

The creative industries will be integral to the UK's economic and social regeneration. They were growing at four times the rate of the economy as a whole and contributed £116bn in GVA in 2019 – that's greater than aerospace, automotive, life sciences and oil and gas sectors combined. They were creating new jobs at three times the UK average, with employment growth as much as 24% in Wales and 81% in the North East between 2011 and 2019. They have been central to the UK's soft power, in driving tourism and exports, instrumental in bringing communities together and fundamental to the nation's mental health.

With the right support, the creative industries can unlock the growth, job-creation and innovation that the UK now needs to thrive. To realise this opportunity, government and industry must:

- 1. Invest in entrepreneurialism and a future-proof workforce**
- 2. Unlock the UK's inward investment and export potential**
- 3. Drive innovation, R&D and growth in all parts of the UK**

COVID-19 has significantly impacted and continues to impact the full breadth of the sector. **Whilst still facing restrictions and uncertainty, the following urgent recommendations remain:**

- Extend the Self-Employed Income Support Scheme for as long as restrictions on work remain, and urgently plug the gaps in support for freelancers.
- Extend the Job Retention Scheme, temporary business loans, grants and rate reliefs across all UK nations for as long as restrictions remain.
- Introduce a government-backed insurance scheme for live events.
- Extend the VAT rate reduction on tickets beyond March 2021.
- Repurpose the Tradeshow Access Programme to support virtual, not just physical, events.

Our full Spring Budget Representation can be shared upon request.

## **1. INVEST IN ENTREPRENEURIALISM & A FUTURE-PROOF WORKFORCE**

Prior to the pandemic, the creative industries were set to create as many as 1 million new jobs by 2030, and with the right investment and support, can play a leading role in job creation once again – including the creation of vital freelance work. The sector is a vanguard for the future of work; resistant to automation and built on innovation, agility and entrepreneurialism.

- **Establish a Future Workforce Commission** to ensure the UK champions entrepreneurialism across government and industry as we emerge from the pandemic and re-establish ourselves globally.
- Incentivise employers to **progress Kickstart employees onto apprenticeships** by, for example, extending the Apprenticeship Grant, and **continue to work closely with the creative industries on apprenticeships to test and implement more flexible approaches.**
- **Expand the Enterprise Allowance Scheme** to further de-risk and incentivise entrepreneurialism, and collaborate with industry to **ensure existing support for start-ups benefits a higher and greater diversity of creative entrepreneurs.**
- **Secure greater fairness in the benefits and social security for self-employed workers** by incentivising and enable entrepreneurs to start their own portfolio and business, advancing

dedicated business support and training programmes, introducing tax-deductible training, and permanently removing the Universal Credit minimum income floor.

## 2. UNLOCK THE UK'S INWARD INVESTMENT & EXPORT POTENTIAL

The creative industries play a major role in driving the UK's exports, enhancing both the UK's international competitiveness as well as its soft power. They were exporting £56bn in goods and services, with service exports growing at twice the rate of the wider economy. In the wake of the UK's trade deals with the EU and beyond, there is now an even greater urgency and opportunity to unlock inward investment too, ensuring the UK strengthens its position as a highly competitive place for our sector to do business.

- **Maintain, streamline and, where appropriate, extend Creative Industries Tax Reliefs** to encompass more of the creative industries.
- **Extend and expand highly effective sector-specific export support**, such as the Music Export Growth Scheme, enabling the creative industries to reach their £42bn export goal by 2023.
- **Seek urgent renegotiation with the EU to expand the permitted list of activities covered by Short Term Business Visitors** to enable the many in the creative industries who rely on travel across Europe to undertake their tours and services without additional barriers.

## 3. DRIVE INNOVATION, R&D AND GROWTH IN ALL PARTS OF THE UK

The creative industries have experienced strong growth in all parts of the UK: between 2010 and 2018, the sector's GVA grew by 39% in the North West and 55% in Scotland. They are highly innovative, entrepreneurial and agile, with a significant freelance workforce (one-third of workers) and 95% micro-businesses who draw their value from Intellectual Property.

- **Introduce a Culture Innovation Programme** – an R&D fund to strengthen the sector's resilience and tackle pertinent issues affecting the live events sector including: digital health passports for event ticketing and digital distribution platforms for exporting the UK's live content to a global audience.
- Collaborate with industry and Innovate UK to **remove the perceived barriers to applying to R&D tax reliefs**, and **broaden the definition of R&D to encompass the arts, humanities and social sciences** to realise the huge potential for innovation in the creative industries.
- **Establish a creative industries UK Shared Prosperity Fund pilot** to maximise the sector's potential to create opportunity and level up places.

The **Creative Industries Federation** is an independent, not for profit, membership organisation which represents, champions and supports the UK's creative industries. The Federation, with its sister company Creative England, is part of the non-profit group, Creative UK. [www.creativeindustriesfederation.com](http://www.creativeindustriesfederation.com)

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