

“An environment in which people are able to access and express creativity is fundamental to the principles of liberalism.

In a challenging time for the UK the creative industries offer a platform for freedom and diversity that we must support, encourage and celebrate”

Tim Farron

Leader of the Liberal Democrats

The power of creativity & Brexit

#LDcreative

Foreword

by **Baroness Jane Bonham-Carter**
 Liberal Democrat spokesperson on Culture, Media and Sport

Prior to the 2010 and 2015 general elections the Liberal Democrats produced documents entitled “The Power of Creativity” to explain why we believed the creative industries are such an important part of our economy, as well as the social and cultural life of the country.

We still believe this to be the case and are concerned that the Brexit result in the referendum potentially creates significant problems.

The creative industries contribute £9.6m to the UK economy every hour, and they are outperforming the rest of the economy by growing three times as fast.

They are a Great British success story. Supporting and protecting this vital, vibrant sector is of paramount importance to our economy, to our country’s sense of itself and to our place in the world.

And our creative industries have benefited massively from our membership of the EU.

The British music industry contributes £3.8bn to the UK economy – and Europe is its second largest market.

The UK is the second largest exporter of television programmes and formats in the world.

London is the hub of Europe’s fashion industry for first-time jobs and start-ups.

Membership of the EU has meant music and television producers, and retailers, can export and import freely across the continent. It means they have unrestricted access to the world’s largest free-trade area.

The free movement of people to work and travel across Europe, without the need for visas, has both facilitated and fuelled the exchange of culture, creativity and expertise. It has also generated commercial and artistic opportunities.

The Creative Europe programme has a budget of £1.1bn and UK applicants for this funding have achieved a success rate of almost double that of the EU average. So across the country there are examples of our membership of the EU enhancing UK culture.

In a survey conducted by the Creative Industries Federation of its members, 96% of those who responded supported ‘remain’. Liberal Democrats have always been champions of creators and of their industries. We call on the government to listen to their concerns and ensure that the creative industries are at the top table when Brexit negotiations begin. We look forward to a positive, mutually beneficial and progressive future with the European Union.

Freedom of movement

Without the right deal on movement of talent and skills, the creative industries will face big challenges

5.7%
 of the UK workforce
 is made up of
 EU (non-British)
 nationals

6.1%
 of the creative
 industries
 workforce
 are EU
 (non-British)
 nationals

10%
 of the design,
 publishing and
 advertising
 workforce are EU
 (non-British)
 nationals

- London is Europe’s hub for start-ups and first jobs in fashion. To further their careers fashion graduates need experience at a wide range of international fashion houses. Many people who work in fashion are not British and many students when they graduate get jobs abroad.
- Music and advertising work across international teams and rely heavily on the movement of national and international talent.
- It is estimated that 25% of the VFX (visual effects in film) workforce is from the EU, and up to 30% in gaming.
- There are currently 17 creative roles which are on the government’s Shortage Occupation List – from orchestral musicians to graphic designers. This shortage list will increase following Brexit without support in our schools for creative subjects.
- The low cost of touring within the EU, a significant earner, will end. One visa application for a cultural organisation costs between £600 to £1,000.

“
 Creativity should not be defined by borders; let’s support collaboration and the free movement of talent and ideas

PAUL ROSEBY
 National Youth Theatre

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 It is vital that we avoid double taxation or unfair deductions of expenses, social security or VAT to allow for touring artists and crews to produce and perform music successfully

TOM KIEHL,
 UK Music

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Investment and funding

Without the right deal, the UK's creative industries will lose hugely beneficial EU investment and funding which also support the development of creative and science skills

€30m
estimated
UK contribution
to Creative
Europe

- What the UK gets from the Creative Europe programme, an EU initiative with a £1.1 billion budget (2014-2020) that supports the cultural and audiovisual sectors, far exceeds the amount the UK contributes.

- The European Regional Development Fund (ERDF) has supported capital cultural projects such as the Ikon and Hippodrome in Birmingham, HOME in Manchester and SAGE in Gateshead; the ERDF has also invested in programmes through Yorkshire Content Fund and the North West Fund.

- From 2014-2020, £258bn of European structural and investment funds will go to the cultural sector.

- The European Capital of Culture boosts local economies. Liverpool's year generated more than £750 million and 9.7m visitors.

- EU cross-sector schemes such as Horizon 2020 support British universities with £1.2bn a year. A significant amount directly benefits creative and digital research, and contributes to a thriving scholarly UK publishing industry.

“
... theatre
united us
VICKY IRELAND MBE,
Action for Children's Arts

“
How nations
FEEL toward each
other is a good
indication of future
behaviour
STELLA DUFFY,
Fun Palaces

€40m
Creative Europe's
contribution to
the UK

REFERENCES

1. Creative Industries Council, *Creating A New World View* – Priorities for the UK's creative industry following the decision to leave the EU, October 2016.
2. Creative Europe Desk UK submission to CMS committee inquiry: The impact of Brexit on the creative industries, October 2016. 3. Creative Industries Federation, *Brexit Report*, October 2016. 4. Publishers Association briefing, October 2016

Access to markets

Without the right deal, the UK's creative products and services will lose all the benefits of free trade within the EU

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The UK is home
to more television
channels than any
other EU country
but we need access
to EU markets so
that international
channels can
continue to be
based here
ADAM MINNS,
COBA

“
While access to
talent is a key
concern for UK
videogames
companies post-
referendum, as a
leading e-commerce
and digital content
industry that is
export focused we
need to consider
cross-border
commerce rules too
IAN LIVINGSTONE CBE,
Digital Sumo

- Creative industries services are not fully covered by World Trade Organization (WTO) deals.

- An EU trade deal with tariff barriers and licensing restrictions will have serious consequences. Forgoing access to content across the EU single market could mean losses of £8.2 billion for TV producers and significant reductions of new TV and film content.

- It is vital for our games industry that responsibly collected data continues to flow freely between the UK and EU countries.

- The current 'country of origin' principle allows media channels across the EU to be regulated in just one member state. More than half (1,100) of all broadcasting licences are granted in the UK, and 650 of these broadcast from the UK to other countries.

- UK content is considered EU content and counts towards the EU content quotas (50% of programme output) on EU media channels. Although UK content is strong on quality and demand, it could still face sales limitations if banded outside the EU quotas.

- Small design consultancies need access to EU tenders. These public contracts can be a vital part of their business growth.

UK creative industries
dominate the
EU market:
total export value
£19.8bn

Film and audiovisual
media content
exports worth
£4.7bn

Music exports worth
£2.2bn in revenue
in 2015

Advertising balance-
of-trade surplus is the
biggest in Europe:
£4bn
annual exports

Publishing exports
revenue strong at
£2.1bn

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1. Creative Industries Council, *Creative Together*, July 2016. 2. Creative Industries Council, *Creating A New World View*, Priorities for the UK's creative industry following the decision to leave the EU. 3. DCMS, statistical releases 2016 [Economic estimates, January 2016; Focus On Creative Industries, June 2016]
4. Creative Industries Federation, *Brexit Report*, October 2016. 5. UK Music, *Industrial Strategy for Music & the Creative Industries*, September 2016: <http://www.ukmusic.org/policy/industrial-strategy-for-the-creative-industries-2016/> 6. Publishers Association briefing, October 2016. 7. Professor Alison Harcourt, *The UK Communication Industries: the impact of a proposed UK Brexit from the EU* <http://socialsciences.exeter.ac.uk/ukcommsexit/>
8. Enders Analysis, *Brexit impact on UK-EU trade in creative services*, evidence to House of Lords EU sub-committee (internal market), December 2016

Intellectual property

Without the right deal, the UK will lose influence and participation in the digital single market, and collaborative intellectual property protection and enforcement



The UK's basic business model used to be that we imported raw materials and exported finished goods.

Now we import creative talent and export creative ideas

JOHN NEWBIGIN OBE,
Creative England



The creative industries need to be high up on the agenda for the bilateral trade discussions

ANDREW SMITH,
Pinewood Group

- Although intellectual property is covered by World Intellectual Property Organization agreements, enforcement and licensing are not. Protection and tackling IP crime will require new cross-border legislation.

- The UK has worked with the EU to reduce online infringement and the proliferation of counterfeit goods.

- The UK applies for the most trademarks within Europe. Participation in the EU trademark system and network has benefited the UK industries, with savings in cost and time. Creative industries need clarity over the long-term coverage of their rights.

- UK designers will be disadvantaged if they lose the ability to rely on registered and unregistered EU design right, as it offers a more comprehensive protection for their designs.

- The emerging digital single market (DSM) could massively benefit UK creative businesses. However, without active UK involvement, the DSM could become a risk if it applies new legislation which could be against the UK's interests and future trade with EU countries.

78,000,000

tracks illegally downloaded*

51,000,000

content pieces illegally accessed online*

*April-June 2016

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Recommendations

The Liberal Democrats are calling for:

1. The creative industries to be at the top table of the government's international trade agenda and post-Brexit negotiations. They should be a prominent part of the Britain is Great campaign and at the heart of the government's employment and industrial strategy.
2. The government's careers, apprenticeships and technical education reforms to support creative industries' diverse talent and skills.
3. The continued ability for people to move freely between the UK and EU for creative activities such as television and film production, concerts and fashion events.
4. Non-British EU citizens currently employed in the UK to have the right to stay.
5. The inclusion of creative subjects in the school curriculum, investment in developing creative and science skills (STEAM), and adoption of Edge Foundation's new baccalaureate.
6. The new UK-EU relationship to allow the UK creative industries access to EU funding sources and, if excluded, government to seek to maintain investment through UK-based schemes.
7. The current standards of IP protection to be maintained with continuing cooperation on enforcement of British IP rights as well as continuing influence with the EU to ensure the continuation of territorial licensing of rights.
8. The introduction of a new UK unregistered design law which extends protection from three to 15 years, with criminal provisions for intentional infringement.
9. The UK to have an influential role in the development of the EU digital single market, including for data protection and collection purposes, alongside opening new markets outside the EU.
10. TV channels to continue to operate in the EU on the basis of origin in the UK, and UK content to qualify as EU – otherwise our status as a creative hub is at risk.



We must ensure that the creative industries are at the heart of any forthcoming Brexit negotiations to send out a clear message that culture enriches us all

BARONESS BENJAMIN