

## TCA11 Teledwyr Annibynnol Cymru

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Senedd Cymru | Welsh Parliament

Adolygiad o weithrediad y Cytundeb Masnach a Chydweithredu rhwng y DU a'r UE | UK-EU implementation review of the Trade and Cooperation Agreement

Ymateb gan: Teledwyr Annibynnol Cymru | Evidence from: Teledwyr Annibynnol Cymru

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## **Response to Senedd consultation on the UK EU implementation review of the Trade and Cooperation Agreement**

**November 2024**

### **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. 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, producing 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 content for Welsh-language broadcaster S4C, and a variety of radio productions for the BBC. TAC and S4C partner to provide a training programme to help develop talent within the industry.

### **The inquiry**

2. TAC very much welcomes this latest inquiry. In the course of preparing our response we noted the publication on 4 November of the Senedd Culture, Communications, Welsh Language, Sport and International Relations Committee ('the CCWLSIR Committee') report from its previous EU-related inquiry.
3. The Committee's report 'Culture Shock: Culture and the new relationship with the European Union' ('Culture Shock') sets out the many concerns expressed by TAC and many other organisations during its inquiry. We welcome its comprehensive set of actions to improve Wales' relationship with the EU, all of which we support.

### **Current state of the sector**

4. The Welsh TV production sector is, like all of the UK sector, experiencing some pressures due to rising costs combined with a reduction in commissioning spend, both by the UK PSBs and the streaming platforms. The sector continues to export a significant amount of programmes and formats, TAC has been working with various partners including S4C

and the UK Department for Business & Trade to organise events to help the sector learn about how to make their programmes and ideas raise more revenue internationally.

5. As we outline below, closer co-operation with the EU would further assist the sector in maintaining and strengthening its position internationally, bringing more investment back into the Wales and the UK.

### **The Trade & Co-operation Agreement**

6. The UK and EU agreed a Trade and Cooperation Agreement ('the TCA') in December 2020. It establishes arrangements for future co-operation across a range of areas including trade, aviation, road haulage, fisheries, police and security, health insurance and continued UK participation in some EU programmes.
7. As can be seen from the sectors listed above, the audiovisual/media sector did not feature heavily in the TCA. In particular, no provision was made for the UK to continue to be part of the Creative Europe Programme, which previously supported UK production with a programme that supported creative endeavours across the EU through its CULTURE and MEDIA strands. While eligible to participate in Creative Europe as a Third country, the UK has taken the decision not to participate with the current programme.

### **The importance of Creative Europe**

8. The BFI reported in 2018 that *"the Creative Europe programme delivers a wide range of cultural, social and economic benefits to UK participants, from supporting them to develop audiences and exports to fostering innovation. The programme is highly valuable to many UK organisations and has helped to transform their working practices, providing them with new opportunities, partnerships, credibility and confidence."*<sup>1</sup>
9. From 2014 to 2018, Creative Europe had awarded €89.5 million to 376 UK-based cultural and creative organisations and audiovisual companies (for an average of €18.4 million a year), and helped distribute 190 UK films in other European countries. As well as direct financing, Creative Europe grants leveraged additional funding, meaning UK organisations involved in the CULTURE strand's projects more than doubled their Creative Europe grants, generating over €20 million in match-funding<sup>2</sup>.
10. We do note that the UK Government created the UK Global Screen Fund<sup>3</sup> to partially make up for this loss of support. The UKGSF, administered by the BFI, supports international co-production, business development and distribution. After an initial £7m pilot scheme was deemed to have been successful, an additional £21m was announced in May 2022 to be allocated over three years. But this falls significantly short of the previous funding available through Creative Europe.

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<sup>1</sup> <https://www2.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-impact-of-creative-europe-in-the-uk-2018-09-25.PDF>

<sup>2</sup> <https://cultureactioneurope.org/news/uk-and-creative-europe-end-of-the-story/>

<sup>3</sup> <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/uk-global-screen-fund>

11. The cross-party UK Business & Trade Commission estimates that Britain's creative industries are missing out on more than £160m in funding from Creative Europe, which had its budget increased in 2023 by 66 per cent to £2.1bn for the period running up until 2027. The Commission states that if the UK had remained in the programme *"the UK's creative industries may have received an additional €184m, based on the percent of total funds they received last cycle"*<sup>4</sup>.
12. In 2023 the UK Government took the decision to re-join the EU Horizon programme, meaning UK scientists will benefit from its investment programme and the ability to collaborate across the EU more easily and we hope that this might pave the way to re-join other important programmes, including Creative Europe.
13. Given the above we would therefore welcome the CCWLSIR Committee's call in 'Culture Shock' for the Welsh Government to continue its work to make the case for the UK re-joining Creative Europe.

#### **Measures to compensate for loss of funding**

14. In addition to seeking restored EU funding to increase opportunity for the Welsh TV and film industry, we would also ask the Senedd Committees involved to recommend to the Welsh Government that, in the meantime, it looks to increase its own funding. Increased support for Ffilm Cymru Wales can help ensure our creative industries remain in place through difficult times and allow the nation's film and TV industry to build further on its recent success.
15. Another way to attract more investment into the industry in Wales (and also the other UK nations) is for the Audiovisual Expenditure Credit (AVEC) to be adjusted so that it has a lower threshold for High-End TV tax relief. Currently the threshold is £1m per hour, which is beyond the means of those wanting to make content in minority UK language audiences (e.g. S4C). Lowering the threshold for minority UK language productions would allow a greater amount of commissioning in these genres, which have potential to do well internationally, as we have seen with several Welsh language programmes including *Dal Y Mellt*. We realise this is a matter which lies with UK Government to resolve and we are putting the case for this to them directly. However we would ask the Senedd Committees involved to request the Welsh Government support this call and put the case in their own dialogue with UK Government.

#### **Enabling easier ways of working with the EU**

16. As we have previously reported to the CCWLSIR Committee<sup>5</sup>, restrictions on those seeking to work in the EU have caused difficulties in every area of the creative

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<sup>4</sup> <https://www.tradeandbusiness.uk/news/200m-post-brexite-funding-shortfall-piles-misery-on-uknbspcreative-sector>

<sup>5</sup> [See TAC Response to the CCWLSIR Committee's inquiry into Culture and the new relationship with the EU, Oct 2023](#)

industries, including TV and film production. For example in terms of hiring EU talent when hiring EU talent, the additional bureaucracy and timescales have become significantly greater. Every case is different depending on nationality, and companies must ensure that they have the correct right to work documentation and, to keep talent in the longer term, look at sponsorships which comes at a cost depending on nationality and role.

17. We note the report published by the UK Trade & Business Commission in 2023<sup>6</sup> which identified barriers to British trade, including in relation to the creative industries, which are very familiar to TAC members. These included issues around movement of both people and equipment to and from the EU. The report made a number of recommendations, which we very much support.

- The first was for the UK Government to work with the EU to develop a Visa Waiver Agreement, allowing artists, performers, fashion professionals and other cultural professionals to move between the UK and EU for the purposes of ad-hoc work for up to 90 days in a period of 180 days. Such a scheme would not involve reopening the Trade and Cooperation Agreement.
- Secondly, for the UK Government to negotiate with individual EU Member States that do not currently offer cultural exemptions for work permits, particularly those which are the most important financially for the creative sector.
- Third, the UK Government should reduce the cost of the ATA Carnets which are required if equipment is being sent unaccompanied and work towards a cultural exemption for musical instruments and equipment.

18. We note these measures are similar to the recommendations of the Parliamentary Partnership Assembly, as referred to in the CCWLSIR Committee Culture Shock report and agree with that Committee that the PPA's recommendations are welcome and to be supported.

### **Proposed advisory group on UK-EU relations**

19. We note the CCWLSIR Committee Culture Shock report's Recommendation 11 which states: *'We support the Legislation, Justice and Constitution Committee's call for the establishment of a new Welsh Government advisory group on UK-EU relations. This should include representative bodies from the culture sector.'*

20. We support this recommendation and we would suggest that given the importance of the TV production sector to Wales, that TAC should be one of the organisations considered to be part of this advisory group, if and when established.

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<sup>6</sup> [Trading Our Way to Prosperity: A Blueprint for Policymakers. UK Business & Trade Commission, May 2023](#)