



## Response to the Green Paper 'Building an Industrial Strategy'

### Introduction

1. Teledwyr Annibynnol Cymru (TAC) is the trade association representing independent TV production companies in Wales. There are around 60 Welsh companies producing a wide range of television and digital content in genres that include children's, drama, comedy, factual, documentary, animation, entertainment, music and sport.
2. TAC members make content for the UK network broadcasters, and are involved in selling programmes and formats abroad as well as making international co-productions. Members also make content for the Wales-based broadcasters such as BBC Wales and S4C, the latter of which, as a publisher–broadcaster, works very closely with our sector. TAC members' programmes have been sold to territories around the world.
3. The independent sector plays a critical part in the development of talent and skills which must be maintained to meet the growing demand for such skills and talent.
4. TAC welcomes the decision to publish a green paper on the industrial strategy. With big changes on the way, we will be engaging with the rest of the world on trade and the economy. It is important to make a renewed effort to identify the UK's strengths, and within that the particular areas likely to produce most growth in each UK nation. We are aware the Department will be receiving many response and so we have chosen to focus just on a few questions where we can contribute the most.

### Questions for Consultation

**Question 2:** Are the 10 pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?

Yes – executing the actions listed in the 10 pillars should energise and stimulate the industrial landscape to tackle the aforementioned issues. Notes on specific pillars below:

5. **'Developing skills'**. The Department will know that the possible change in the UK's ability to use skilled workers from the EU could have a significant short- to medium-term impact on our creative industries, as there is a shortage of such skills in the UK. TAC is developing its own sector-specific training programme, in partnership with S4C, to work to address these issues at entry level and in technical expertise, mid-career professional development and upgrading skills.
6. **'Driving growth across the whole country'**. This pillar is particularly important to ensure that the UK is maximising its potential to grow industry and provide jobs and incomes to people in all parts of the country. We welcome the Green Paper's proposal for 'establishing Ministerial Forums on

Industrial Strategy with each of the Devolved Administrations.’<sup>1</sup> TAC liaises with the media policy department at the Welsh Assembly Government and its associated Ministers, and it is important that these roles are closely involved in developing industrial strategy in Wales.

7. In its recent report on culture in Wales, the Welsh Government noted that:

‘The portrayal of Wales in UK media does not reflect the cultural diversity and richness of our nation. The public service broadcasters have a crucial role in reflecting and enhancing the culture of Wales, in both English and Welsh. It is crucial that this continues, but also that provision is increased.’<sup>2</sup>

In Wales the TV production sector works with all the UK broadcasters. However, without the vital backbone of investment by the Welsh-language channel S4C, these companies would face a much tougher challenge. It remains the case that too often broadcasters, despite public service obligations, focus on commissioning content from within or just outside the M25, or one of the few major production hubs such as Salford. Whilst the BBC has invested in Studios in Cardiff, this has been of little benefit to the rest of Wales and means that there are fewer opportunities for companies around the rest of Wales to make programmes for the BBC. The hope is that as completion is introduced across most of the BBC’s non-news content this will create more opportunities, but issues around access to mainly London-based commissioners remain. Whilst we welcome investment in BBC Wales, this does not necessarily translate into more UK-wide network commissions for Wales-based independent producers.

8. We are pleased that Channel 4 currently exceeds its obligation in terms of its spend outside London, but welcome the Government’s new consultation on Channel 4 to see if new measures and plans can be put forward to encourage it to engage ever more with people from companies around the UK with different ideas, stories, talent and perspectives to offer. We also welcome the fact that this consultation also asks if other public service broadcasters can do more. TAC is working to encourage more of these broadcasters to work with a wider range of independent production companies around the UK, including in Wales.
9. Similarly we are looking forward to the review of S4C, which we hope will result in the channel becoming a modern, multi-platform content provider, sufficiently funded to enable it to grow and develop the TV sector in Wales, which can then go on to work more with the rest of the UK and internationally.
10. Both of these processes will be being overseen by the Department for Culture Media & Sport. For this reason we would like to see DCMS, which has responsibility for a number of sectors with high employment and growth potential, being part of the Government’s joined-up approach to finalising and implementing the Industrial strategy. Clearly, the Wales Office can also make a valuable contribution.

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<sup>1</sup> Building Our Industrial Strategy. HM Government, Jan 2017, p.23

<sup>2</sup> Light Springs through the Dark: A Vision for Culture in Wales. Welsh Government, December 2016, p.21

**Question 13:** What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?

*and*

**Question 35:** What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

11. Digital content is the most obvious field in which skills levels need to be raised across the production spectrum. Short-form digital is fast becoming more of a priority for broadcasters who need to add value to their linear offering, especially public-service broadcasters who are competing with commercial rivals with far bigger budgets to attract the new generation of viewers on the move, who will never watch television in the same way as traditional viewers. Wales has the second highest proportion of rural premises of the constituent nations of the UK, which brings increased challenges regarding availability of the newer generation of network technologies such as 4G and superfast fibre broadband<sup>3</sup>. Bodies such as Access Broadband Cymru are working to improve the situation, and establishing robust networks will widen the potential scope of attracting innovative workers who can become the content creators of the future. Training them in the practical skills to express their vision will be a priority.
12. We note and welcome the statement in the green paper that the Government ‘needs industry to help shape qualifications and the curriculum’<sup>4</sup>. As the Welsh Government states:

‘The dominant global companies used to be concerned with industry and manufacturing, but nowadays they are mainly in the fields of communications, information, entertainment, science and technology. These areas of work all require high degrees of creative imagination and entrepreneurial vision, qualities that culture and the arts are ideally placed to nurture and promote. Increasingly, employers emphasise the need for qualities and aptitudes that academic qualifications don’t always produce: creativity, communication, empathy, flexibility, and team-working.’<sup>5</sup>
13. The Welsh Government is calling for a full replacement of current EU funding going to Wales, including ‘monies that have been available to support culture, including Creative Europe, Erasmus +, etc’<sup>6</sup>. TAC supports this call, and would like to see it form the basis of any creative industries’ Sector Deal. It is crucial that this type of investment continues, to ensure a sustainable model of skilling up Wales’ workforce to realise their full potential to contribute to our growing creative economy, ensuring its future and maximising our ability to compete with other global creative nations.
14. The TV industry in Wales can contribute to this type of initiative, as well as devising additional activity. TAC is already working to create courses on exploiting intellectual property, short-form content skills production, and masterclasses and apprenticeships. We will be looking to partner with BAFTA Cymru, Welsh universities (including the University of South Wales which has already done some good work in the media skills area), Ffilm Cymru, CULT Cymru and others. There is a

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<sup>3</sup> Connected Nations: Wales, Ofcom 2016, p. 4

<sup>4</sup> Building Our Industrial Strategy. HM Government, Jan 2017, p.37

<sup>5</sup> Light Springs through the Dark: A Vision for Culture in Wales. Welsh Government, December 2016, p.14

<sup>6</sup> Light Springs through the Dark: A Vision for Culture in Wales. Welsh Government, December 2016, p.22

shortage of quality industry training through the medium of Welsh, which TAC will also be seeking to address as a part of the training strategy.

15. Above and beyond that, there are issues regarding ensuring that school-level education is providing people from all parts of the UK with the necessary literacy and numeracy skills to be competent creating a skilled workforce of the kind that this country needs to employ. We would argue that there is a greater need to prioritise arts subjects in schools, and to broaden the 'STEM' focus to 'STEAM' to include arts subjects. As well as encouraging creative thinking across all disciplines, this would increase the chances of pupils becoming interested in developing the appropriate skills to work in the creative sectors.
16. In addition, it is important that careers advice is tailored to the types of careers available in the creative industries behind the scenes, e.g. television production, directing, camera crew, writers, musicians and other production roles. Currently, these types of jobs are not necessarily well-catered for in the careers system, as they are often freelance roles filled by self-employed workers.

**Question 25:** What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?

17. In terms of exporting television programmes and formats, improving access to trade fairs and markets should be a priority. Financial support in this field would enable the producers to prepare their product to the standard required on the worldwide stage.
18. The creative industries are particularly important in Wales. The Welsh Government states that Wales has more than 5,300 creative businesses, generating in excess of £2.1 billion annual turnover, and employing more than 49,000 people<sup>7</sup>. In addition, research shows an economic return of £2.09 on every £1 invested<sup>8</sup>, making S4C's investment in the independent television production sector crucial. The sector is also responsible for significant growth due to two interventions: first, the introduction of Channel 4, and secondly, quotas for the other public service broadcaster which led to the kick-starting of the independent production sector back in the 1980s and 1990s.
19. Following this, the 2003 Communications Act gave legal protections to producers, regulated by Ofcom, to allow them to retain their intellectual property rights. These measures have allowed the growth of the world-class sector we have today, due to producers having the ability to maximise the market potential of the programmes and formats they have devised.
20. We therefore welcome the Green Paper's commitment to 'ensuring intellectual property is held by the party best placed to exploit it (which may often be the supplier)'<sup>9</sup>. It is certainly the case in broadcasting that those who produce creative content are best placed and most motivated to exploit its value, both in the UK and abroad. TV production companies, working voluntarily with broadcasters and distributors, rather than being under an obligation to do so, are seeking to do this as much as possible. This includes companies in Wales such as Cwmni Da, Rondo, Tinopolis, Fiction Factory, Telegop, Boom Cymru and others. They can only do this because of the legal protection of their intellectual property in the Communications Act 2003. As Ofcom found as

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<sup>7</sup> Light Springs through the Dark: A Vision for Culture in Wales. Welsh Government, December 2016, p.6

<sup>8</sup> S4C Annual Report 2016, p.4

<sup>9</sup> Building Our Industrial Strategy. HM Government, Jan 2017, p.72

recently as December 2015<sup>10</sup>, the market is still diverse, and the broadcasters still hold the key commissioning power, meaning this legal protection of IP is crucial to allow the independent TV production sector to flourish.

21. We also welcome the Green Paper's statement that 'Sir Peter Bazalgette will conduct an independent review into how the UK's creative industries, like our world-leading music and video games industries, can help underpin our future prosperity by utilising and developing new technology, capitalising on intellectual property rights, and growing talent pipelines'<sup>11</sup>.

Whilst full details of the nature of this review are yet to emerge, we are confident in Sir Peter's ability and his experience in the indie TV sector, and look forward to engaging with him on these issues in the near future.

22. TAC is already devising a programme of activity and materials to make sure all our members are making their IP work as hard as possible – this will have immediate positives for their own businesses and for the Welsh economy, and also in promoting Wales as part of the UK abroad. It is essential that the UK's leaving the EU should not be perceived as a move towards isolationism, and to that end, promoting our different cultural aspects to show that the UK is a diverse country is absolutely crucial.

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<sup>10</sup> Review of the operation of the television production sector: a report for the Secretary of State for Culture, Media & Sport. Ofcom, Dec 2015

<sup>11</sup> Building Our Industrial Strategy. HM Government, Jan 2017, p.103