hospitality and leisure businesses. Through the Sector Plan, we have announced a raft of new measures to support the growth of the creative industries, including film and TV as a priority, with action to tackle barriers in accessing finance; to accelerate innovation-led growth; to build a resilient, skilled creative workforce; and to deliver a forward-looking intellectual property regime that supports and protects rightsholders. We will also boost international trade and export, with a programme of activity to generate new international capital and a significantly expanded trade mission presence in key markets to support the UK film and HETV industry.

The Sector Plan will deliver a new £75 million Screen Growth Package over three years (2026–29) to develop independent UK screen content, support inward investment, and showcase the best of UK and international film. This includes a scaled-up UK Global Screen Fund;¹¹ funding to support studio infrastructure and provide tailored support services to film and HETV productions across the UK; and support to boost exports and celebrate UK creativity. In addition, we are providing £150 million funding to six priority Mayoral Strategic Authorities to develop their creative clusters, including regional film and TV hubs.

We will also provide dedicated funding to strengthen the pipeline of talent for the future screen workforce. To expand the world-leading National Film and Television School, the government will provide £10 million capital funding, subject to a full business case, to unlock a further £11 million of

8 <https://entertainmentstrategyguy.com/2023/04/05/the-data-is-in-theatrical-films-massively-outperform-straight-to-streaming-films/#:~:text=Theatrical%20films%20tend%20to%20have,released%20only%20in%20one%20window>

9 <https://filmdistributorsassociation.com/wp-content/uploads/FDA-Yearbook-2025-WEBSITE-11-APRIL.pdf>

10 <https://www.bfi.org.uk/industry-data-insights/weekend-box-office-figures>

11 [UKGSF independent evaluation](#) (2024) found every £1 of UKGSF funding generates £22 of net benefit.

private investment, including from the Walt Disney Company, the Dana and Albert R. Broccoli Foundation and Sky.¹² In addition to modernising facilities, providing a fully accessible offer for disabled students, and ensuring course provision remains at the cutting edge of technology, this expansion will create around 2,000 new trainees and apprenticeships over the next decade, ensuring a pipeline of highly skilled industry-ready workers for the sector. As part of the Screen Growth Package, we will also scale up the BFI Film Academy (2026–2029) to support 16–25-year olds from underrepresented backgrounds to enter the film industry.

The Sector Plan additionally sets out measures we will take to support public service broadcasters (PSBs). PSBs are at the heart of driving growth across our film and HETV industry,¹³ and we want to ensure they are financially stable and able to adapt to and compete in changing global markets.

We have provided a response below to each of the recommendations directed at government, grouping them where appropriate. We have consulted the BFI, as an arm's length body of DCMS, on our response where directly relevant. The BFI plays a vital role in promoting our screen sectors, supporting the next generation of creators, and preserving our screen heritage. DCMS, the BFI and wider screen industry partners will continue to work together to support and drive the future growth of the sector.

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. (Paragraph 19)

Whilst no changes are planned to the definition of R&D for tax relief purposes, the Creative Industries Sector Plan announced that HMRC will publish revised guidance for the R&D tax reliefs. This will clarify that, where a project seeks an advance in science or technology, arts activities that directly contribute to the advance by resolving scientific or technological uncertainties are within the definition of R&D for the reliefs, and their qualifying costs, such as salaries, can qualify for relief. This guidance will be published in 2025 and will clarify that eligible interdisciplinary innovation can be supported by R&D tax relief.

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. (Paragraph 22)

12 As well as Banijay, Buckinghamshire Council, Channel 4, ITV, John Gore Studios, Mark Baker, and Sony Pictures Television

13 Pact (2024), [Celebrating 20 Years of the Terms of Trade Report](#)

The Enterprise Investment Scheme and Seed Enterprise Investment Scheme are designed to encourage investment in higher-risk, early-stage companies which face the biggest challenges in accessing growth capital. They are open to the film sector, with HMRC guidance including a specific example of a qualifying film company. Where screen companies meet the eligibility criteria and the aim of the schemes to grow and develop their businesses in the long term, these schemes can be seen as viable avenues to support early stage film, TV, animation and video games businesses. The government will continue to work with stakeholders to ensure the effectiveness of these schemes. We do not plan to undertake a specific review of the impact of changes to the schemes to present to the Committee.

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. (Paragraph 27)

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 (AVEC) 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. (Paragraph 49)

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. (Paragraph 75)

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. (Paragraph 86)

The government has shown its commitment to keeping the UK's Audio-Visual Expenditure Credit (AVEC) competitive by providing additional support for independent films at a rate of 53% and introducing a 5% uplift in relief for VFX costs as of 1 April 2025. We will continue to work with stakeholders to ensure the continued effectiveness of AVEC reliefs.

The government regularly engages with the BFI and the British Film Commission on the competitiveness of the UK's offer, and analysis of global incentives is produced regularly by Olsberg SPI.¹⁴ Government benchmarking global incentives every six months would be a disproportionate exercise, not least because what attracts film makers to the UK is much broader than just our competitive tax incentives, with government investment in infrastructure, funding to attract inward investment, and support for skills development also contributing to our overall competitiveness.

There are a multitude of factors to consider when deciding on new tax reliefs beyond return on investment and sector impact, and the government is committed to ensuring that all public money is spent and targeted effectively across the full breadth of the creative industries and the economy. The Chancellor makes decisions on tax policy at fiscal events in the context of the wider public finances.

One of the major attractions of the UK's tax incentives, beyond their competitiveness, is the ease, simplicity and consistency of the process. The government therefore currently has no plans to introduce additional complexities on reporting spending across nations and regions. We do strongly agree with the Committee on the merits of having better data on regional spend, and government will engage with BFI and industry partners to better understand the feasibility of reporting regional spend on a voluntary basis.

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. (Paragraph 33)

We agree. The UK Global Screen Fund is a valuable and well-regarded programme,¹⁵ and as part of our new £75 million Screen Growth Package (2026–2029) the government has committed to scaling up the Fund from the current £7 million per year to £18 million per year. The Fund has already contributed to the success of countless award-winning films and screen businesses. This increased funding will support the distribution of up to 200 films and the creation of up to 75 new international film and TV co-productions, and will support up to 175 screen businesses to develop their international capability.

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. (Paragraph 35)

14 <https://www.o-spi.com/projects/blog-global-incentives-index>

15 [UK Global Screen Fund \(UKGSF\) independent evaluation](#) (2024)

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. (Paragraph 92)

The government has reset our relationship with our European neighbours. We want to use our strengthened ties to deliver a long-term UK-EU strategic partnership to improve lives and bolster prosperity, including within the arts and creative sectors. This is why the first ever UK-EU Summit on 19 May recognised the value of cultural and artistic exchange.

Whilst we do not have any plans to rejoin Creative Europe, we recognise these sectors' unique and valuable contributions to Europe's diverse cultural landscape, and the economic benefits that relationship brings. We are supporting the international ambitions of the cultural and creative industries through various initiatives, including by scaling up the UK Global Screen Fund that supports UK independent screen content in reaching international audiences.

The government is engaging at all levels with European partners. We are mindful that the Audiovisual Media Services Directive is currently the subject of a formal review by the European Commission, and we are clear about the mutual benefits of the UK's position in the European audiovisual ecosystem. We do not believe that sharing with the Committee any assessment related to ongoing engagement or policy developments would be appropriate or ultimately beneficial for the UK's international relations.

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. (Paragraph 56)

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. (Paragraph 62)

We are committed to supporting and strengthening our domestic sector, and we recognise the challenges this part of the sector, including UK producers, have experienced. We want to see the sustained production of culturally relevant UK content, and to ensure the right conditions for

domestic producers to benefit from the IP they have created. We want a healthy, mixed film and TV ecology and we welcome inward investment, including from SVoD services. One of the benefits of a mixed ecology is that producers can strike deals both with streamers, which typically involve higher upfront fees, and with PSBs, whose terms of trade mean that secondary rights normally remain with the producer. Investment from SVoD services contributes to the success of our domestic sector, from creating jobs to investing in the skills pipeline through training programmes such as Amazon's *Prime Video Pathway*, direct investments such as Disney's contribution to the new National Film and Television School expansion, and opportunities to learn on the job on some of the biggest productions in the world. This is not to mention the economic benefits, from Barbie contributing £80 million to the UK economy,¹⁶ to *Bridgerton* contributing £275 million to the UK economy and supporting 5,000 local businesses over the past five years.¹⁷

We are mindful, therefore, of the importance of enabling strong inward investment given the benefits it provides for our domestic industry and wider economy, and we have no plans to introduce a levy on SVoD services. In line with our objective to support a mixed ecology, we will however continue to engage with major SVoD services, with the independent production sector and with PSBs on how best to ensure mutually beneficial conditions for all parties.

As part of the Sector Plan, the government is also committed to removing barriers to growth for the sector by tackling barriers to accessing finance domestically, including through increased support from public finance institutions such as the British Business Bank, increasing the pool of debt and equity finance available to the creative industries. This includes exploring solutions that support and address the different challenges and needs of businesses in different creative sub-sectors, including in film and TV. The Industrial Strategy's focus on improving conditions for investment for UK businesses will put UK producers in a stronger position in terms of both financing projects and negotiating contracts on rights retention.

One of the most significant ways the government can support the film and HETV sector is to ensure we have a strong public service broadcasting landscape. Maintaining inward investment is part of this picture; we strongly welcome increased investment in UK content and want to see more successful co-productions between SVoD services and UK PSBs like BBC/HBO's *His Dark Materials* and BBC Three/Netflix's *A Good Girl's Guide To*

16 <https://www.theguardian.com/film/2023/nov/16/barbie-contributed-over-80m-to-the-uk-economy-says-warner-bros>

17 According to Netflix analysis <https://www.independent.co.uk/arts-entertainment/tv/netflix-bridgerton-season-3-uk-economy-b2562489.html>

Murder. We will build on the Media Act and Ofcom's Public Service Media review by taking action to support public service media and the wider television ecosystem.

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. (Paragraph 81)

The government is transforming business rates over the course of this Parliament, co-designing a fairer system with stakeholders including those in the creative sectors. We have already introduced a 40% reduction on business rates for eligible film studios in England until 2034. We are also supporting cinemas and other creative industries venues through permanently lower business rates multipliers for Retail, Hospitality and Leisure premises with rateable values under £500,000 from 2026/27. In the summer, the government will publish an interim report that sets out a clear direction of travel for the business rates system, with further policy detail to follow at Autumn Budget 2025.

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. (Paragraph 88)

It is vital that the British Film Commission (BFC) represents and promotes the full breadth of what the UK has to offer, and the government is supportive of the current CEO's delivery of this role. In doing so, the BFC must continue to ensure that all of its activity, engagement and communications are reflective of its UK wide remit. The government provides funding to the BFC to attract inward investment and support studio infrastructure across the UK. We will keep arrangements for the BFC under review as we do for all publicly funded bodies, ensuring value for money for public funding and the national and regional success of the creative industries.

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. (Paragraph 108)

The government agrees that public funding for ScreenSkills must be linked to their effective delivery. ScreenSkills is primarily funded through voluntary industry contributions through their Skills Investment Funds. In 2025/26, ScreenSkills is receiving grant funding for delivery of the Creative Careers Programme. This funding is linked to specific, measurable outcomes that align with programme objectives.

Under its new five-year strategy, ScreenSkills is already delivering new work including its comprehensive research piece on the screen workforce.¹⁸ This data is a vital first step in targeting future interventions successfully. We encourage ScreenSkills to remain ambitious in its goals, to continue to work to secure the confidence of industry, and to engage strategically with other bodies across the UK-wide skills landscape.

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. (Paragraph 114)

The government agrees with the Committee that having data on industry investment in skills and training is vital in order to understand the landscape, and to develop a coherent skills strategy that reduces the risk of fragmentation and delivers more value for money. Our view is that this should be an industry-led effort, continuing the industry-led work of the Screen Sector Skills Task Force,¹⁹ and we expect ScreenSkills to provide leadership and improve transparency in skills investment in the UK. We do not agree that a statutory intervention across the entire industry is proportionate, noting that such action would increase the regulatory burden on businesses - the majority of which are small businesses.

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.**
- (Paragraph 120)

Working with industry and Skills England, the government will refine and develop the Growth and Skills offer to deliver apprenticeships and skills training that recognises the particular needs of the creative industries. This will build on flexi-job apprenticeship agencies and the new flexibilities

18 https://www.screenskills.com/media/pfcoubcw/ampere_sizing-workforce_final-report_2025.pdf

19 <https://www.bfi.org.uk/industry-data-insights/reports/sustainable-future-skills-report-screen-sectors-skills-task-force>

that will be available, such as shorter duration apprenticeships, introduced from August 2025. We expect some of the first shorter apprenticeships to be available to apprentices training as Screen and Audio Production Assistants. We will ensure that we continue to consider the needs of smaller employers when developing our Growth and Skills offer.

We will go further by introducing short courses in England, funded through the Growth and Skills Levy, in areas such as digital, artificial intelligence and engineering. These will support Industrial Strategy sectors such as in creative industries and advanced manufacturing from April 2026. We will work with Skills England to determine the courses which will be prioritised in the first wave of rollout and subsequent waves, and how those sit alongside apprenticeships and other training routes. We will work with Skills England to introduce these short courses and consider how to prioritise investment across the programme.

We note the Committee's recommendation on ensuring portability of apprenticeships between employers. Portable apprenticeships help temporary/fixed-term employment roles, by allowing apprentices to break up the continuous minimum 12-month employment/training period across multiple productions, in keeping with the realities of work. We are in the process of exploring this with the sector.

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. (Paragraph 127)

We want a career in the creative industries to be open to everyone, whatever their background. We agree with the Committee that the breadth of roles required across the film and TV sector means that this industry truly has something to offer everyone.

The DCMS-funded Creative Careers Programme is designed to showcase the range of careers available across the creative industries, including in Film and HETV. The 2025/26 programme will give 100,000 young people encounters with creative employers and workplaces, deliver work experience placements, launch beyond England, work with DWP and DCMS to identify entry-level roles for Jobcentre customers, and run a communications campaign to encourage young people, particularly from disadvantaged backgrounds, to take up creative careers in priority growth regions. From 2026, government and industry will launch a refreshed £3 million per year creative careers service to equip the next generation of young people with the ambition and knowledge to work in the creative industries.

The Committee has also rightly recognised the work of industry in this space. In particular, the BFI is investing almost £6 million between 2023–2026 in a UK-wide National Lottery Careers & Progression Programme, delivered by Into Film, which is designed to support those aged 11–18 to learn about the breadth of screen careers. The BFI will review opportunities to build on the impact of this programme as they enter their next National Lottery funding period (2026/27–2028/29). Additionally, the government will scale up the BFI Film Academy, which raises awareness of work in film and HETV through courses, events and resources. An expanded BFI Film Academy programme will focus on reaching an even greater diversity of young people across the UK to encourage them into this sector.

The BFI has also been engaging with industry on the possibility of launching a Careers Festival – aiming to bring together education and industry to highlight career opportunities across the whole of the film, TV, and video games industry, hosted at BFI Southbank with potential delivery partner ‘spokes’ across the UK. This work will be carried out in coordination with Creative Careers Programme activity.

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. (Paragraph 136)

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. (Paragraph 142)

The government is committed to strengthening rights and protections to deliver good quality self-employment. DCMS will appoint a creative freelance champion to advocate for the sector’s freelancers within government. This is different to a commissioner role which requires establishing infrastructure and would take longer to implement. We will work closely with industry to develop this role, with a champion appointed in 2025.

More widely, we have already announced a package of measures to tackle late payments for small businesses and the self-employed, including a new Fair Payment Code, and are committed to introducing the right to a written contract, extension of health and safety and blacklisting protections for the self-employed.

The government has no plans to introduce a guaranteed basic income for creative freelancers, or minimum hourly wage over and above the national minimum wage.

The government will continue to support industry to deliver the Good Work Review Action Plan to strengthen job quality across the sector, which includes support for the self-employed. The BFI has invested £1.5 million of National Lottery funding in WorkWise for Screen²⁰ – providing industry with free-to-access resources and guidance to aid improved working practices such as contracting compliance, employment law and HR best practice. The BFI is also commissioning independent research which seeks to help productions find the ‘sweet spot’ between improving employment practices and worker retention whilst maintaining financial viability.

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. (Paragraph 149)

The government stands strongly against bullying, harassment and discrimination in any sector. We expect industry to continue to tackle this behaviour, including through strong, cross-industry support for the Creative Industries Independent Standards Authority (CIISA). We are not currently considering introducing any additional complexities into the AVEC system, or placing additional statutory burdens on businesses that may both deter inward investment and have an unsustainable impact on smaller businesses. The government will continue to work with industry to monitor the AVEC and its effectiveness on an ongoing basis. The Secretary of State has been clear and unequivocal in her support for CIISA’s work, and the government is working with industry to ensure their support. We are pleased that organisations including Sky, Warner Bros Discovery and the BBC have taken a strong stand, with the BBC announcing that they expect production companies working with them to support the CIISA Standards. However, far too many organisations have yet to offer support. We expect the sector to support CIISA and the Secretary of State reserves the right to intervene if this is not forthcoming.

20 <https://www.bfi.org.uk/news/bfi-invests-ps15-million-address-practices-negatively-impacting-industrys-workforce>

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. (Paragraph 154)

We welcome the Committee's recognition of the importance of short filmmaking, which is often the vital early step in the progression pipeline, and we strongly agree that public funding should support the next generation of filmmakers to emerge from every corner of the UK.

The BFI uses National Lottery funding to support, develop and fund early career filmmakers across the UK via the BFI NETWORK programme. Since launching in 2013, BFI NETWORK has supported hundreds of emerging filmmakers, many of which have secured award nominations (including BAFTA and Oscar® wins), achieved festival success and continued onto making longform work.

The BFI regularly reviews its offer to ensure a strong and effective talent progression pipeline. In consultation with awardees, the wider industry and stakeholders, it actively identifies and addresses gaps in support to maximise impact. Building on the success of its programmes to date, the BFI will continue to champion the next generation of diverse filmmaking voices, equipping them to shape the future of UK film. The government will maintain its close collaboration with the BFI to help realise this shared ambition.

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. (Paragraph 178)

We recognise the hugely important role that cinemas play; we know that a local cinema can be an anchor for a high street, bringing together communities and supporting regeneration.²¹ We are actively considering this recommendation and what we can do to further recognise the importance of cinemas within their local area. Broader government programmes not directly targeted at cinemas or the wider film and HETV sector also have the potential to deliver benefits for this industry. For example, the Plan for Neighbourhoods will provide £1.5 billion to 75 towns across the four corners of the UK over ten years – and places will be able to use their £20 million to enrich their cultural and media offering. To give a sense of the breadth of spend, places could, for example: support with skills provision, equipment, and facilities tailored for local opportunities, including for TV or film production; provide business support for local/small TV or film production

21 <https://www.bfi.org.uk/news/new-study-economic-value-cinemas>

companies; use their funds to put on film screenings; support locally led music and theatre performances; and refurbish, restore, or develop cultural and heritage assets, including local cinemas.

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.
(Paragraph 174)

The UK maintains a cultural VAT exemption for admissions charges for certain cultural exhibitions and events. This exemption applies to public bodies (such as local authorities) and other eligible bodies (such as charities) that satisfy certain conditions and exclusively provide performances of a theatrical, musical, or choreographic nature. The purpose of the exemption is to recognise the importance of these types of performances to our communities and culture, and to increase accessibility and take-up by consumers.

Whilst the government recognises the economic, social and cultural importance of cinemas, we have no plans to introduce a general VAT relief on entry to cultural events, including cinema tickets.

Furthermore, VAT reliefs can add complexity and administrative cost to the tax system and create opportunities for non-compliance. 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.

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.
(Paragraph 186).

As part of the Sector Plan, we are investing £25 million in five new CoSTAR research and development labs, which will help develop the next phase of augmented reality and motion capture technology including AI. It will also fund two showcase spaces to demonstrate new createch, film, TV and games innovations to investors. We will work with the Arts & Humanities Research Council and a range of partners including the BFI to deliver the proposition, which includes a tech demonstrator and other capabilities.

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. (Paragraph 187).

The government is committed to promoting growth and investment in the creative sector and supporting businesses to harness innovative technologies. We will appoint an AI Sector Champion in due course. The government's recent Copyright and AI consultation considered the labelling of generative AI outputs amongst other emerging issues in this area. We recognise the various industry initiatives to label AI outputs, and, as part of the consultation process, we are considering the case for regulation to ensure the labelling of AI outputs happens consistently. We will consider this as we develop our approach to AI regulation generally. However, we have concerns about creating a new scheme that could restrict innovation, in addition to our broader concerns that increasing the complexity of our tax incentives has the potential to make them less attractive.

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. (Paragraph 194)

The government is currently considering the 11,500 responses to its consultation and will provide its response in the coming months. The government recognises the need for this to be done properly and carefully in a considered, measured and reasoned way, and expects transparency measures to form an important part of any future legislative proposals. We are looking afresh at the whole range of options, keeping an open mind about what the answer might be. The government will, within nine months of Royal Assent of the Data (Use and Access) Act 2025, set out a detailed economic impact assessment on all options under consideration and a report on the use of copyright material for AI training, transparency and technical standards. This analysis will inform the government's position, alongside a series of expert working groups to bring together people from both the creative and AI sectors on the issues of transparency, licensing and other technical standards to chart a workable way forward, including enforceable legislation based on transparency and trust.

The government will also work with people from the creative and tech sectors on innovative approaches to licensing. As part of the Sector Plan, the government will establish a Creative Content Exchange to be a trusted market place for selling, buying, licensing, and enabling permitted access to digitised cultural and creative assets. It will allow content owners to commercialise and financialise their assets while providing data users with ease of access – helping to fuel the next wave of creative innovation.

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

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. (Paragraph 208).

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. (Paragraph 209).

The government keeps legal frameworks under review, including those relating to copyright and related rights, and data protection. The Data (Use and Access) Act 2025 contains a number of updates to the data protection framework. We have also committed to publishing a report on the use of copyright material for AI training and use. This will be published within nine months of Royal Assent, with a progress statement to be published after six months.

As evidential gaps remained after both a Call for Views and a public consultation, the government has had to undertake further analysis on the options for ratifying the Beijing Treaty. We will announce our intended approach when this work is complete. Although this means that we cannot commit at this stage to what legislative action will be taken, we note that the Beijing Treaty includes binding provisions on moral rights for audiovisual performances.

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. (Paragraph 217).

The BFI's Certification Unit is essential in underpinning the effective delivery of the UK's tax credits. We have been responsive to increasing demands on the Unit, returning turnaround times back to best practice levels through a £1 million increase in the BFI's Grant-in-Aid for 2024/25 and 2025/26. This funding will continue into the next Spending Review period (2026–2029) to provide stability and certainty for the Unit. We will continue to keep the resourcing of the Unit under review.

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. (Paragraph 223)

The current allocation of good cause funding has been in place since April 2012; this long-standing arrangement allows for distributors to undertake long term financial planning based on predicted income. The new lottery provider, Allwyn Entertainment Limited, are implementing their transition plans. The government believes it is important to maintain stability in the system and therefore will not commit to reviewing good cause allocations at this time.

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. (Paragraph 232)

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. (Paragraph 234)

The BFI undertakes a vital role in preserving our national screen heritage through the BFI National Archive, with funding provided by government for this purpose as part of the BFI’s Grant in Aid settlement. As the Committee notes, introducing a statutory deposit scheme would be complex, not least of all because the BFI National Archive is currently at capacity. The government will keep this recommendation under review but has no plans to introduce such a scheme. Similarly, whilst the government has no plans for legislative action to introduce copyright exemptions, we will keep this recommendation under consideration.

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. (Paragraph 237)

Apprenticeship standards are proposed and developed by employer-led trailblazer groups. We are not aware of any proposals for a film preservation apprenticeship but Skills England, the new body overseeing apprenticeships development, would consider any new proposals in the first

instance. The BFI would be happy to work with industry to develop proposals for a formalised pathway and training opportunity for the screen heritage sector.

60 occupational standards have been approved in the creative and design route, and a range of these are classified as highly specialised or endangered. This poses significant challenges for training providers and end-point assessment organisations (EPAOs) who are often hesitant to deliver apprenticeship training to very small cohort sizes, making the programmes financially and logistically unviable. Skills England will continue the work of the Institute for Apprenticeships and Technical Education (IfATE), collaborating with industry partners in identifying key themes affecting apprenticeship uptake, developing solutions to increase starts, and enhancing the quality of standards.

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.
(Paragraph 241)

The BFI would be best placed to work with the screen heritage sector on the creation of any new National Screen Heritage Strategy. The government will consider this recommendation with the BFI, but is not able to commit to undertaking the project at this stage without an assessment of the resource that would be required.