GLOBAL TALENT REPORT

Why the UK’s world-leading creative industries need international workers and how to attract them
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FOREWORD

We lead the world in the creative industries, an economic success story worth £87bn to the UK economy and employing more than three million people. Arts and culture enrich lives. They have been the driver of social and economic regeneration across the country, from Glasgow, to Hull, to Margate. Our books, films, television and more define Brand UK around the world - we have a major part to play in redefining our place in it.

Government has recognised the transformative power of the creative industries and named them as a priority in its modern industrial strategy. It must now deliver an immigration system that can support its commitment - a system commensurate with its vision of an open, global Britain.

The diversity of people working in the UK’s creative industries is a major strength and gives us a competitive edge. It helps us to develop new and innovative products and provides insight into a greater number of export markets. International staff also fill major skills gaps in the UK workforce, where we are not producing workers with the right mix of creative and technical skills. Our global reputation has made us a magnet for world-class talent who, in turn, have helped build our international renown. It would be reckless to lose this hard-won success.

Therefore, we must radically reimagine our immigration system. Plans to end freedom of movement following Brexit imperil the creative industries and threaten further growth. Some creative companies say they will lose business if they are forced to recruit using the international visa system, which is slow and costly. Losing access to international talent in the UK also risks driving companies currently based here overseas.

To stop talent and companies from leaving these shores, the UK needs to continue to be an attractive option. Workers including performers, freelancers and full-time employees need quick and flexible entry. We must secure as open a system of movement as possible for EU talent who have been an important part of the workforce for decades. We should use this opportunity to build an immigration system to welcome talent from outside the EU, too. The current system is restrictive. We should aim to access the world’s most exciting creatives.

However, this is not just about terms of entry. It is one thing to permit people to come here, but it is quite another to welcome them. The world has widely interpreted Brexit as a sign that the UK is turning its back on the world. We must reverse that impression if we are to attract the talent that has made us a global creative leader. The cultural sector will be key to building our new relationship with other countries and maintaining our reputation as a country open for business.

John Kampfner, chief executive, Creative Industries Federation

Rick Haythornthwaite, chair, Creative Industries Federation
EXECUTIVE SUMMARY
AND RECOMMENDATIONS

The creative industries are the fastest growing part of the UK economy and return more than the automotive, oil and gas, aerospace and life sciences industries combined. Government has recognised their potential to deliver growth across the country and has named them a priority in its modern industrial strategy.

The UK’s strong reputation for the creative industries has attracted people from around the world to live, work and perform here. From Graham Norton to Zaha Hadid, international creatives have long been a core part of British culture and central to the sector’s success. Global talent gives UK businesses insights that improve products and help us access different export markets. It also helps to combat skills gaps caused by a failure to produce UK workers with the creative and technical skills needed by industry.

This ‘Global Talent Report’ calls for a major rethink of our whole immigration system.

The report outlines:

- The creative industries’ relationship with talent from both the EU and the rest of the world
- What must be done to secure access to these crucial workers in the light of Brexit
- The ways in which workers use our current immigration system
- Recommendations as to how this could be improved, including by the introduction of a visa for creative freelancers
- Immigration systems around the world, from New Zealand to Germany
- What we might learn from other countries to improve our own way of doing things
- Proposals for a twin-track approach into a new immigration system, acknowledging the current importance of EU workers to the creative economy.

Official statistics from the Department for Culture, Media and Sport show the sector employs an average proportion of EU workers (at 6.7%) and a slightly above-average number of non-EU workers (at 6%). However, this fails to capture the massive variation across subsectors: 25% of architects are non-UK EU citizens, as were 30% of people working in visual effects (vfx) in 2016. A workforce survey conducted by the Federation found that 75% of 250 business respondents employed EU nationals. Two thirds said they could not fill those jobs with British workers. The statistics also fail to demonstrate the value of international workers to the sector.

Government intends to end freedom of movement after Britain leaves the EU. We recognise that it is highly likely that it will happen, but cannot support this decision as it threatens our access to vital international talent and our success.

If we are to continue to lead the world, any future immigration system must allow the creative industries to recruit top talent. This new system must keep costs, administration and waiting times for recruitment and travel to a
minimum. We hope that a fair immigration system will help secure reciprocal ease of movement for UK workers abroad. This is important for exporting our creative content and maintaining our global reputation.

The UK is free to decide its own immigration policy, except where it is bound by treaties such as the UN refugee convention. This means that even if the UK fails to reach a new deal with the EU, it must develop a system offering the best possible access to EU talent unilaterally.

Phil Dobree, MD at Jellyfish Pictures, the company behind some of Star Wars’ special effects, said: “Without access to the best talent base, which is only available internationally, our business would be lost to regions where access to these broad ranges of skills is readily available.

Government has recognised that introducing a points-based immigration for EU nationals is “not an option” and we condone this. Using the current visa system in the future for both EU nationals and workers from the rest of the world would strangle access to vital international talent and impose huge administrative and financial burdens on creative businesses. This is unworkable at a time when 57% of creative businesses surveyed by the Federation report that they are already facing skills shortages.

We propose a twin-track approach. The integration of EU workers into the UK’s successful creative economy and their vital contribution must be acknowledged. There are practical reasons – including geographical proximity, comparatively cheap travel and the EU’s position as the principal market for the UK’s creative exports – why the EU is likely to remain an important creative, business and trading partner.

Government should confirm as soon as possible the terms by which EU nationals currently living in the UK have the right to remain here post-Brexit, with this right reciprocally extended to UK nationals currently living in the EU. Government must also secure reciprocal rights for UK workers to move and work freely for short-term projects, such as performances and shoots. Our future immigration system must be as flexible and efficient as possible in order for our sector to perform to the best of its ability.

It is also imperative that we improve our visa system for non-EU talent if freedom of movement is to end. Accessing talent elsewhere in the world will become even more important if we lose access to EU workers. The current system is highly restrictive and delivers mixed results for the sector. It works relatively well for some, such as those looking to bring over international artists and performers. But it fails to meet our needs in other ways. It does not meet the sector’s demand for freelance workers, for example. The minimum salary requirement of £30,000 for long-term workers and £35,000 for indefinite leave to remain is far above the average rate of pay for many highly skilled workers in the sector.

Bait Studio in Cardiff indicates that if EU nationals are treated under similar rules as non-EU nationals, the cost – in time and money – could threaten business. Bait estimates the attendant loss in revenues could be as much as 40%.
The immigration skills charge imposed on those hiring non-EU workers is also unfair when government accepts, in the official Shortage Occupation List, that there are significant skills gaps in the domestic workforce.

We urge government to take account of the needs of the fastest-growing sector of the UK economy and to deliver an immigration system to support and safeguard our future success.
Recommendations

On the EU system:

1. Freedom of movement has been crucial to the success of the creative industries and we cannot support government’s plan to end it. Should government fulfil its plans, any replacement system must allow the best possible access to EU talent and the skills our sector needs. A new system must:

   • Allow visa-free travel between the EU and the UK: Securing this should be a priority in exit negotiations.

   • Secure reciprocal rights for UK workers to move and work freely for short-term projects, such as performances and shoots.

   • Provide same-day access to talent. Creative businesses need to be able to hire in workers on an extremely rapid turnaround. Any delay in the recruitment process will damage our productivity and lose us significant work.

   • Establish a youth mobility scheme with the EU. We need to attract fresh talent with original ideas to live and work in the UK if we are to remain a cultural hub. Future creative leaders often begin their careers in a freelance capacity while doing casual or low-skilled work to support themselves.

   • Allow access to low-skilled workers. As mentioned above, young creatives often support themselves through low-skilled and casual work while developing their career. Creative businesses also need low-skilled workers to fill vital support roles such as front-of-house staff.

   • Provide a route for freelance talent. Businesses need ready access to freelance workers. More than a third of people working in the UK creative industries are self-employed. This rises to a half of all those working in creative roles. EU workers, along with workers from elsewhere in the world, must be able to set up in the UK in a freelance capacity.

   • Mitigate any additional costs and administration. Any extra burden on businesses’ time and money will impact their performance. If it prevents them from accessing international talent it may also reduce their ability to do business and complete projects.

   • Allow employers to bring in EU workers without meeting the current non-EU minimum salary requirement. Many roles in the creative industries do not usually command a salary of £30,000. Businesses would face a significant financial burden if they were to meet this requirement for all international hires. They should instead be required to pay EU workers the ‘appropriate rate’ recognised for roles by UK Visas and Immigration (UKVI), developed in line with average UK salaries.

2. Maintain freedom of movement during any period of implementation and ensure any new registration system is as efficient as possible. Detail must be provided for workers and employers as soon as possible.
On the non–EU system:

3. **Introduce a ‘creative freelancer’ visa.**
   Freelancers play a critical role in the creative industries, with more than a third of those working in the sector being self-employed. Yet there are currently few ways to access non–EEA freelancers on the kind of timeframes required by British businesses. A ‘creative freelancers’ visa could help ensure that we are able to bring in the brightest and best working in the industry today, and that British companies have access to this talent as and when required.

4. **Scrap the immigration skills charge.**
   Any extension of the charge, which is levied on those hiring in staff from outside the EU, would place financial strain on businesses. While government has pledged to use money raised by the charge to fund domestic skills training, it fails to recognise that international recruitment helps to develop the domestic workforce by bringing workers into contact with the best in their field, who bring with them diverse new skillsets and international insight.

5. **Improve the UK’s ability to track the working needs of the sector.**
   The creative industries are a highly innovative sector, employing technologies and practices that are constantly evolving. This means that it has sometimes proved difficult to keep up with the changing nature of jobs in our sector. Government should take measures to help industry respond to emerging skills gaps as quickly as possible. This can be done by ensuring that new Standard Occupational Classification (SOC) codes are able to accurately capture information about our sector. This would help with decision–making on skills and immigration in the future. Government should also commission regular reviews of the Shortage Occupation List.

6. **Allow multiple entry and greater periods of time between professional engagements on short–term visas.**
   Allowing greater periods of time between engagements and making it easier to secure permission for multiple entries would allow short–term visas to better fit the shape of work for many creative workers. It would significantly reduce the financial and administrative burden of those companies that are currently required to make multiple visa applications for the same trip, or where artists make repeated visits to the UK in the same year. This could include the introduction of a new visa for international performers, allowing multiple entry across the year if sponsored by a reputable management company.

7. **Allow ‘exceptional talent’ from all parts of the creative industries to use the tier 1 system.**
   The creative ‘exceptional talent’ visa should be made accessible to those working in a wider range of subsectors including fashion and videogames. This extension must sit alongside the creative freelance visa, which addresses the broader skills needs of the sector.
8. **Improve the visa processing system.**  
UK Visas and Immigration (UKVI) should introduce a processing system which does not require applicants’ passports to be retained, which frequently causes problems in the travel schedules for international performers. It should place greater faith in the decisions made by major cultural organisations and keep visa costs to a minimum.

9. **Develop codes of practice with a greater number of industries.**  
Developing codes of practice for different subsectors means UKVI would ensure the visa system meets their needs.

10. **Extend the permitted paid engagement route.**  
The permitted paid engagement scheme should be extended to allow performers to enter the UK for up to three months (see pg. 52). This longer timeframe would enable the scheme to cover the period required for full rehearsal and performance runs, as well as full opera seasons. This would significantly reduce administration and costs to UK companies. It would ensure the system is used to maximum efficiency.

**General:**

11. **Maintain Britain’s reputation as an open and welcoming cultural hub.**

12. **Provide UK workers with the skills needed to work in the creative industries.** Government should comprehensively review the ways in which creative and technical skills are taught in the UK. This would help combat the major skills gaps experienced by the creative industries and reduce our reliance on international workers.
1. THE CREATIVE INDUSTRIES’ RELATIONSHIP WITH INTERNATIONAL TALENT

Government needs as accurate a picture of the workforce as possible if it is to develop an immigration system that works for the modern economy. This section provides statistical detail about who is working in the creative industries. It also interrogates the reasons the creative industries employ international workers and why they are so important to our success. Appendix 1 gives further detail of what the creative workforce looks like.

a. How much does the sector rely on immigration?

The latest Department for Digital, Culture, Media and Sport figures show that 6.7% of workers in the creative industries are from the EU (but not UK). Almost 6% are from outside the EU. These numbers are close to the average for non-UK employment across the workforce. But they do not convey the importance of international talent to the success of the UK’s creative industries.

**EU immigration:**

Work done by the Federation and industry partners suggests there is huge variation in reliance across disciplines, locations and levels of performance that DCMS figures do not demonstrate:

- A 2016 study by UK Screen Alliance reported that 30% of vfx workers were non-UK EU
- A survey conducted by the videogames body Ukie found that non-UK EU nationals accounted for between 20% and 30% of respondent workers
- The Royal Institute of British Architects (RIBA) indicates that 25% of the architects in the UK are non-UK EU citizens.

These numbers also do not demonstrate the value of international workers to the creative industries. This is explored in the following section.

Loss of EU talent would have huge economic repercussions for these subsectors.

**Non-EU immigration:**

Some parts of the sector have similar levels of dependence on non-EU talent. These make up a very high proportion of the creative tech workforce, for example, as shown below.
### UK, EU and non-EU employment in the creative industries 2016

<table>
<thead>
<tr>
<th>Subsector</th>
<th>UK employment</th>
<th>EU employment</th>
<th>Non-EU employment</th>
<th>Non-EU employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and marketing</td>
<td>179,000</td>
<td>11,000</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Architecture</td>
<td>86,000</td>
<td>9,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Crafts</td>
<td>6,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Design and designer fashion</td>
<td>143,000</td>
<td>11,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Film, TV, video, radio and photography</td>
<td>216,000</td>
<td>16,000</td>
<td>14,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Creative tech (IT, software and computer services)</td>
<td>562,000</td>
<td>52,000</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Publishing</td>
<td>167,000</td>
<td>19,000</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Museums, galleries and libraries</td>
<td>88,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Music, performing and visual arts</td>
<td>269,000</td>
<td>12,000</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>1,958,000</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimates rounded to the nearest thousand. '—' denotes data not available from DCMS.
b. Why do the creative industries need international workers?

International workers make a unique contribution to our work. A Federation survey of more than 250 businesses found that 75% of them employed EU nationals. Of these, two thirds told us they could not fill those jobs with British workers.

Federation members have highlighted four primary reasons they need access to international workers:

- To attract the brightest and best
- To broaden their set of skills and access global markets
- To fill domestic skills gaps
- Because there are global skills gaps

In addition to exploring these four issues, this section looks at other factors including the creative industries use of low-skilled international workers and families.

To attract the brightest and best

Britain leads the world in the creative industries. We are able to do this because we attract the brightest and best talent from around the globe, whether for an evening’s performance or a long-term job. Industry leaders from advertising giant Havas to the Royal Opera House build their reputations and their business models on access to international talent. We cannot retain our standing as a global cultural hub without the ability to bring in the best the world has to offer.

We must make every effort to retain our image as welcoming and outward-looking if we want to attract the brightest and best to work in this country. Our cultural exports – from music to film and videogames – are key to conveying this message and maintaining our appeal as a place to live, work and visit.

Steven Roth, Scottish Ballet, executive director

“Scottish Ballet is a national dance company with an international reach. Our global recognition comes from having access to the best talent, locally and from around the world.

From its establishment in 1969, Scottish Ballet has worked with talented UK and international artists. Our cultural mix of dancers has provided depth and colour within the company – giving Scottish Ballet its competitive edge and defining its unique artistic quality and spirit as Scotland’s national dance company.

Equally, Scottish and British dancers – and all who work alongside them to create a spectacular production – gain much from the opportunity to travel, perform and be artistically enriched by professional career experience outside of the UK.

For our British art forms and institutions to remain strong and robust, artistically exciting and creatively enriching, companies must be able to continue to attract the very best talent – exercising their prerogative to make decisions based on artistic rationale and repertoire requirements, rather than be constrained to take decisions based on sovereignty.”
Attracting global talent to protect our outward-looking fashion industry

**Evidence: British Fashion Council**

Supporting world-leading talent in its contribution to our global industry is at the heart of the British Fashion Council’s ethos. BFC chief executive Caroline Rush highlighted the importance of talent at the opening of London Fashion Week September 2017:

“Our industry, our businesses, our creatives, our talent are international, literally in citizenship, but also in outlook. London is the most diverse, multicultural and open city in the world and we fiercely want to protect that reputation.

The Brexit agenda remains the same – talent. We need to welcome and support talent in the UK. Our education system needs to support creativity and home-grown talents but the education agenda seems to not support this. We need to support international talent to come to the UK and study here or we will become very parochial in our views and less diverse in our outlook. We need to ensure that talent can travel here for events like London Fashion Week. We support the Creative Industries Federation in its work around creative visas.”

**Geoff Taylor, BPI and the BRIT Awards, chief executive**

“One reason the UK punches above its weight in the global recorded music market – last year accounting for one in every eight albums sold worldwide – is label investment in music supported by access to the brightest and best creative talent. It’s vital that our artists and producers, technicians and executives have unrestricted access to international territories, helping to boost British music exports in the process. By the same token, leading global talent must also be free to visit our shores and contribute to our dynamic music economy – worth £4.1bn annually and growing.

“The need for a fit-for-purpose visa and immigration system that meets the complex requirements of the recorded and live music sectors and the wider creative industries is greater than ever. Failure to secure this would jeopardise not only the competitive edge and success that we have worked so hard to achieve, but our reputation as a global leader.”
Developing world class programming requires access to international creatives

**Evidence: Southbank Centre, London**

Southbank Centre is the UK’s largest arts and cultural centre. It showcases music, visual arts, dance and performance, theatre and literature to more than 5.5 million visitors each year, making it the UK’s fifth most visited destination in 2016.

Its music programme and festivals such as Alchemy, Africa Utopia, China Changing, Darbar and Nordic Matters bring artists to London from around the world, with many festivals made up entirely of work from non-UK performers. To achieve this, producers, directors and curators need to travel freely and easily on a regular basis and they need the same to be true for those whom they invite to perform. Southbank Centre applies for more than 250 non-EEA visas a year and the two-week Alchemy festival alone involved more than 80 visa applications in 2017.

The global dimension of the programme reflects and celebrates the diversity in our society, and attracts the widest possible audiences. Similarly, Southbank’s workforce thrives on skills and talent from overseas. More than 10% of full-time permanent staff are from the EEA and many staff working in restaurants or via commercial partners on site are EU nationals.

Southbank provides a stage for the world in the heart of London and without the support and involvement of talent from outside of the UK, its programme would be diminished and its legacy would be less.

Arts organisations value international contributions to communities

**Evidence: ISIS Arts, Newcastle-upon-Tyne**

ISIS Arts is a small arts organisation based in the centre of Newcastle-upon-Tyne. Its projects have helped connect the city to its European and international communities for more than 25 years. For many not-for-profit and arts organisations, access to global talent is important not for trade and exports but for knowledge exchange. Although it is not a large institution, nor a large employer, it promotes Newcastle as an international cultural centre at global conferences and events. It believes in the value of culture in contributing to “fairer, kinder and more confident neighbourhoods”.

‘Corners of Europe’ is a major collaboration in East Durham between 11 partners and 55 artists, drawing threads between communities on the edge of Europe. The project is a unique programme of touring commissions welcoming artists from Croatia, Poland, Italy, Cyprus and Serbia to the villages of Blackhall, Horden and Shotton. In turn, UK artists have taken part in projects in neighbourhoods across the continent.

In Newcastle, Henna Asikainen, a Finnish artist who has been based in the UK for more than a decade and is married to an Englishman, has been commissioned to work with migrant communities and has used historic National Trust landscapes to introduce them to the area.
Ian Palmer, Escape Studios, director

“Whilst we are committed to ensuring that there is an excellent pipeline of homegrown, high-quality talent for the UK creative industries, we recognise that the sheer scale and diversity of the sector demands that studios are able to recruit the best from across the world. This is often regardless of levels of education, experience or seniority, as talent in its rawest form is the lifeblood of the industry.

We need to ensure that there are minimal barriers to this flow of creativity that keeps the UK as a world-leader in this sector. We would highly recommend that any future immigration policy is flexible and agile enough to prevent the creative industries being starved of the talent they need to flourish.”

Escape Studios offer undergraduate, postgraduate and short courses in vfx, game art, animation and motion graphics.

To broaden their set of skills and access global markets

Businesses with staff from a wider range of backgrounds perform better. Numerous studies have shown that cultural diversity gives teams access to a broader range of skillsets and experiences. This means they develop more innovative products. It also means that businesses can understand and better maintain relationships with different export markets.

This is particularly true of companies working in the creative industries, which account for almost 10% of all UK service exports. Creative businesses must understand local culture and tastes in order to develop products and to sell them into the market effectively. A British advertising firm delivering a campaign in Brazil, for example, must understand the local sense of humour, social and political contexts and much else besides. While domestic workers can be trained on foreign languages and cultures to an extent, international workers are able to bring a lived experience of overseas markets with which domestic workers cannot compete. Our ability to bring in staff with such international skillsets has helped secure inward investment from multinational companies, who use the UK as a base of operations for work around the world.

Kristen Dardani, MediaCom, head of global mobility

“The marketing industry is constantly evolving and with that change comes an ever increasing need for innovative talent. Our business, and our clients’ businesses, are not constrained by borders and our talent should not be either. MediaCom’s business is all about connectivity, which requires us to have a diverse workforce that accurately reflects and connects to our clients’ consumer demographic.”

Claire Lawrence, MediaCom, people and performance director EMEA

“Having the best global talent in our business means that we are able to consistently deliver outstanding work to our clients – transforming and growing their businesses and ours. As a global business headquartered in the UK we serve a worldwide client base and market to consumers in 100+ nations around the world. Within just one of our London-based worldwide teams we have talent from 25 nationalities who speak 31 languages so it is critical that UK immigration law continues to enable a degree of geographic talent diversity which support us as a global company to optimally deliver solutions to our clients and consumers in all corners of the globe.”
International workers bring inimitable market knowledge. This helps secure inward investment.

**Evidence: COBA**

The UK is home to more TV channels than any other EU country, and more than half are international. They are based here, but UK audiences will never find them on their remote controls as they broadcast to overseas markets.

TV viewers’ loss is the economy’s gain, however. International channels employ thousands of people in the UK and, to broadcast from here to markets across Europe, they invest heavily in our technological and production infrastructure. Their presence helps create the critical mass of skills and infrastructure that the UK needs to compete globally. And they are growing significantly more quickly than domestic ones.

The vast majority of people working for these channels are UK nationals with 22% from overseas (15% from the EU). International channels require people with a deep understanding of specific international markets. A knowledge of Slovakian scheduling priorities cannot be readily acquired through training. Without access to such expertise, broadcasters will be forced to consider restructuring their European operations.

COBA is the UK industry body for commercial broadcasters.

**Isabel Davis, BFI, head of international**

“The UK and European film industries share the benefits of freedom of movement for EU/EEA people, goods and services. It gives the UK ready access to a pool of talent, facilities and locations for production that may not be available at home, and indeed EU film personnel play a key role in training and developing up and coming UK film talent. EU status allows UK personnel to work in any grade on films produced under co-production treaties signed by member states and equally, the UK’s treaties recognise EU/EEA workers in our agreements and cultural test. These agreements and local tests function in part as critical points of access to production funding and local markets.

If we want to continue to enjoy a mutual, creative and commercially successful relationship with European partners and to be full participants in the European production and funding ecosystem, we must aim to maintain such recognition with the EU and EEA for our people, goods and services. This will require us to offer the same in kind - including around terms of entry for EU workers to the UK.”
International workers help us access international markets and educate our workforce

**Case study: Penguin Random House UK**

Penguin Random House UK, based across three offices in London, distributes more than 37 million books and more than 370,000 titles from their warehouses in Colchester, Warwickshire and Grantham.

The sale of international rights is an important part of the business, contributing millions of pounds of profit to publisher and author. Prestigious publishing deals with major publishers abroad offers opportunities for:

- **Investment in first-time literary writers**
- **Reciprocal UK success**
- **Adding to the success story around a certain title**
- **Giving a narrative to secure better positioning with retailers in the UK**
- **Learn techniques from foreign markets through close working partnerships**

Their top 10 markets in terms of foreign language sales are (in order): Germany, China, Brazil, Italy, France, Spain, Holland, Poland, Sweden and Japan.

In order to achieve the right international placement for authors, employees in the international rights teams must have excellent interpersonal skills, a passion for their subject and a sensitivity to and ability to connect with other cultures. Within the team, it can be very helpful to have a balance of UK and EU/non EU nationals:

**International makeup of adult rights team (in Sept 17):** 11% EU, 11% non-EU, 78% UK  
**International makeup of children’s rights team (in Sept 17):** 16% EU, 84% UK

The challenge can be to find someone with the right sensibility and connections to step into quite a specialised role in an acceptable time-frame so that business and revenues do not suffer. If the process of recruiting international colleagues to work in the London-based business was slower or made more complicated than recruiting from the UK, PRH would invariably struggle to hold out for these candidates and sacrifices might have to be made in order to recruit efficiently and in good time.
Nicola Forristal, Havas, UK group chief people officer, creative

“Havas is an international communications agency which creates meaningful connections for its clients’ brands using creativity, technology and innovation. We need people with diverse backgrounds, cultures, experiences, sets of skills and expertise to come together and create a disruptive, creative chemistry, which results in new communication connections for our clients and their customers.

Because we work with global brands, engaging and recruiting market specialists with insight into different areas of the globe is essential. These specialists come from both within and outside of the UK. Equally important is our ability to engage and nurture talent who have yet to make their name as market specialists, but are stars of the future.”
Tim Maxwell, Boodle Hatfield LLP, partner

“Our clients, including artists/their estates, auction houses, collectors, galleries, dealers, valuers, independent advisors, trustees, and financiers, all rely upon a close interaction with highly skilled, international market specialists. These market specialists bring the skills and expertise that provide insight into a particular genre or era. For example, an exhibition of Picasso’s work bringing together loans from across the world would need specialists – from the linguistic specialists who coordinate with international lenders to the academic specialists who inform the curation of the exhibition. London’s art market – which sold £7.97bn in 2016 – is a global convenor for art market transactions. Similarly, dealers, auction houses and collectors rely on specialists from around the world to provide insight into all aspects of a work of art.”

Boodle Hatfield LLP is a law firm based in London and Oxford specialising in art law among other areas.
Sarah Dear, Elmwood, managing partner

“We need and rely on a multicultural workforce as we work on global brands. We need people who understand not only the fundamentally different mindsets and buying behaviours of consumers in different cultures, but also the subtlety and nuances of design. We as Westerners, for example, do not easily understand the nuances of Cantonese scripts, Asian typographic styles or the Cyrillic used by our nearest neighbours in eastern Europe. The rules we live by day to day in the west don’t always follow suit in the rest of the world.

Without the ability to attract a global workforce who can ensure our work reflects this, including by recruiting from our universities, we will be sunk as a UK business. This will likely lead us to relocate our head office overseas to another hub in Europe, or else to our New York studio.”

Elmwood is a brand design consultancy based in London, with clients including Royal Mail, Nestlé and Morrisons supermarket.

We rely on international workers to fill these roles.

In the Federation’s snap workforce survey of more than 250 creative businesses, 57% told us that they were facing skills shortages. Of these, 78% told us that they were not confident these would be solved in the next five years.

Sector skills gaps stem from a mix of inadequate provision in schools, an underdeveloped technical education system and a lack of awareness about careers that the sector has to offer. These gaps are only set to get worse as the number of people studying creative subjects continue to decline:

- The number of students taking GCSE design and technology dropped by 41% between 2007/8 and 2014/15.
- 2016 saw the lowest number of entries for arts subjects in England and Wales for a decade. Entries for GCSEs in creative subjects fell by 46,000 last year against a rise in subjects promoted as “core” by the government’s EBacc attainment measure. Entries for arts subjects in Scotland also showed a decline.

Industry is taking steps to develop the domestic workforce and redress this skills gap. Bodies such as Creative Skillset and initiatives including BFI’s future film skills programme and the NextGen skills academy are working to bring more people into our industry and to train them for successful careers in the industry. But the sector cannot do this alone – it requires government to comprehensively review the role of creative education in schools and beyond. More than half (57%) of respondents to a recent survey conducted by the Design Business Association highlighted that government would need to increase

To fill domestic skills gaps

The creative industries rely on a broad range of highly developed skills. We are the third largest employer of STEM graduates after healthcare and construction. We also hire a large number of humanities graduates and graduates in creative subjects from fine art to lighting and sound design. Technical pathways are also important in the creative industries – including apprenticeships and other non-academic routes.

But the sector has major skills gaps – particularly in jobs that need a mix of creative and technical skills, such as graphic design and vfx.
commitment to creative subjects in education in order to meet skills needs from the domestic market in the future.19

The Federation has outlined a number of steps government and industry can take to tackle these skills gaps. This will reduce our reliance on international workers. These steps are detailed in the ‘Blueprint for growth’ we submitted to the government’s consultation on industrial strategy as well as our paper, ‘Creative education agenda: social mobility and the skills gap’.20

It will take a number of years for industry to feel the benefit of any improvements made to domestic skills training and for our sector’s skills gap to close. Even discounting many other reasons for which the creative industries require international talent. Creative businesses will have to fill skills gaps with international workers until the point this is reached – and will still need access to workers from around the world even after this due to the other factors highlighted in this paper.

This is particularly true if government wants to maintain the sector’s rapid rate of growth: subsectors such as film have expanded so rapidly that companies have had to recruit from overseas despite significant investment in developing the talent pipeline at home.

However, it is also important to recognise that recruiting international workers to a team holds inherent benefit for domestic skills, too. Staff from around the world expose UK workers to a wider variety of skillsets and experiences, improving their own ability to do business.

Phil Dobree, Jellyfish Pictures, chief executive officer

“At Jellyfish Pictures we work on global properties such as Star Wars that require global talent. Often we are asked by studios and production companies whether we can take on extra capacity and work at very short notice. Without access to the best, most diverse talent base – which is only available internationally – within 24 hours, undoubtedly this business would be lost to regions where access to this broad range of skills is readily available.”

The UK’s growing film industry is facing a shortage of skilled workers

Evidence: Film London

2016 saw record inward investment in the UK and the three top-grossing films at its box office – Rogue One: A Star Wars Story, Fantastic Beasts and Where To Find Them and Bridget Jones’s Baby – were all made in the UK.

Film production in the UK is buoyant and growing, with 56 films having begun production in the first three months of 2017. However, the film industry is facing shortages of a variety of skilled workers from makeup artists to carpenters to business analysts.

The skills shortage is particularly acute within the vfx and animation subsectors. The BFI estimates that 10,000 people from outside the UK will be needed to fill 30,000 new job opportunities here over the next five years. Demand has grown because tax credits have helped to make the UK an attractive destination for filmmakers.
UK skills shortages mean the design industry is reliant on international talent
Evidence: Design Council

The design economy generates more than £70bn in GVA for the UK economy and employs 1.6 million people. Design Council’s upcoming research will show that design skills contribute a similar amount to UK GVA as the wholesale retail trade sector or the real estate sector.

It is vitally important that the UK has access to the design skills it needs in the future and establishing access to workers from around the world is a major part of this. The UK needs creative people who are able to challenge current thinking, supporting the emergence of new technologies as industry continues to evolve.

Richard Johnston, Endemol Shine UK, chief executive officer

“Endemol Shine UK makes more than 2,000 hours of television a year including shows such as Black Mirror, Broadchurch, Peaky Blinders, The Island and MasterChef – hit shows which sell internationally and make our television industry the envy of the world. We could not make them without highly skilled crews, and right now these can be incredibly hard to find, especially in scripted programming where demand currently outstrips supply.

From artists to directors, composers to cinematographers, we need to employ the very best people from all over the world – to make the very best television in the world. We clearly need to do more to develop our own skilled professionals for this booming sector, and in my role as chair of Creative Skillset I am working with the screen-based creative industries to do exactly that. But making it harder for skilled workers to work with us would, without doubt, negatively impact our industry.”

Because there are global skills gaps

While our reliance on international workers can be reduced to some degree through domestic skills and education policy, there are other ways in which their contribution to the creative industries can never be replicated by domestic workers.

The creative industries maintain demand by innovating. They use technologies and techniques that constantly evolve. Videogames developers use increasingly sophisticated artificial intelligence, fashion houses employ highly specialist craftspeople to develop unique pieces, new materials are used by architects in construction projects.

Stephen Lotinga, The Publishers Association, chief executive

“Publishing is a huge success story in the UK. With more than half of its revenues generated by exports, the sector is a prominent player on the international stage.

Due to the fast pace of changes in the industry, publishers increasingly need to hire employees with digital and technological skills which cannot always be met by the domestic workforce. Although the publishing industry is keen to play its part in helping to train the workforce, while there continue to be skills shortages publishers must hire from outside the UK in order to remain competitive. Any future visa system should seek to address these skills gaps by ensuring publishers have access to an international talent pool.”
Creative workers are increasingly in demand by other industries too, from the aerospace industry to financial services: the Royal College of Art works with clinical practitioners at the Healthcare Innovation Exchange (HELIx) centre to design answers to emerging problems in the health sector; major banks employ graphic designers to design online banking platforms and improve user experience. In each of these cases, creative disciplines deliver innovation and boost productivity across the economy.

Emerging technologies are, by definition, practised and understood by a small number of people. Even with far greater investment in domestic skills training, the wider workforce will lag behind the latest technological developments.

As such, the creative industries will always face global skills gaps, where companies the world over compete for small numbers of workers with knowledge of these lucrative new technologies. It is vital that any future immigration system allows us to access these world leaders with relative ease, and that Britain retains its reputation as an attractive place to work and live.

Marianne Grant, Motion Picture Association of America, senior vice president

“With new technologies like vfx, augmented reality (AR), special effects and computer-generated imagery becoming increasingly popular and fascinating to watch, the audiovisual sector (including the film, high-end TV and other screen-based segments) is adapting at an accelerated pace.

The audiovisual sector is, in fact, moving so quickly that domestic workforces cannot always be trained to keep up with demand. In order to ensure that our industry remains fleet of foot and retains its competitive edge, we must develop and work with the pace-setting specialists in new technology who come from – or go from the UK to – all corners of the globe.”

Rick Haythornthwaite, Centrica, Mastercard Inc. and Creative Industries Federation, chair

“Every industry is wrestling with the big questions of how best to take advantage of our nation’s changing relationship to the world and the potentially disruptive power of converging cloud, big data, mobile, analytics and artificial intelligence technologies. In this post-Brexit and digital age, the crucial raw material of competitive advantage is imagination. The creative industries know well what it means to leverage imagination as raw material.”
Jairaj Mashru, Bombay Innovation Group, founder, and Z Nation Lab, venture partner

“The pace at which technology continues to disrupt the creative sectors means it is not possible for industry continuously to upskill the permanent workforce. This means industry across the world is dependent upon a small number of freelancers with cutting-edge skills. While expanding opportunities for workers to upskill throughout their careers would help to narrow this gap, the rate at which technology is advancing means there will by definition always be a skills gap that a global talent pool needs to bridge.”

We need to compete globally for experts in emerging technologies

Evidence: Ukie

As a relatively young industry which relies on cutting-edge technical talent, games businesses often compete not only with themselves but with the wider technology industry to secure top candidates with highly sought-after skills in emerging fields like machine learning, artificial intelligence, big data analysis and procedural generation.

By way of illustration a cross-disciplinary research and development team within EA Worldwide Studios, SEED, is currently looking to fill the following roles: ‘virtual human – development director’, ‘virtual humans – research engineer’, and ‘deep learning engineer’. Such roles have only recently come into existence in our industry and accordingly there are few candidates globally with the skills needed to excel in them.

Moreover, when looking for candidates who have proven and replicable success working in a particular genre or category of game, there can also often only be a handful of people globally with the experience needed to contribute value to a project.

In order for the UK games industry to compete globally and continue to create successful and innovative products and services, it needs to be able to bring in this exceptional talent in the future.

Ukie is a trade network for UK games and interactive entertainment.

Traditional skills are also increasingly in shortage

Evidence: The Heritage Alliance

Repair and maintenance of historic buildings directly generated £9.7bn in construction sector output in 2015, with 5.5 million traditional buildings in England alone. The heritage sector needs access to workers with traditional skills to maintain historic and traditional buildings. But this workforce is becoming more difficult to access. There is a significant gap in the number of contractors using traditional materials, as well as an ageing demographic among those with the traditional heritage skills required. We will continue to need to draw on skilled labour from EU countries in order to undertake this specialised work.
No migration system fits the needs of the creative industries perfectly, but some international models do offer inspiration for particular elements.

**International comparison: UAE**

Her Excellency Noura Al Kaabi, Minister of State for Federal National Council Affairs of the United Arab Emirates and twofour54, a media and entertainment zone

“A country’s greatest asset is its people. One of the main challenges faced in the media industry is physical boundaries that limit creativity and flows of human capital: innovation in the media and entertainment industry are not national but nations can nurture those nomadic talents.

Here in the United Arab Emirates we encourage non-resident freelancers to apply for an entrepreneur visa to work in a free zone, where they join 400 thriving media and entertainment businesses. To continue to be at the top of your game you have to attract the best in the world.”

As the non–EU visa system does not allow for the recruitment of low–skilled workers, EU migration has been the major source of international workers for these positions. Some employers will therefore be significantly disadvantaged by an end to freedom of movement, with Oxford University’s Migration Observatory estimating that 96% of EU workers in hospitality and tourism would be unable to work in the UK if non–EEA visa rules were extended to cover EEA nationals.

Alex Beard, Royal Opera House, chief executive

“The Royal Opera House is one of Britain’s leading arts organisations, and a vital contributor to the UK creative economy both here and abroad. This success is entirely down to the remarkable people who work here and who have dedicated themselves over many years to the presentation of the very best of ballet and opera.

This is just as true of the staff in our restaurants, front-of-house, box office, technical departments and administrative teams as it is of the artists who perform on our Covent Garden stage. It is vital that the interest of all those working with us be protected, and that in future we can continue to draw upon such hard–working and talented people.”

c. Other immigration issues

**Low–skilled international workers**

Low–skilled international workers also play an important role in the UK’s creative industries. Many creative businesses depend on these workers to fill valuable support roles. Arts organisations, for example, draw an increasing percentage of their revenues from associated shops, cafés, restaurants and bars. For many of these, international workers provide an important source of labour: the British Hospitality Association has reported that a minimum 15% of the workforce in the hospitality industry is from the EU, rising to around 35–40% in London.

As the non–EU visa system does not allow for the recruitment of low–skilled workers, EU migration has been the major source of international workers for these positions. Some employers will therefore be significantly disadvantaged by an end to freedom of movement, with Oxford University’s Migration Observatory estimating that 96% of EU workers in hospitality and tourism would be unable to work in the UK if non–EEA visa rules were extended to cover EEA nationals.
For many creative businesses, the status of international students and professors in the UK is closely linked to questions about their workforce need. Our sector employs a very high number of graduates. Across the sector, more than 60% of the workforce has a degree or equivalent qualification. This compares with a third across the UK workforce as a whole.

Students from all backgrounds go on to work in all parts of the creative industries, not always following obvious pathways. For example, Brighton’s 2011 Creative Fuse examined a tech and creative cluster that was strongly linked to higher education institutions in the area. It found that 48% of technology entrepreneurs were local arts, design and humanities graduates. The sector is also reliant on graduates from small, highly specialised institutions – from the Royal Drawing School to music conservatoires. International students make up a particularly high proportion of the student body at these institutions – EU nationals alone account for more than 20% of students at the Royal College of Music and 16% at the Glasgow School of Art. This means that the impact of changes to higher education immigration policy is widely felt throughout the sector. Immigration policies should ensure that higher education institutions have as few barriers to entry for international students and academics as possible. They must also provide post–study routes into UK industry if we are to benefit from having trained these talents. The Federation will be responding to the upcoming review on student numbers and higher education institutions by the Migration Advisory Committee (MAC). However, we feel it is important that policymakers understand that the issues of student and workforce movement are not separate for the sector. Indeed, the lack of a route for freelancers post–university is a major disincentive for creative non–EEA students who might wish to study here. This in turn impacts the talent we are able to bring into the sector.

Professor Anne Carlisle, Falmouth University, vice–chancellor

“The UK exports its creativity in many ways, including through its exceptional higher education sector. Higher education brings some of the most talented people in the world into the UK to learn and then to practise. We need mechanisms to allow these individuals to stay after graduation so the best can study here. This will benefit the sector, the creative industries, and the wider economy.”

Families

We need to give international workers the ability to bring over partners and families in a simple and affordable way if we are to attract them to live here. Industry will benefit should government ensure any new immigration system keeps this process as easy to navigate as possible.

Steven Bostock, Mishcon de Reya, partner

“Moving to a new country is a huge decision. It is important that any new UK immigration system continues to respect family life by giving workers from around the world the opportunity to bring their spouse, partner or young children with them. Only by continuing to respect family life will we be able to attract the most exciting workers from around the world.”
2. THE CHALLENGE POSED BY BREXIT

Brexit poses a huge risk to the creative industries. Government has been clear that it intends to end freedom of movement after its exit from the European Union, following the proposed two year period of implementation. This will have a major impact on the way the sector works and jeopardises its current success.

a. The challenge

The challenge to our reputation

The danger Brexit poses is more profound than the rules and regulations of any new immigration system. Our intention to restrict freedom of movement has already damaged our global reputation. It has compromised our image as an open and welcoming cultural hub. A number of respondents to a Federation survey on Brexit and the workforce said that some European staff had already taken the decision to leave.

If we are to remain a creative leader attracting the brightest and best from around the world we must make every effort to maintain our reputation for openness and internationalism. Without this reputation, we will not attract the kind of talent needed to maintain our position. Government has stated its ambition to create a “truly global Britain”. Projecting this image of openness, and developing an immigration system that complements it, will be vital in ensuring this happens.

The challenge to EU talent

Freedom of movement is critical to the way the creative industries work. It has provided us with a vast talent pool that accommodates the sector’s unique work patterns. It lets us access international talent as quickly as needed and for as long as required, with minimal cost and administration – whether for a one-off performance or a permanent full-time contract.

For many years, businesses have been able to access international talent without going beyond our own borders as well: the Federation of Small Businesses has demonstrated that 72% of small businesses that employ EU staff have recruited all of them after they moved to the UK.25 Freedom of movement means a significant number of businesses who benefit from international talent have little or no experience of having to recruit internationally. The fact that the average creative business has only 3.3 staff means many do not have access to expertise on complex issues such as visas and immigration. This puts them at a disadvantage when recruiting international workers in comparison to larger businesses in other industries.

There is a risk that UK businesses will relocate overseas or that some business is transferred abroad if access to talent is curtailed. More than a quarter of respondents to the 2017 London Business Survey said they are considering moving at least part of their operations to other countries in Europe, while 13% of small businesses have said they would consider doing the
same if recruiting non-UK workers became more difficult. Many subsectors of the creative industries are highly mobile and can deliver work remotely, making relocation a viable option. Architects can design buildings from other countries, while post-production on films is frequently done in different countries from the shoot, with hubs already developed in Montreal and Vancouver in Canada, for example.

We must therefore ensure that any post-Brexit immigration system gives us access to EU talent in as open and simple a way as possible if the creative industries are to continue to succeed.

The UK is free to decide its own immigration policy, except where it is bound by treaties such as the UN refugee convention. This means that even if the UK fails to reach a new deal with the EU, it must develop a system offering the best possible access to EU talent unilaterally.

Continuing freedom of movement during the period of implementation will provide the UK with the best possible opportunity to formulate a new immigration system that works for modern British industry. It will also give UK businesses proper time to adjust to operating under the new system, increasing their chance at long-term success. Government must provide further detail on its plans for a registration system to be introduced during this process as soon as possible to provide clarity for both workers and employers.

It is also essential that government secures an agreement as soon as possible with the EU over the rights of EEA nationals currently resident in the UK. This agreement should guarantee their right to remain indefinitely.

The challenge to the non-EU immigration system

An end to freedom of movement will inevitably put extra pressure on our non-EU immigration system: almost 20% of small businesses surveyed by the Federation of Small Businesses say that they will consider sponsoring international workers should their access to EU talent be impeded in the future. This system is currently limited in its ability to provide our sector with the workers it needs. It is a restrictive system that was deliberately designed to counteract the levels of immigration that freedom of movement permitted from Europe.

Government has acknowledged that extending the current non-EU to apply across the whole world is “not an option”. It is so restrictive that it would not provide the number of workers needed to mitigate the loss of skilled employees from Brexit. It also involves huge administrative and financial burdens that would be intolerable for many creative businesses.

The current non-EU immigration system does work relatively well for some organisations, such as those who bring in international artists and performers. But it fails to meet our needs in other ways. There is no provision for the freelance workers the creative industries depend upon, for example, and it does not accommodate the rapid turnaround of projects in some subsectors.
b. What must be done

We cannot support the government’s intention to end freedom of movement, but we recognise that it is highly likely that it will happen. It does mean our entire immigration must be radically reassessed. Without ready access to EU workers and with tightly restricted access to workers from the rest of the world, the creative industries will not deliver the economic, social and soft power benefits they do now.

Government must consult with industry thoroughly as it designs any new immigration system. Below we offer practical recommendations about how to develop a new immigration system that works for the creative industries, looking at EU and non-EU migration respectively.
c. A new relationship with the EU

Decades of freedom of movement means our relationship with the EU is unique. It is our major trading partner and takes almost half our creative exports. Its geographical proximity means it is a practical place with which to do business, while our shared history has seen huge levels of cultural exchange. As a result, we are integrated with the EU to an unparalleled degree. Our recommendations to government about a future EU immigration system reflect this.

Building an immigration system with favourable terms of entry for EU citizens will help secure reciprocal ease of movement for UK workers abroad. It will also help support the export of creative goods and services to the EU which remains our biggest market. Sales and tours to the EU make up a significant proportion of the revenues of many UK creative businesses.

The Federation will continue to collect evidence on the value of the EU workforce to UK creative industries and make the case to government for the access to European talent it requires. We will continue to engage across government departments as a new immigration system is designed and a strategy is put in place to better develop the domestic workforce.
Recommendations

Maintain Britain’s reputation as an open and welcoming cultural hub.

Provide UK workers with the skills needed to work in the creative industries. Government should comprehensively review the ways in which creative and technical skills are taught in the UK, from the damaging effect that EBacc (the government’s headline assessment measure for secondary schools) is having on creative education to how businesses can be incentivised to train their staff. This would help combat the major skills gaps experienced by the creative industries and reduce our reliance on international workers.

Ensure any future immigration system for the EU allows the best possible access to international talent. Any new system must:

- **Allow visa-free travel between the EU and UK:** Securing this should be a priority in exit negotiations.

- **Secure reciprocal rights for UK workers to move and work freely for short-term projects, such as performances and shoots.**

- **Provide same-day access to talent:** Creative businesses need to be able to hire workers on an extremely rapid turnaround. Any delay in the recruitment process will damage our productivity and lose us work.

- **Establish a youth mobility scheme with the EU:** We need to attract fresh talent with original ideas to live and work in the UK if we are to retain our creative preeminence. Future creative leaders often begin their careers in a freelance capacity while doing casual or low-skilled work to support themselves.

- **Allow access to low-skilled workers:** As detailed above, young creatives often support themselves through low-skilled and casual work while developing their career. Creative businesses also need low-skilled workers to fill support roles such as front-of-house staff in order to prove financially viable.

- **Provide a route for freelance talent:** Businesses need ready access to freelance workers. More than a third of people working in the UK creative industries are self-employed. This rises to a half of all those working in creative roles. EU workers must be able to set up in the UK in a freelance capacity.

- **Incur minimal costs and administration:** Any extra burden on
businesses’ time and money will impact their performance. If it prevents them from accessing international talent, it will also reduce their ability to do business and complete projects.

- **Allow employers to bring in EU workers without meeting the current non-EU minimum salary requirement:** Many roles in the creative industries typically pay less than £30,000. Businesses would face a significant financial burden if they were to meet the minimum salary requirement for all international hires. They should instead be required to pay EU workers the appropriate rate recognised for roles by UKVI, developed in line with average UK salaries.

**Maintain freedom of movement during any period of implementation and ensure any registration system to be introduced is as efficient as possible.** Detail must be provided for workers and employers as soon as possible.
Andrej Kupetz, German Design Council, chief executive

“Building an open and flexible immigration system for EEA nationals makes good business sense in that it will allow UK companies access to the talent they require at home. But it is about far more than this, too. Providing EEA workers with more favourable terms of entry will help secure the same in kind for UK businesses and citizens in Europe. The easier it is for UK businesses to travel to Europe, the greater their ability to conduct business and export. This is nowhere more true than with the creative industries, a largely services-based sector whose exports are often about the skills and abilities of its workers.”

Securing favourable terms of entry to other countries is critical to export success

Evidence: One Dance UK

Dance companies travelling to EU member states follow a straightforward process, often managed entirely by a relatively small administrative team. This works well for companies of all sizes – from six dancers to 90.

The ability of UK companies to tour around Europe, as well as our ability to bring in workers from around the world, has helped secure foreign investment in our dance companies. One medium-sized high-profile company gave 109 performances in 39 European cities last year. The company has 12 European co-producing partners who financially support the creation of new work. Six out of 12 current performers and three key office staff are from other EU member states.

Touring revenue varies but is significantly higher in continental Europe than in the UK. A single performance could generate a fee of £5,000 in the UK, but is likely to generate a fee of €20,000 in France. Few receiving houses outside the EU are able to pay large fees so touring beyond the EU is generally less profitable.

An increase in the number of UK performances and a decline in the number of European dates would significantly reduce revenue and the ability to continue to create internationally acclaimed, award-winning creative works. One high-profile UK touring company has calculated that an end to freedom of movement would incur increased costs of more than £130,000 a year based on current touring models. If this were applied to the current financial year for example, it would leave them in deficit.
Hailey Baldwin and Winnie Harlow are seen backstage ahead of the Fashion East show. Photography: Vittorio Zunino.
3. HOW THE CREATIVE INDUSTRIES USE THE NON-EU IMMIGRATION SYSTEM AND HOW THIS CAN BE IMPROVED

The Prime Minister has declared that Brexit offers the UK the opportunity to “reach beyond the borders of Europe” and build a “truly global Britain”. She has promised to deliver an immigration system that offers us access to “the brightest and the best” talent from around the world. To deliver on these promises, we must reassess the UK visa system and the way in which we are able to bring in international workers.

The section below gives a brief introduction to the UK visa system and how it works for the creative industries. It assesses the different patterns of work in the sector – from long-term, full-time employment to freelancing and international touring – and analyses whether these are properly supported by the existing system. It provides comparisons with other systems used around the world and sets out recommendations on how problems in the system can be addressed. These recommendations work hand-in-hand with those laid out regarding EU talent. (see pg. 28)

There are a number of ways in which we can improve our existing non-EU immigration system, with different kinds of employment requiring different interventions.
Entering the UK

People enter the UK in different ways depending on their nationality.

**EEA residents**

Citizens from within the European Economic Area (EEA) – the European Union's 28 member states plus Iceland, Liechtenstein, Norway and Switzerland – are currently entitled to freedom of movement within the UK.

Freedom of movement technically grants EEA residents the right to enter any other member state for a period of up to three months, after which they must have found work in order to stay. Member states may require EEA residents from other states to register their presence “within a reasonable and non-discriminatory period of time”.

The UK has never enforced these measures, though the Prime Minister intends that a registration system will come into force as part of a transitional deal with the EU post-Brexit.

**Non-EEA residents**

Citizens from outside the European Economic Area are subject to the UK visa system, administered by UK Visas and Immigration (UKVI). This is detailed below.

**Non-visa nationals**

British nationals who are not EU citizens (those living in overseas territories, for example) and nationals from another 56 countries do not require a visa in order to travel to the UK if they are staying for less than six months (or less than three months if they enter from the Republic of Ireland).

Non-visa nationals only require a certificate of sponsorship from an employer in order to work in the UK, provided they do so for less than 90 days. This is very valuable to those completing short-term work, including international performers.

How does the UK visa system work?

Most UK visas are administered through a points-based system. Applicants are awarded points according to factors including ability, experience and English skills. They must achieve a minimum score in order to qualify for a visa. The system is divided into five tiers:

**Tier 1:** This category is for ‘high-value migrants’ and covers entry of entrepreneurs, investors and people considered to possess ‘exceptional talent’.

**Tier 2:** This category is for skilled workers with a long-term job offer from an employer in the UK. It also includes those who are transferred into the country by multinational companies.

**Tier 3:** This tier was designed for low-skilled workers filling specific temporary labour shortages. It was never opened for applications and is not currently operational.

**Tier 4:** This tier is for over-16s who wish to study in the UK. Applicants must have a place at a registered UK educational establishment.

**Tier 5:** This tier is designed for temporary workers including those working in creative fields. It also administers a youth mobility scheme.
a. Long-term employment in a company

Despite a high number of freelancers, a large number of workers in the creative industries are still employed in line with standard practice. Businesses from architecture practices to advertising firms need to bring in highly skilled workers on a long-term basis in both creative and non-creative roles.

Long-term employment is currently administered through Tier 2 of the visa system.

**Tier 2:** This category is for skilled workers with a long-term job offer in the UK. It includes those who are transferred into the country by an international company.

**Key features of the Tier 2 general system include:**

- **A Resident Labour Market Test** – Employers must demonstrate that no worker settled in the UK is able to fill a role before offering it to a non-EU worker.\(^{32}\) The vacancy must be advertised in two suitable places for at least four weeks in order to do so.

- **A salary threshold** – Workers must be paid at least £30,000 per year – or even more if this is considered the ‘appropriate rate’ for a profession. A separate minimum salary cap of £20,800 is in place for new entrants.

- **An ‘immigration skills charge’** – Businesses must pay an immigration skills charge when sponsoring an employee who is due to stay for longer than six months. The cost depends on the size of your organisation and the length of time for which the worker is sponsored.

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**Indefinite leave to remain** – Workers can apply for indefinite leave to remain after living in the UK for five years. They must earn a minimum of £35,000 in order to apply. This minimum will rise to £37,900 by 2022.

**Creative industries workers who might enter using a Tier 2 general visa include:** Graphic designers employed by a design firm, architects working at an architecture practice, executives working at an advertising firm.

**Intra-company transfer**

The Tier 2 intra-company transfer route allows multinationals to transfer staff to the UK from another international branch to do a job that a new recruit in the UK would not be able to do. Those travelling must meet higher salary requirements than on the general route.

**Creative industries workers who might enter using a Tier 2 intra-company transfer visa include:** Executives in a multinational broadcaster or advertising firm.

The Tier 2 system is complemented by a Shortage Occupation List (SOL):

**The Shortage Occupation List**

The Shortage Occupation List sets out those jobs for which the UK does not have enough skilled workers available domestically. There are 17 creative industries job titles on the Shortage Occupation List, including dancers, musicians, animators and graphic designers.

Recruits for jobs on the Shortage Occupation List do not have to complete the Resident Labour Market Test or do not have to meet the minimum salary requirement of £30,000. Their employer still has to pay the immigration skills charge.
**Issue: Tracking skills shortages in the sector**

The creative industries are a highly innovative sector, with new technologies and practices developing all the time. This means skills shortages emerge rapidly – particularly in high-growth, high-tech industries such as vfx, videogames and creative tech.

It is vital that we register and react to these emerging skills gaps as quickly as possible if the sector is to achieve the best possible success. Systems such as the Shortage Occupation List must respond quickly, allowing us to bring in international talent as and when it is required.

Yet the last full review of the list was completed in 2013, with the government since commissioning only partial reviews of the list on an ad hoc basis. The needs of digital tech were considered during a 2015 consultation, but the needs of the creative industries have not been included as an area of focus by any of these reviews. This process means the list is at risk of falling behind the pace of change in the sector.

The list’s dependence on SOC codes also means that some of the most exciting, interdisciplinary roles that are emerging in the sector (particularly at the convergence of creativity and tech) risk not being captured. A 2016 consultation by the Office for National Statistics found that the current SOC system fails to capture the creative sector. A working group to develop a replacement for the current system has therefore been formed.

**Richard Wilson, TIGA, chief executive**

“Certain roles within the games sector should be added to the Shortage Occupation List to ensure that employers can recruit the employees they need without undue delay. The additional roles include (but are not limited to): game analyst, senior game artist, senior game designer, senior producer, engine programmer and machine vision and software tools engineers.

This will enable games businesses to address skill shortages in highly specialised roles. The government should also consider introducing broader categories to encompass a wider range of roles. For example, ‘games production’ could be added to the Shortage Occupation List. It could cover roles in programming, art and animation, games design, digital marketing, specialised markets, etc. This would ensure that the SOL stays relevant and it would provide the industry with the agility that we require.”

TIGA is a games industry trade association

**Caroline Rush, British Fashion Council, chief executive**

“To enable the industry to tap into the global talent pool there can be no limit to the length of time that occupational roles can be classed as being in shortage. For broader specialist roles, given that there are difficulties attracting young entrants into industry, it could take some time for shortages to be overcome, and so a ‘maximum duration’ clause on the Shortage Occupation List would not work. It is critical that there is a more joined-up approach from government, between visa policies and skills development, to ensure we are filling gaps.”
**Issue: The minimum salary requirement does not work for the creative industries**

High levels of skill are not always commensurate with high levels of pay in the creative industries. Many roles crucial to creative businesses typically pay less than £30,000, making it far more difficult to hire in international workers on a Tier 2 visa. Businesses have to pay international workers at a rate out of line with industry averages (and potentially other employees) in order to secure them.

Meeting the minimum salary requirement is particularly the case with small and startup businesses, where finances are limited. In creative tech, for example, startups will often balance a lower salary with a share of equity in the business. This puts smaller companies at a disadvantage when recruiting international talent in comparison to larger businesses with greater financial resources.

Minimum salary thresholds are also a problem for creative workers applying for indefinite leave to remain. Many highly-skilled staff, from graphic designers to pattern-cutters will not earn £37,900 (or even £35,000) after five years in a company, as the rules require, making them ineligible. Businesses cannot make a stable investment in sponsoring and developing international workers over a five year period if there is no certainty that they will be able to stay long-term. This puts the creative industries at a disadvantage in reaping the benefits of international talent.

The Migration Advisory Committee (MAC) previously recommended that government make special provisions for the creative industries around minimum salary and qualification requirements. While five codes of practice were developed to recognise the sector’s unique educational requirements for a small selection of specialised roles (such as dancers and orchestral musicians), no such corresponding provision was made on salaries. Innovation foundation Nesta has noted that since the decision to raise the minimum salary requirement to £30,000 was based on the higher level of qualification required of other jobs, “there is a rationale to exempt the creative occupations from the increased threshold”. Nesta noted that the number of workers entering the UK in the associated positions is negligible in relation to the overall Tier 2 inflow, and so alterations to the minimum salary requirement would be unlikely to affect net migration figures.

Current definitions of ‘highly skilled’ do not correspond with all the roles available

**Evidence: Conservatoires UK**

Within many conservatoires, EU staff fill roles that provide vital support to academic and research activity. Such roles often do not meet the Home Office’s current definition of highly skilled (by virtue of their salary or the NQF level of their role) but are nonetheless vital to core activities of the institution.

One conservatoire has three EU support staff, all luthiers. Luthiers are highly skilled craftspeople who care and maintain stringed instruments. There is a shortage in the UK of luthiers with the necessary breadth of experience to deal with the wide range of more than 200 historic instruments in the conservatoire’s collection. For the most recent appointment in this discipline, four of the five shortlisted applicants were from the EEA.
Recommendations

Improve the UK’s ability to track the working needs of the sector

- **Improve standard occupational classification (SOC) codes:** Government and the Office of National Statistics must work closely with the creative sector to make sure that SOC codes properly reflect our sector in the future. This must be a matter of priority for the SOC revision steering group, which is developing an update to the current SOC code system.

- **Make better use of the Shortage Occupation List:** Government should commit to commissioning reviews of the Shortage Occupation List on a biannual basis. This is in keeping with the MAC’s own recommendations. Regular reviews of the list would help ensure that skills shortages in the sector are identified and addressed as quickly as possible. They would also help to guarantee that jobs requiring international hires do not have to meet inordinate salary requirements.

  The MAC must consult with trade bodies working in each subsector of the creative industries as part of the review process. This is particularly important given that the creative industries have been named as a priority sector in the government’s industrial strategy.

  Titles should be added to the shortage occupation list using the broadest possible terms. As the MAC has identified, “having an extensive list of specific job titles may serve to restrict the sector more than having a shorter list of broader roles as the latter option will give employers more flexibility over recruitment”.36 It is also important that titles are only removed from the list after thorough consultation and assessment of the workforce, rather than after a predetermined period of time.
Issue: The immigration skills charge

The immigration skills charge was introduced in order to discourage companies from recruiting internationally, with money levied by the charge to be invested in developing the domestic workforce.

The charge was initially proposed by the MAC, which estimated that it would raise £250m annually. The Conservatives’ 2017 election manifesto pledged to double the charge; Government has not released an estimate of how much extra revenue would be raised.

The increasing cost of the charge:

The charge itself imposes a cost of up to £5,000 on businesses hiring non-EU workers. Government’s plan to double the charge would bring this up to £10,000 per worker for some businesses. The financial burden has been increased by the introduction of the immigration health surcharge, which requires non-EU workers to pay £200 towards healthcare for each year of their visa. It is common practice for businesses to pay it on the worker’s behalf. The combination of these charges means businesses may end up paying an additional £12,000 per international worker. This is in addition to the underlying visa application fees and ancillary charges, the costs of holding a sponsorship licence and the staff overhead to process applications and ensure compliance.

This is a significant cost to business and one that impedes access to international talent. Though the number of businesses that have paid the charge so far is small, the problem would be made decidedly worse if it were applied to all international hires following the end of freedom of movement.

We recognise that the charge is intended to discourage businesses from hiring international workers, but the significant skills gaps in the creative industries means that businesses often have no alternative if they are to secure essential workers. It is unfair to penalise companies that are hiring internationally for roles where Government has already recognised a lack of adequately trained domestic workers.

The charge will not deliver value for money:

Government has stated that money raised by the charge will be invested in skills training. It is yet to provide any details of how this money will be invested, nor where money levied to date has been spent.

Federation members note that industry is best placed both to identify where domestic skills training is needed and to deliver it: levying money out of the sector in order to train the workforce is fundamentally inefficient.

The charge also fails to recognise that hiring international workers to a team delivers intrinsic benefit in terms of skills development. Allowing British companies to hire the brightest and best from around the world brings domestic workers into contact with people at the forefront of their industry and increases the number of skills and practices to which they are exposed. Discouraging international recruitment in order to develop skills at home is paradoxical.
Recommendations

Scrap the immigration skills charge.

As shown above, the immigration skills charge imposes a significant financial burden on UK businesses and this would be made worse should it be doubled. It is also poorly designed for the stated objective of delivering additional training to the domestic workforce.

Extending the charge to cover EU countries would be untenable for many creative businesses, which would not be able to meet the increased costs associated with bringing in vital talent. At the same time, should government wish to build a “truly global Britain” with access to the brightest and best from around the world, it is nonsensical to impose a charge that discriminates against those wishing to hire from particular countries. The charge must be repealed entirely.
Neil Hatton, UK Screen Alliance, chief executive

“The vfx industry is growing rapidly and there is a global shortage of skilled vfx artists. We operate in an international market in film and high-end TV and need the world’s most talented and creative vfx artists to compete with other vfx hubs like Vancouver, Montreal, New York and Los Angeles. Our homegrown workforce benefits hugely from the mentoring and knowledge-transfer from rubbing shoulders with globally renowned experts. Access to global talent is the Brexit issue facing vfx but is also important for animation.

The Prime Minister has said that she wants Britain to continue to be ‘a magnet for international talent that attracts the brightest and the best’. However, we find it hard to reconcile that statement with the obvious disincentive of increased visa costs via the immigration skills charge for highly skilled workers.

The immigration skills charge is likely to have exactly the opposite effect for which it was intended. One of our larger member companies in the vfx sector reports spending more than £40,000 on the charge in the six months since its introduction in April 2017. This is in addition to underlying visa application fees and ancillary charges, the costs of holding a sponsorship licence and the staff overhead to process applications and ensure compliance. The same company has also paid over £90,000 towards the apprenticeship levy in the same period. Prior to April 2017, both these charges would have been nil.

Our fear is that visa costs for EU and non-EU staff could go through the roof and seriously increase the cost of employing international talent.

In a competitive market with tight margins, these additional charges are likely to bring pressure to reduce other costs and the obvious target is the training budget. Companies will not have the discretionary spending available to recruit, train and develop a homegrown workforce because of being penalised for employing migrant labour in roles on the Shortage Occupation List.”

Caroline Rush, British Fashion Council, chief executive

“Applying a levy, on top of the salary threshold, will be extremely challenging for an industry that is predominantly made up of SMEs facing, by their nature, challenging cash flow issues.”

89% of enterprises employed between 0 and 4 people

with just 1% employing over 50 people
No migration system fits the needs of the creative industries perfectly, but some international models do offer inspiration for particular elements.

International comparison 2: Training the domestic workforce in New Zealand

New Zealand employers that wish to sponsor overseas workers to come to the country short-term must be able to demonstrate that they are committed to the development of the homegrown workforce too. A range of evidence is considered by the immigration service when assessing applications, which can include:

- Apprenticeship and graduate programmes provided for New Zealand citizens or residence
- Evidence of training provided to New Zealand employees
- Documentation of work alongside relevant industry training organisations
- Evidence on the proportion of the organisation’s workforce who are New Zealand citizens or residents
- Feedback from relevant unions on the employment practices of the company in question

This system allows both business and the New Zealand government to prove they are doing their part in providing jobs and training for the domestic workforce, while also delivering benefit to the company through either staff or training.

b. Long-term freelance or self-employment

More than a third of people working in the UK creative industries are self-employed. This rises to a half of all those working in creative roles. The Federation provides an in-depth analysis of the freelance creative workforce in its report ‘Creative Freelancers’.

Many of the sector’s self-employed pursue independent careers, such as musicians, visual artists and craftspeople. Others have specific skills that businesses do not require full-time but hire in for certain projects. The average creative company employs just 3.3 people and freelancers allow them to broaden their set of skills as and when needed: theatres recruit specific casts and crews for different productions, a stylist will be brought in by a fashion house for a certain campaign, vfx companies use specialists to complete contracts for particular films.

Employers often need to bring freelance workers in on a rapid turnaround, which the processing times required to secure visas does not accommodate. Freedom of movement has until now allowed us to complement the homegrown workforce with freelancers from the EEA so this work can be done as and when required. The Federation of Small Businesses has demonstrated that 72% of small businesses that employ EU staff have recruited them after they moved to the UK.

Ending freedom of movement jeopardises these arrangements. The current visa system provides few opportunities to bring in the self-employed and freelancers on a long-term basis. The main route used at present by the creative industries to do so is the Tier 1 system.
**Tier 1:** This category is for ‘high-value migrants’ and covers entry of entrepreneurs, investors, and people considered to possess ‘exceptional talent’.

1. **Entrepreneurs, graduate entrepreneurs and investors:** Entrepreneurs and investors must have a certain amount of investable money in order to qualify for a Tier 1 visa. They must also complete a ‘genuine entrepreneur test’ designed to mitigate against abuse of the system. The visa can run for up to three years and four months.

2. **Exceptional talent:** Such visas are awarded to those considered to be either established or emergent leaders in their field. ‘Designated competent bodies’ advise the Home Office on the merits of applicants working in their respective fields: Arts Council England oversees arts and culture applications, while Tech City UK administers digital tech applications.

   Applicants must have significant evidence of their accomplishments, such as international press coverage or major industry awards such as an Academy Award, Emmy or Man Booker Prize.

   Only 1,000 exceptional talent visas are available each year. As a rule, Arts Council England can award 250 of these and Tech City 200. But these can be transferred between designated competent bodies according to demand.

**Creative industries workers who might enter using an exceptional talent visa include:** Award-winning writers, actors and cinematographers, world-renowned models and musicians.

**Issue: The visa system does not work for self-employed and freelance workers**

Tier 1 has proved valuable in allowing some of the world’s leading creative talent to base itself in the UK without the need for employer sponsorship. It has also helped secure investment for many businesses in the sector.

However, it does not address the sector's requirements around the freelance workforce or skilled – short of ‘exceptional’ – talent at the level that many creative businesses would be looking to employ. With the combined total of exceptional talent visas across all five strands capped at 1,000 places per annum and an annual allocation of only 250 for arts, it operates on far too small a scale.

Short-term visas allow businesses to bring in freelancers for particular projects, but these require significant administration and cost that means workers cannot always be reached on the timescales required. It also does not fit with the way in which most small businesses access international talent. Short-term visas also place restrictions on the number of jobs which a non-UK worker can take – this does not fit with the fact that it is common for freelancers to undertake multiple jobs at the same time.

With the end of freedom of movement, government must provide the sector with a route by which to bring in self-employed and freelance talent to complement the domestic workforce.
Recommendations

Introduce a ‘creative freelancer’ visa.

A ‘creative freelancer’ visa should be introduced to provide the workers needed by creative businesses. This visa would adapt the ‘designated competent body’ model currently used by the Tier 1 exceptional talent visa. It would allow arm’s-length bodies working in the various subsectors of the creative industries and that have been accredited by UKVI to support freelancers’ visa applications by attesting to their authenticity and the value they would provide to their industry.

Applicants for the visa would be required to demonstrate a history of work in the sector as well as a viable plan for acquiring work in the UK. We propose that this freelance visa be initially granted for a period of up to 24 months, with an option to extend this if the applicant is able to demonstrate a satisfactory level of employment during the initial period of the visa. Those travelling on the visa would also be able to switch into employer-sponsored visas at the point of renewal, should they secure a full-time job in the UK.

The freelancer visa is designed to fulfil a different objective from the Tier 1 ‘exceptional talent’ visa and would therefore run in parallel with this strand. Whereas the ‘exceptional talent’ visa is designed to allow a very limited number of the world’s leading creatives to join the UK workforce for up to 10 years, the freelancer visa aims to provide the workforce needed by creative businesses across the country. It would have a shorter duration than the exceptional talent visa.

We recognise that all visa systems must be resistant to abuse and believe adopting a structure similar to tier 1 will help mitigate against improper use. We ask Government to consult with us on how to make systems even more rigorous as existing policies are developed and new ones designed.

The creative freelancer visa has been endorsed by sector bodies including the British Film Institute, British Fashion Council, Tech London Advocates, Crafts Council, One Dance UK and Radio Independents Group.

47% of those in creative jobs are freelancers
Recommendations

Allow ‘exceptional talent’ from all parts of the creative industries to use the Tier 1 system.

The exceptional talent visa cannot currently be used by those working in advertising and media, photography, publishing and videogames. It is also unaccessible to exceptional promise working in film, TV, animation and post-production. Government should consult with these subsectors on the potential benefit of opening up the exceptional talent visa to these industries. This could help the creative industries make the most of their annual allocation of places and bring the very best workers from across the subsectors into the country.

It must be noted that amending tier 1 would not provide us with sufficient access to the freelance talent required by creative businesses across the country. Amendments to tier 1 should be introduced in tandem with the ‘creative freelancer’ visa.
Carley Stenson performing as Fantine in Les Misérables. Photography: Johan Persson
Small vfx studio needs to bring in talent to scale up for projects

Case study: Bait Studio

Bait Studio is a design and vfx studio based in Cardiff. Ongoing vfx projects include the BBC drama Casualty and other occasional TV dramas such as Decline and Fall, Born to Kill, Kiri and Bang.

Bait has an in-house team of five vfx artists, four from the UK and a junior from Norway. Previously its junior was from South Korea who studied an MA at the National Film and Television School and then undertook an internship at the studio. She was paid in line with industry rates in South Wales. However, when the salary cap for non-EU staff was increased, she was no longer eligible for a visa given her salary. As a small studio, Bait could not increase her pay so was unable to extend her contract.

Bait Studio has an ongoing contract with Casualty and has completed more than 100 episodes over three years. But no work is ever guaranteed. For each TV show or feature film, Bait goes through a bidding process evaluating project length and how many staff will be required. Projects may be as short as two to three weeks or as long as two to four months. For these additional projects Bait need to supplement the team to ensure the project is delivered on time and to standard while continuing to deliver Casualty in tandem.

The studio is not always able to find the experienced staff required to complete these projects in the domestic labour market – particularly when lead times are short.

Bait is currently bidding to work on a feature film for Netflix. The project would account for as much as 40% of the turnover of the department involved in the project. They need to add 21 staff to the team for three to four months. As work starts extremely quickly after securing a contract, Bait must have these staff ready to start and so must advertise positions in advance of winning the contract.

When advertising the vacancy on LinkedIn, via social media and through a specialist agency, applications were as follows:

- 24% UK nationals
- 55% EU nationals
- 21% non EU nationals (this has historically been higher, but the advert stipulated applicants must be able to work in the UK).

Hiring non-EU staff is currently not feasible due to costs, processing times and the current sponsorship system. It took nine months to get sponsorship for the aforementioned South Korean team member.

Bait would have to turn away work in future if the number of UK nationals applying remains at current levels and EU nationals were considered under similar rules as non-EU nationals.
Simon McVicker, Association of Independent Professionals and the Self Employed (IPSE), director of policy

The self-employed now number 4.8 million and make up 15% of the UK workforce. Research by IPSE has shown that the number of self-employed people in the UK has risen by 47% since 2001, with particularly large increases in the number of women, 16–24 year olds and over-64s. High-skilled occupations account for most of this surge — with a 27% increase in self-employed IT, design and engineering professionals since 2011.

Simon McVicker said: “The key competitive advantage for the UK economy is flexibility. And it is the self-employed who deliver this flexibility — using their on-demand expertise to enable businesses to maximise performance across peaks and troughs in demand.

Nowhere is this more clear than the UK’s creative industries. More than a third of all jobs in the sector are self-employed, and creative industries thrive because they have access to this freelance talent.

As we discuss reforming our migration system post-Brexit, we must ensure areas where we are strong remain so. This means we have to prioritise the free movement of skilled professionals, especially in the creative industries.”

No migration system fits the needs of the creative industries perfectly, but some international models do offer inspiration for particular elements.

International comparison: The Berlin ‘artist’s visa’

Germany, and Berlin in particular, is world-famous for its creative scene and a major destination for the world’s young creative talent. It has developed a reputation as an affordable, accessible and welcoming alternative to other cultural hubs such as London and New York City.

Germany’s freelance residence permits have been key to attracting creatives from all around the world, gaining a reputation for functioning as an ‘artist visa’.

An applicant must be able to demonstrate a history of work in their field and a long-term plan for supporting themselves while in Germany in order to receive a freelance permit. Applicants must present supporting evidence including a portfolio of work, a CV listing education, previous employment, exhibitions and other cultural work, bank statements, a financing plan and a list of future work, such as performances and business meetings.

The permit costs between €56 and €100. The duration of freelance permits is variable, from a number of months to more than a year. They may also be extended.

Applicants from the US, Canada, Israel, South Korea, Japan, Australia and New Zealand are able to apply for artist and freelance visas after arriving in Germany. In this case, applicants present their evidence at a face-to-face meeting at the Ausländerbehörde (foreigners’ office). A residence permit may be issued straight away. Those from elsewhere in the world must secure the visa before arriving.
c. Short-term work, including international touring

As demonstrated above, much of the work in the creative industries is project-based. Companies bring in talent as and when required to complete a particular venture. This ranges from longer projects, such as designing vfx for a feature film, to extremely short-term jobs, such as a single evening’s performance at a theatre or arena.

Tier 5 of the visa system is designed to bring in temporary workers. The UK also operates a number of extremely short-term schemes designed for performers and touring acts.

**Tier 5:** This tier is designed for temporary workers as well as those entering through the UK’s ‘youth mobility scheme’.

Tier 5 allows creative workers such as musicians, actors or film crew with a job offer to enter the UK for a period of up to 12 months. UK employers must sponsor workers wishing to travel. Applicants must show they will make a ‘unique contribution to the UK labour market’ and provide a service that could not be done by a UK worker – that they are a famous band or a highly specialised performer, for example. They must also demonstrate a national or international reputation in their field. Non-visa nationals do not require a visa to work if they will be staying for less than three months.

One visa can be used to cover multiple engagements, such as separate performances.

**Creative industries workers that might enter using a Tier 5 creative and sporting visa include:** Artists and performers

**Permitted paid engagement:** This route allows established non-EEA acts to enter the UK for up to a month to take part in a paid engagement, such as a performance, TV appearance or to conduct a music exam.

Applicants must provide UKVI with a formal invitation from the organisation that will be paying them. They must also provide supporting documents, such as media coverage, reviews or proof of recent performances, to demonstrate their reputation.

Permitted paid engagement offers a cheaper alternative to Tier 5, costing £87 as opposed to £225. It also requires far less administration, with non-visa nationals being able to travel without a visa. This significantly eases the burden on arts organisations – particularly festivals, where many acts must be processed and paid for at once.

**Permit-free festivals:** This scheme allows certain festivals to bring in international acts on visitor visas as part of their programme.

The permit-free festivals scheme mitigates the extremely high costs and levels of liability that would otherwise be associated with organising these events. It allows acts to come for a longer period of time than allowed with permitted paid engagement and permits a wider variety of acts to take part, including amateurs and emerging talent. Current users of this scheme include the Edinburgh International Festival, Aldeburgh and Glastonbury.
Issue: Build on the current strengths of the system

There is a consensus among Federation members that systems for bringing in international acts are proving largely effective. Measures such as the permitted paid engagement route and the permit-free festivals scheme have significantly improved the UK’s ability to host the most exciting acts from around the world. This is due to close collaboration between the Home Office and industry in recent years.

There are however some ways in which the system could be improved.
Recommendations

**Improve the visa processing system.**

UKVI should introduce a processing system which does not require applicants’ passports to be retained. This can currently take up to 14 days. Retaining passports frequently causes problems in the travel schedules of international performers, who need to be able to move around the world to do their job and may receive invitations last-minute to cover in case of sickness. Better use of digital and biometric technologies may allow for a system in which passports are not required beyond the interview stage of application.

UKVI could also place greater faith in the decisions made by some of the UK’s major cultural venues. The Tier 5 application process currently place a burden of proof on visa applicants to demonstrate a ‘world-class’ reputation through evidence such as reviews and press coverage. However, the system should recognise that an act is by definition world class if it has been invited by one of our major institutions. Greater faith in the reputation of some of our leading venues could help make the visa processing system more efficient.

UKVI must also do everything it can to keep visa costs to an absolute minimum. Many cultural organisations work on tight financial margins and high costs are a significant financial burden.

**Develop codes of practice with a greater number of industries.**

Developing codes of practice for different subsectors means UKVI can ensure the visa system meets their needs. These reconcile the general system with the specific needs of different areas of industry – for example, they ensure that entry criteria reflect the fact that creative workers train in highly specialised ways.

Codes of practice have allowed many creative businesses to better negotiate the visa system. But there are some subsectors for which they have not been developed. The modelling industry has been particularly vocal in its calls for an industry code of practice in order to boost productivity.
Allow multiple entry and greater periods of time between professional engagements on short-term visas.

Allowing multiple entry and greater periods of time between engagements and making it easier to secure permission for multiple entries would allow short-term visas to better fit the shape of work for many creative workers. It would significantly reduce the financial and administrative burden of those companies that are currently required to make multiple visa applications for the same trip, or where artists make repeated visits to the UK in the same year.

The International Artists Managers’ Association has called for the introduction of a new visa for international performers that would allow acts multiple entry access to the UK across a year under the sponsorship of a reputable management company.

Extend the permitted paid engagement route.

The permitted paid engagement (PPE) scheme should be extended to allow performers to enter the UK for up to three months. This longer timeframe would enable the scheme to cover the time required for full rehearsal and performance runs, as well as full performance seasons. This would significantly reduce administration and costs to UK companies. It would ensure an efficient system is used to best possible effect.
Atholl Swainston-Harrison, International Artist Managers’ Association (IAMA), chief executive

“Progress made on the Tier 5 route to date has taken many years to develop and IAMA members generally regard it as fit for purpose.

There are certainly improvements that can reduce administration for the Home Office and for the applicant - specifically for those who require a visa either for performance seasons longer than 30 days or those who make several visits to the UK over a year.

Waiting times for visa processing with the passport withheld can be a real threat to working. One can neither track the progress of the application nor predict if it will be delivered before the target date. We propose that the Home Office investigates a more efficient system that relieves the pressure on both parties yet fulfils the security of entry clearance. We propose, in particular, avoiding retention of passports while the visa is processed. This would make a huge difference to the efficiency of the system.

Britain is the European centre for music artist management and this is something that is by no means a given going forward. Making clear that the cultural industries are valued and able to work efficiently is essential for this status to be retained. Access to skilled candidates for full-time employment is essential to growing the sector. The concern of members is that the costs of bringing in specialist staff post-Brexit will be too expensive.”

Administration time for orchestras from outside the EU is significantly higher

Case study: Barbican Centre, London

The Barbican Centre is one of the world’s leading arts centres, home to two art galleries, two theatres, three cinemas, a concert hall and a tropical conservatory.

The Barbican regularly welcomes internationally renowned musicians in both classical and contemporary music. Administration time and cost varies considerably for visiting orchestras, dependent on whether they are visiting from outside or inside the European Union.

Below we present three cases demonstrating the significant variation in administration time associated with bringing in international acts. These show how arts venues have benefited from the mechanisms brought in to support short-term touring.

1. EU – Royal Concertgebouw Orchestra (December 2016): Administration time: one hour

The majority of the party were EU nationals. Of the 14 non-EU nationals, 11 were non-visa nationals (people from countries where visas are not required for short trips) so needed only a letter of invitation in order to perform in the UK via the permitted paid engagement route. A single certificate of sponsorship (CoS) was issued to cover the three visa nationals, who applied for their visas themselves. Administration time was limited to ensuring passport and other details for these 14 were correct, and issuing one CoS (continued overleaf).
• Total party: 115
• 11 people covered by letter of invitation
• 3 people covered by certificate of sponsorship
• 101 EU nationals

2. Non–EU – Los Angeles Philharmonic (March 2013)
Administration time: 100 hours

This case study pre–dates the introduction of the PPE route and required a very high administration time – three weeks’ work over a three month period. The Barbican was required to collate all passport and other details from the entire party and enter these into the UK Border Agency’s website (which permitted a maximum group size of 10).

• Total party: 189
• Multiple certificates of sponsorship issued to cover whole party (each group of ten required a different CoS)
• Party included five visa nationals
• One EU national

3. Non–EU: Los Angeles Philharmonic (March 2016)
Administration time: 70 hours

This visit was made after the PPE route was introduced. One group PPE letter of invitation was issued to cover all non–visa nationals in the party, with visas being processed for those members of the orchestra who required it. This required two weeks’ work over a three month period. The Barbican was required to collate all passport and other details from the entire party. Administration time was lengthened due to a change in US rules which required US nationals to have at least six months left on their passports if travelling abroad.

• Total party: 143
• One group PPE letter of invitation issued to cover whole party, except visa nationals
• Seven CoS issued to cover visa nationals
• Seven EU nationals

A Barbican spokesperson said: “If all non–UK EU citizens have to apply for a Tier 5 visa, under current arrangements it would cost £235 per person. Applied across a touring orchestra of approximately 150 people, this would see a total additional cost of approximately £35,000, which would make programming outstanding orchestras from overseas very challenging.”

Jill Jones, Edinburgh International Festival, head of artistic management

“By and large, the combination of the permit–free festivals list and the permitted paid engagement (PPE) route works well for us. Edinburgh International Festival (and all other festivals on the permit–free list) cannot take on the responsibilities and costs of being a Tier 5 sponsor for all the artists performing due to the number that are involved in such a short timescale.

The permit–free list is vital in allowing festivals the opportunity to create new staged productions and present longer runs of existing productions, neither of which can be done within the timescale of the PPE route. It also allows us to bring over performers who are not established professionals.

Our most significant concern for the future is the continuation of this list. It seems that EU nationals may need permission to work in the UK post–Brexit: this could more than double Edinburgh International Festival’s workload for visa paperwork. This will make the permit–free festivals list all the more important.”
Julian Bird, Society of London Theatre/UK Theatre, chief executive

“There are three key aspects of the current immigration system which are critical to the ability of performing arts companies to recruit essential international talent, helping to maintain the UK’s world-leading position in the performing arts and creative industries: the concession for creative workers who are non-visa nationals coming to the UK for less than three months, whereby a Tier 5 visa is not required; the recognition of skilled classical ballet and contemporary dancers as shortage occupations for Tier 2; and the permitted paid engagement (PPE) route.”

Compare the current cost of tours to the EU with performing in the rest of the world

Case study: The London Symphony Orchestra

The London Symphony Orchestra (LSO) tours 18-25 times a year on average, performing 50-70 concerts outside of the UK. Of this, 80-85% is European touring. On a given year, the orchestra may apply for up to six sets of visas for non-European tours for between 95 and 125 individuals.

Each tour requiring visas can cost the orchestra £18,000-24,000. Currently the most expensive visas per person are China (£182), USA (c.£140) and Korea (£100) per person.

Eight months prior to departure, the orchestra begins working on the application. The hours spent administering visa requirements for tours on average equate to 10 full days for one full-time member of staff. It would be incredibly difficult for the LSO should a similar system be applied to EU touring, with administrative and financial burdens massively increased.

Hiring from outside the EU is difficult for small businesses

Case study: The Monteverdi Choir and Orchestras

The three Monteverdi ensembles – the Monteverdi Choir, English Baroque Soloists and Orchestre Révolutionnaire et Romantique – feature world-class musicians and singers of many different nationalities. The Monteverdi ensembles also nurture future generations of players and singers and develop emerging talent through the Monteverdi apprenticeship scheme.

Monteverdi hire their musicians on a freelance basis and needs vary between projects. Generally, about 10% of musicians are from the EU and the rest are UK. They hire very few non-EU musicians – only one or two per project/season.

As a small business it is not financially viable for them to sponsor non-EU nationals for Tier 5 visas, due to the lengthy and costly administrative processing times. They hire all non-EU musicians using the PPE system instead.

Monteverdi have highlighted the fact that they are unable to bring in non-EU musicians at short notice due to visa processing times.
Current rules regarding multiple entry are unsustainable for short-term musicians. The performing orchestras came from Germany and Sweden – the Deutsche Kammerphilharmonie Bremen and the Royal Stockholm Philharmonic Orchestra.

Rules regarding the gap between engagements mean most non-EU artists have to apply for two or three visas per year to perform in the UK. Some cases involve five UK visas issued over a period of only 10 months. This adds to the administrative burden and increases cost for UK organisations.

HarrisonParrott is an international classical music agency which develops and delivers tours and residences across classical and world music, dance and theatre.

Fifteen HarrisonParrott artists and two touring orchestras performed at the BBC Proms this year. Alongside Finnish conductor Sakari Oramo, who conducted the Last Night of the Proms for the third time, seven artists were EU nationals.
Specialist staff in conservatoires need a visa system to support flexible working

Case study: Conservatoires UK

Most conservatoires have a high level of specialist staff from outside the UK, who make repeated short-term visits. In a typical year, one conservatoire has around 80-100 such visitors, with about eight to 10 of these being under the Erasmus+ exchange programme. These staff deliver specialist teaching such as instrumental masterclasses and workshops, or visit as guest artists to work with students in the conservatoires’ performance festivals. In addition, guest conductors are brought in to lead high profile orchestral performances.

Teachers coming into the UK under the Erasmus+ exchange programme have a crucial role in providing the diversity and breadth of experience for conservatoire students. In recent years a conservatoire may typically have upwards of some 10 to 12 incoming exchanges per year, including:

- a French-trained Norwegian teacher who shares her detailed insight into French harp repertoire and performance traditions
- an Italian teacher who provides in-depth knowledge of the Italian bandoneon (a type of concertina) repertoire for accordion students
- a conductor from Stockholm who is able to share with choral conducting students the very distinctive tradition of Swedish choral singing and conducting.

New and exciting models are essential for successful showcases of fashion design

John Horner, Association of Models’ Agents, chief executive

“The UK modelling industry is worth an estimated £120m and is renowned for finding and developing the careers of some of the most famous and successful models in the world. Their skills and reputation are of significant export value, from Kate Moss and Cara Delevingne to Naomi Campbell, Twiggy and David Gandy.

Modelling is an exceptionally international industry. Legitimate UK agencies represent around 13,500 models who must be able to attend shows, castings and shoots around the world: Growth of e-commerce and social media means designers actively seek exclusive and unfamiliar models, increasingly going abroad to fulfil their needs. ASOS, for example, shoots 5,000 models every year and is now directly scouting around the world. One major British model agency actually sponsors more visas annually than all the Premier League clubs combined.

London’s four fashion weeks (two men’s and women’s each year) demonstrate the international nature of the industry. AMA estimate that the profile of models in fashion week is 40% British, 30% EEA and 30% non-EEA, using the four largest UK agents as a proxy. Each week attracts about 90 designers who work with 750 models, provided through 20-25 model agencies. The events are the major global showcase for British designers, critical to their ongoing success. Our ability to bring in non-EEA models is already limited and further compromising this will threaten our reputation. If London cannot welcome models flying from New York fashion week, they may bypass us and go straight to Milan and Paris.”
No migration system fits the needs of the creative industries perfectly, but some international models do offer inspiration for particular elements.

**International comparisons 3: American visas for artists and performers**

The US operates a number of short-term ‘O’ and ‘P’ visas for internationally touring acts, including renowned solo artists, performance groups and those artists recognised as ‘culturally unique’.

The US system is similar in set-up to the UK system, with the ‘O’ system for renowned artists resembling the UK’s ‘exceptional talent’ visa and its ‘P’ system for groups and unique artists mirroring the Tier 5 creative visa.

Touring acts must be sponsored by an American employer or agent in order to receive the visa. They must also be able to demonstrate a sustained national or international reputation. ‘Culturally unique’ acts who may not be able to demonstrate widespread acclaim are instead required to demonstrate their authenticity and prove that their visit will ‘further the understanding or development of his or her artform’. Renowned artists can be granted a visa for up to three years, while groups and ‘culturally unique’ artists can be granted up to one year. Both can be extended.

Anecdotal evidence suggests the US system is more difficult to navigate than the UK system. However, once visas are granted, they also offer more flexibility in some aspects. All ‘O’ and ‘P’ visas are multiple entry, whereas the UK’s Tier 5 creative visa requires that sponsors request this specifically. ‘O’ and ‘P’ visas also allow the travelling artist far greater periods of time between professional activities. While the Tier 5 creative visa allows for up to 14 days in between engagements (such as performances or promotional events), the US system commonly allows gaps of up to 60 days. This can allow for greater flexibility with scheduling and touring.
4. CONCLUSION

International talent is critical to the UK’s creative industries. Workers from around the world provide our sector with the creative and technical skills we are failing to cultivate domestically. But they also offer ideas, experiences and market insights which our homegrown workforce will never possess. This is of vast importance to our creative businesses. Any future UK immigration system must provide the sector with flexible and efficient access to global talent if we are to benefit from its irreplaceable contribution in the future.

Government’s intention to end freedom of movement after Brexit poses a huge risk to the creative industries. It removes the single most effective route to international talent that we possess – one that modern creative businesses have modelled themselves around. Freedom of movement gives the UK instant, affordable access to the creative workers it needs. It allows us to bring in those working in any capacity imaginable, including those we would not be able to bring in using the non-EU visa system. This includes freelancers, who make up a third of all the workers in our sector.
Any new system of movement for EU workers must answer the needs of creative business if we are to prevent a major skills crisis in the wake of Brexit and maintain our position as the world leader in this sector. As we renegotiate our position in the world, we also have a unique opportunity to improve the way we bring in workers from elsewhere too. It is imperative that we do so if we are to build a ‘truly global Britain.’

The ‘Global Talent Report’ demonstrates what our sector needs from a future immigration regime and offers clear advice on how this can be achieved. We strongly urge Government to heed its advice and deliver a system that supports our hugely successful sector.
APPENDIX 1: ABOUT THE CREATIVE INDUSTRIES WORKFORCE

This section provides further detail about what the creative industries workforce looks like. This data will better inform government on the needs of the sector as it develops an immigration system for the future.

In this section:

• What does the creative workforce look like?
• What is the future of the creative industries workforce?

a. What does the creative workforce look like?

Almost two million people (1,958,000) were employed in the creative industries in 2016. This is more than one in every 17 working people. The sector encompasses nine subsectors: advertising and marketing; architecture; crafts; design and designer fashion; film, TV, video, radio and photography; creative tech (IT, software and computer services); publishing; museums, galleries and libraries; and music, performing and visual arts.

More than three million people (3,034,000) were employed in the creative economy, which counts both the creative industries and those working in creative jobs in other sectors, for example, a designer working for a manufacturing company. This means that more than a million people are working in creative jobs in other parts of the economy.

Key characteristics across the creative workforce include:

• **High levels of employment growth**: employment in the sector was up 5% from 2015 to 2016 (four times the growth of the wider UK workforce). This growth is the continuation of a longer-term trend – employment in the creative industries has risen by more than a quarter (25.4%) since 2011, compared with 7.6% in the full UK workforce.

• **Large number of graduates**: across the sector more than 60% of the workforce has a degree or equivalent qualification. This is compared to a third across the UK workforce as a whole.

• **Workforce of varied ages, depending on subsector**: although the creative industries are often perceived as having a young workforce, the proportion of those under 30 years old (22%) is actually lower than for the workforce as a whole (24%). When we look at a slightly broader age range (16–39), we find that the number is slightly higher than the workforce as a whole (51% compared with 46%). This difference is particularly important when considering how a youth mobility visa might work for the creative industries workforce.
The UK’s creative industries are an economic powerhouse. What does the creative workforce look like?

2 million people

The creative industries employ 2 million people in the UK.

1 in 11 jobs are in the creative economy

60%+ of the workforce has a degree or equivalent qualification

Who do they work for?

47% of those in creative jobs are freelancers

89% of enterprises employed between 0 and 4 people

Who are they?

with just 1% employing over 50 people

Average business size is 3.3 people

In what sectors?

14.9% music, performing and visual arts

10.1% advertising and marketing

5.0% architecture

0.3% crafts

8.2% design and designer fashion

12.5% film, TV, video, radio and photography

34.4% creative tech (IT, software and computer services)

4.7% museums, galleries and libraries

9.9% publishing

Where do they work?

The sector is growing - fast.

The creative sector grew more than 25% from 2011 to 2016.
**Ad hoc DCMS data requested by Creative Industries Federation:**
*employment in creative industries subsectors by age*

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Under 30</th>
<th>Over 30</th>
<th>All</th>
<th>Proportion under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and marketing</td>
<td>59,000</td>
<td>138,000</td>
<td>198,000</td>
<td>30%</td>
</tr>
<tr>
<td>Architecture</td>
<td>19,000</td>
<td>79,000</td>
<td>98,000</td>
<td>19%</td>
</tr>
<tr>
<td>Crafts</td>
<td>7,000</td>
<td>7,000</td>
<td>14,000</td>
<td>23%</td>
</tr>
<tr>
<td>Design and designer fashion</td>
<td>124,000</td>
<td>124,000</td>
<td>248,000</td>
<td>28%</td>
</tr>
<tr>
<td>Film, TV, video, radio and photography</td>
<td>69,000</td>
<td>177,000</td>
<td>246,000</td>
<td>20%</td>
</tr>
<tr>
<td>Creative tech (IT, software and computer services)</td>
<td>134,000</td>
<td>539,000</td>
<td>674,000</td>
<td>22%</td>
</tr>
<tr>
<td>Publishing</td>
<td>35,000</td>
<td>158,000</td>
<td>193,000</td>
<td>18%</td>
</tr>
<tr>
<td>Museums, galleries and libraries</td>
<td>-</td>
<td>-</td>
<td>92,000</td>
<td>-</td>
</tr>
<tr>
<td>Music, performing and visual arts</td>
<td>222,000</td>
<td>222,000</td>
<td>291,000</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>434,000</td>
<td>1,524,000</td>
<td>1,958,000</td>
<td>22%</td>
</tr>
</tbody>
</table>

Estimates rounded to the nearest thousand.
‘-’ denotes data withheld to avoid disclosure.
• **Great variety in salaries, not always commensurate with talent.** As part of a piece of research the Federation conducted on the creative workforce, we asked almost 700 creative workers what they earned. Some respondents were earning under £18,000 a year, others were earning more than £100,000. There is also great variety between subsectors. We found the most common salary bracket for those working in freelance advertising was £30,000 to £50,000. Many working in craft and design or as authors earned less than £18,000. Subsector, experience and job title can be as important factors as talent in deciding what salary band any individual is earning.

Research conducted by the Greater London Authority from ONS data in 2017 found that full-time employees in London’s creative economy (including creative workers in other sectors, alongside the creative industries) tended to be paid more than the average across all sectors of London’s economy. Median hourly pay of £20.38 in 2016 was almost a third higher than the rate for those employed outside the creative economy.48

• **Prevalence of small companies.** The average creative business employs 3.3 people.50 89% of creative enterprises employed between one and four people and just 1% employ more than 50 people in 2014 (last available data).51

• **Prevalence of freelancers.** More than a third of people in all jobs in the creative industries, including supportive jobs, are self-employed.52 Almost half of those in the creative jobs in the sector are freelancers, compared with 15% of the total UK workforce. The chart below shows the prevalence of self-employed workers in every part of the sector. Work done within creative subsectors has confirmed this high reliance on freelance talent. For example, BFI research revealed that in 2016, 49% of those engaged in film and video production – a total of more than 27,000 people – were self-employed.53

These freelancers are not only from the UK. In a snap workforce survey conducted by the Federation of more than 250 businesses in the sector, 62% told us that they employed non-British freelancers. More than 70% of those that did employ non-British freelancers felt that there were reasons they could not fill these jobs with British workers.

• **The workforce is ‘clustered’ in hubs situated across the country.** Extensive research by organisations including Nesta and Creative England has shown that creative businesses are often found in ‘clusters’, frequently part of metropolitan centres. The 2016 report ‘Geography of Creativity in the UK’ by Nesta showed that between 2007 and 2014, more than nine in 10 of the 228 metropolitan areas (or ‘Travel-to-Work-Areas’) that make up the UK experienced a faster rate of growth in the number of creative businesses than in business as a whole.59 They also found that some ‘creative clusters’ are larger than a single metropolitan area: for example, the Nesta report identified such agglomerations around Manchester, Leeds, Bristol and Cardiff.
## Number of employed and self-employed in the creative industries by subsector

<table>
<thead>
<tr>
<th>Subsector</th>
<th>TOTAL 2016 UK workforce</th>
<th>% of creative industries employment</th>
<th>EMPLOYED 2016 (% of subsector workforce)</th>
<th>SELF-EMP. 2016 (% of subsector workforce)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and marketing</td>
<td>198,000</td>
<td>10.1</td>
<td>145,000 (73%)</td>
<td>53,000 (27%)</td>
</tr>
<tr>
<td>Architecture</td>
<td>98,000</td>
<td>5.0</td>
<td>73,000 (74%)</td>
<td>25,000 (26%)</td>
</tr>
<tr>
<td>Crafts</td>
<td>7,000</td>
<td>0.3</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Design and designer fashion</td>
<td>160,000</td>
<td>8.2</td>
<td>62,000 (39%)</td>
<td>98,000 (61%)</td>
</tr>
<tr>
<td>Film, TV, video, radio and photography</td>
<td>246,000</td>
<td>12.5</td>
<td>151,000 (61%)</td>
<td>94,000</td>
</tr>
<tr>
<td>Creative tech (IT, software and computer services)</td>
<td>674,000</td>
<td>34.4</td>
<td>544,000 (81%)</td>
<td>130,000 (19%)</td>
</tr>
<tr>
<td>Publishing</td>
<td>193,000</td>
<td>9.9</td>
<td>132,000 (68%)</td>
<td>61,000 (32%)</td>
</tr>
<tr>
<td>Museums, galleries and libraries</td>
<td>92,000</td>
<td>4.7</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Music, performing and visual arts</td>
<td>291,000</td>
<td>14.9</td>
<td>88,000 (30%)</td>
<td>203,000 (70%)</td>
</tr>
</tbody>
</table>

Total: 1,958,000 100 1,284,000 675,000

Estimates rounded to the nearest thousand.

‘- ’ denotes data withheld to avoid disclosure.
To read more about this part of the workforce, see “Creative Freelancers,” Creative Industries Federation, July 2017.54

• Short-term contracts In 2017 the Federation surveyed almost 700 creative freelancers and found that more than half took one to 10 contracts per year. As freelancers work for multiple employers across the year (and often simultaneously) they usually do not qualify for employer-sponsored visa routes. It should be noted that freedom of movement has allowed EU workers to fill freelance roles in a way the non-EU visa system does not currently support and this should be considered as government reviews our immigration system. Freelance employment should not be equated with work in the gig economy, where workers take on thousands of separate contracts in any given year.

• The table below shows the variety of responses from to the Federation’s freelancer survey concerning annual number of contracts:

### Annual number of contracts undertaken by creative freelancers

<table>
<thead>
<tr>
<th>Number of contracts each year</th>
<th>0</th>
<th>1-5</th>
<th>6-10</th>
<th>11-15</th>
<th>16-20</th>
<th>21-50</th>
<th>51-100</th>
<th>101+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>40</td>
<td>244</td>
<td>111</td>
<td>46</td>
<td>19</td>
<td>49</td>
<td>15</td>
<td>10</td>
</tr>
</tbody>
</table>

b. What is the future of the creative industries workforce?

A recent paper by Nesta and Pearson looked at the future of skills and employment by 2030, taking into account factors from automation to globalisation and an ageing population. This suggested that by 2030 there would be buoyant demand for some – although not all – professional occupations. In particular, it suggested that the creative industries were likely to fare well as the workforce evolved.

The paper said: “Creative, digital, design and engineering occupations have bright outlooks and are strongly complemented by digital technology. Furthermore, architectural and green occupations are expected to benefit from greater urbanisation and a greater interest in environmental sustainability.”55

In order to measure emerging trends and current needs the creative industries are taking steps to learn more about their workforce.56 The sector is currently collecting granular data about its workers using a mechanism developed from government’s Employer Skills Survey.
ENDNOTES


2. An analysis by PwC showed in 2015 the automotive sector was worth £19.6bn GVA, life sciences £14.5bn, oil and gas £13.7bn and aerospace £8.8bn.


4. “Global by design: how the government can open up new opportunities for UK architects.” RIBA, January 2017.

5. The impact of Brexit on the vfx industry and its ability to access the global talent pool.” UK Screen Alliance, January 2017.


criteria-for-eu-nationals-coming-to-the-uk/


31. Nationals from the following countries constitute non-visa nationals: Andorra, Antigua and Barbuda, Argentina, Australia, Bahamas, Barbados, Belize, Botswana, Brazil, Brunei, Canada, Chile, Costa Rica, Dominica, East Timor, El Salvador, Grenada, Guatemala, Honduras, Hong Kong, Israel, Japan, Kiribati, Macau, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Monaco, Micronesia, Namibia, Nauru, New Zealand, Nicaragua, Palau, Panama, Papua New Guinea, Paraguay, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Seychelles, Singapore, Solomon Islands, South Korea, Taiwan, Tonga, Trinidad and Tobago, Tuvalu, United States of America, Uruguay, Vanuatu and Vatican City

32. The resident labour market test does not have to be completed if you are employing someone who is switching from a Tier 4 student visa to a Tier 2 visa, if the job is on the Shortage Occupation List or if the salary is greater than £159,600 per annum.

33. Digital tech is distinct from creative tech. Digital tech refers to any electronic systems and devices that generate, store or process data – this includes mobile devices, social media and cloud computing. Creative tech refers to tech that is used for creative purposes specifically, such as design, gaming and virtual reality.

34. See footnote 56.

35. Windsor, George, Hasan Bakhshi and Juan Mateos-Garcia. “Skilled Migration and the UK’s Creative Industries.” Nesta, August 2016.


To be included on the permit free festivals list, events must:

- have been established for at least three years
- have had an audience of at least 15,000 for each of the last three years
- have an expected audience of at least 15,000 throughout the event
- have at least 15 non–EEA performers who have performed for each of the last three years
- have a letter of support from supporting bodies (e.g. Arts Council England or Creative Scotland), press coverage from the past three years and proof of ticket sales.

Standard visitor visas can run for up to six months.

Administration time denotes the time the Barbican spent on these visa applications which includes collating and checking information, producing certificates of sponsorships and dealing with any potential issues. These estimates have been submitted by the Barbican.

This data is needed because whilst we have good data across the creative industries at subsector level, it is more difficult for us to get robust information regarding occupations and skills shortages. The government uses standard occupational classification (SOC) codes to collect information on different jobs. This system splits jobs into categories using a series of numbers. All 'arts, design, entertainment, sports and media' jobs, for example, are categorised under 27–0000, which is then more specifically split into group titles such as Media and Communication Equipment Workers (27–4000) and so on down to a sixth digit - in this instance, further categories include "Television, Video, and Motion Picture Camera Operators and Editors (27–4030) and Sound Engineering Technicians (27–4014). But in the creative industries these do not map onto jobs that people actually do, in part because of the rapidly changing nature of jobs in our sector. SOC codes also do not capture emerging economic or occupational activity in real time.
Global Talent -
Why the UK’s world-leading creative industries need international workers and how to attract them

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