



**Response to  
Senedd Culture, Welsh Language, Sport and International Relations  
Committee inquiry into  
Culture and the new relationship with the EU**

**October 2023**

**CEU 11**

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Senedd Cymru | Welsh Parliament

**Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau  
Rhyngwladol | Culture, Communications, Welsh Language, Sport, and  
International Relations Committee**

**Diwylliant a'r berthynas newydd â'r UE | Culture and the new relationship  
with the EU**

Ymateb gan: Teledwyr Annibynnol Cymru (TAC) | Evidence from: Welsh  
Independent Producers (TAC)

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**About TAC**

1. TAC (Teledwyr Annibynnol Cymru) represents the independent television production sector in Wales. Our sector is a substantial component of the creative industries, in Wales and in the UK overall, with Cardiff alone having the third largest film and TV cluster in the UK<sup>1</sup>. Our sector provides economic, social and cultural benefits through supplying creative content. There are around 50 companies in the sector in Wales, ranging from sole traders to some of the leading players in the UK production industry. They produce content for the BBC, ITV, Channel 4, Channel 5 and Sky as well as other commercial broadcasters and platforms. Our member companies produce almost all the original television and online media content for Welsh-language broadcaster S4C, and a variety of radio productions for the BBC.

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<sup>1</sup> <https://www.cardiff.ac.uk/news/view/2510538-cardiff-has-third-largest-film-and-tv-cluster-in-uk,-study-shows>

## Responses to Committee areas of interest

- **The impact of the new relationship on artists and creative workers touring and working cross-border (including touring and working in Wales)**
- 2. In general it has become more difficult for those working in the creative industries to travel to and from the EU, with aspects such as the new visa requirements entailing greater time lengths and greater cost. This in turn effectively makes it prohibitive in some circumstances to look to hire talent from the EU, as it incurs disproportionate cost especially given the relatively small size of many companies in the creative industries.
- 3. One of our members has reported that The UK's exit from the EU has created major issues and limited crew options for VFX (visual effects) productions:

*"Previously we regularly employed EU and EEA based staff at short notice, and they were able to move to Cardiff with ease and work at our VFX studio. In the past this helped us compete with London studios as non-UK crew were more open to work in Wales, whereas the majority of UK crew only want to work in London, particularly on shorter term projects. Remote working has lessened the impact, but not enough to fully compensate for this."*

*"Now, when hiring EU talent, the additional bureaucracy and timescales have affected us greatly. Every case is different depending on nationality, and we must ensure that we have the correct right to work documentation, get share codes for our files, and if we then want to keep talent in the longer term, we have to look at sponsorships which comes at a cost depending on nationality and role. The process is a lot more complicated and convoluted."*

*"The sector also benefited from streams of income for VFX mentoring from schemes like the Cross Channel Film Lab which was EU funded but this was closed after leaving the EU."*

- 4. It is also worth reflecting that, over and above the practical difficulties, there is perhaps the perception that the UK is less welcoming to talent from the EU. A report by the Creative Industries Policy and Evidence Centre (PEC) on the issue of accessing talent after the UK left the EU cited many from creative organisations UK-wide who state that the UK in general was seen as less welcoming and inclusive, thus acting as a deterrent to recruiting talent from the EU<sup>2</sup>.

- **The impact of new trading arrangements relating to cultural activity**
- 5. While we are not aware of many widely available figures on the overall impact of leaving the EU on the creative industries, we note that the Creative PEC stated in its 2023 'State of Creativity' report that "Research undertaken ... tentatively suggests that between 2016 and 2019, the result of the Brexit referendum and the uncertainty it

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<sup>2</sup> [Migration and accessing talent in the Creative Industries. Creative Industries PEC. March 2023, p29, para 4.3.4](#)

created for businesses that traded with the EU may have depressed creative services exports by 15%”<sup>3</sup>.

6. In the TV market specifically however, the interruption of production caused by COVID caused a fall in exports but the TV exports report for 2021-22<sup>4</sup> shows that there has been a post-pandemic growth in the market with some European territories increasing, for example France, Italy and Germany (although France and Italy not yet back up to pre-Covid levels). Scripted drama remains the leading genre for exports and therefore we welcome the support for that genre in Wales from S4C, Creative Wales, the BBC and also Netflix, who commissioned *Sex Education* and other shows and also bought *Dal Y Mellt*, the first Welsh-language show on Netflix – the show has now been commissioned for a second series.
7. However, post-pandemic the increased demand for content has led to skills shortages, as highlighted by various reports on creative industry skills in Wales, including October’s report on the creative industries workforce from the Senedd media committee<sup>5</sup>.
8. For the UK overall, Screenskills has forecast<sup>6</sup> that “by 2025, an annual investment of between £95.1m and £104.3m will be needed to meet the training requirements of the film and HETV production workforce. This excludes the costs of any job placements that might accompany intensive training programmes”. It also states that “now that free movement from the European Union (EU) has ceased, the pool of EU talent that had been available to mitigate shortages in the UK labour market is no longer accessible. This is likely to result in increased pressure on jobs”.
9. TAC and others in the sector are doing our best to counter these effects, for example through the TAC-S4C training partnership, which since its inception in 2019 has held 102 courses with 1,497 registrations.
10. In terms of the new trade deals with non-EU nations, while audiovisual is not always included in the arrangements, it is important to ensure that no new deals involve watering down IP protections or encouraging a significant increase in imported TV content, which would have impacts on the UK/Wales’ own cultural output and production sector.
11. Following our departure from the EU the UK remains part of the European Convention on Transfrontier Television Convention, meaning UK content still benefits from the requirement that television broadcasters must ensure that 10% of their budget is dedicated to content originating in a country that is a signatory to the EC TTC and on-demand services must ensure 30% of their catalogue includes such European works. It is therefore important that the UK remains part of this Convention.

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<sup>3</sup> [The State of Creativity. Creative Industry Policy & Evidence Centre, 2023, p17](#)

<sup>4</sup> [UK TV Exports Report 2021-22. Pact/Fremantle/BBC Studios/ITV Studios/All3Media/3Vision](#)

<sup>5</sup> [Behind the scenes: the creative industry workforce in Wales. Culture, Communications, Welsh Language, Sport & International relations Committee, Oct 2023, p15-16](#)

<sup>6</sup> [Forecast of labour market shortages and training investment needs in film and HETV production. Screenskills with BFI, Nordicity, Saffery Champness, Jun 2022 p23](#)

- **The availability of guidance and support for the sector relating to the new relationship between the UK and EU**

12. While new travel restriction can cause issues, British TV production companies are still able to attend the international markets and TAC has been working with the UK Department for Business & Trade to ensure that companies in Wales are able to access UK Government support and also learn from those already working in the international markets, both within and ex-EU. TAC, DBT and S4C jointly held a 'Going Global' event in March this year, bringing together producers, distributors, financiers and others to talk about export strategies and support. We will be holding a further such event in North Wales in November.

13. We are also in regular liaison with the Welsh Government/Creative Wales/Ffilm Cymru Wales, which are working to encourage more international co-productions and to attract more high-end TV and film-making to Wales, in collaboration with the British Film Commission and others.

14. To this end we are pleased to see the introduction of schemes such as Sinema Cymru, developed between Creative Wales, S4C and Ffilm Cymru with aim of supporting Welsh language films that have international big screen potential. Creative Wales has also provided production funding for two new dramas, *Men Up* (Boom Cymru) and *Tree on a Hill / Pren ar Y Bryn* (Fiction Factory). There was also recently a Creative Wales-sponsored showcase to 35 delegates of European funding agencies, hosted by Ffilm Cymru Wales.

- **The impact on access to funding programmes and networks**

15. The loss of access to the EU Creative Europe MEDIA programme has caused a loss of investment into TV and film production in the UK by the EU and a reduction the ability to collaborate and collectively promote European content to the rest of the world.

16. Between 2014-2020, the UK received €68 from the Creative Europe programme<sup>7</sup>. While UK (via the Global Screen Fund) and Welsh governments have been putting resources into various aspects of skills provision, TV/film development and so on, it is not clear whether initiatives such as the Global Screen Fund will be maintained year-on-year and so the loss of the EU funding on an ongoing basis could nevertheless have a negative impact on the funding available.

17. The investment from the UK PSBs remains important and TAC is currently working to ensure that productions which are listed as being made in Wales are making a genuine contribution to Welsh creative skills base and economy, in order that strategic investment out of London and in Wales achieves its intended aims.

18. It is also important that the UK maintains its creative sector tax reliefs and continues to add to them. HM Treasury/HMRC recently reviewed the screen sector tax reliefs for

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<sup>7</sup> [Impacts on Arts and Culture. UK in a changing Europe, April 2001](#)

Children's, High-End TV (HETV), Film and Animation and took the decision to part-merge them into a single 'expenditure credit'. This was welcomed by TAC and others, including the decision to maintain the HETV qualification threshold at £1m per hour (instead of raising it which was proposed by HM Treasury).

19. However to enable minority indigenous broadcasters and producers to benefit from the additional international investment this brings, it is important to introduce a lower qualification threshold for HETV expenditure credit for minority indigenous language productions, due to the lower budgets involved. Given the interest of Netflix and others in Welsh language production, this could provide a real additional boost to outside investment in the TV sector in Wales and some other parts of the UK.
- **Any changes to the UK-EU relationship that might improve cross-border working for the culture sector**
20. Overall, the UK visa system needs to be simplified as much as possible through the use of technology and other means to allow freer travel for creative artists and workers. Further 'soft power' work also needs to be done to counter the perception of the UK as somewhere that does not welcome talent from the EU or elsewhere.
21. In general every avenue needs to be explored to encourage greater co-operation between Wales and other EU countries.
22. We note that the UK has re-joined the EU Horizon scientific research programme in order to continue international scientific collaboration. We would similarly like to see the UK look to re-access the MEDIA programme, which would lead to similarly greater co-operation in the creative industries. There is already a range of other non-member countries which take part in at least some aspects of the Creative Europe programme and we would like to see the UK take steps to do likewise.