Rebalancing Our Audio-visual Ecosystem: The Report of the Culture Media and Sport Committee on Independent Film and HETV Production, 2024–5

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Abstract:
This article analyses the Culture Media and Sport (CMS) select committee's report on British Film and High-End Television (HETV), published on 10 April 2025. It argues that, given 20 years of historic failure to engage politically in support of our indigenous film culture, the report is a welcome initiative. Referencing the report and other sources, the article charts the disastrous decline of the independent sector in recent years. Accordingly, it strongly endorses the report's recommendation that the Government should increase support for all elements of the film and HETV production ecosystem, from enhancing tax relief for the distribution of low-budget films and for certain budgets in HETV, through to requiring companies investing in the UK, particularly the streamers, to increase support for culturally distinct British content. It welcomes the fact that the report signals that tax credits are not the only answers to the independent sector's problems and recognises that incentivising investment in production without support for the institutions on which the skills and talent base depend will not address the causes of the decline of the sector. The most recent of these is the escalation in production costs in studio and streamer production, whose knock-on effects are making low-budget film and drama increasingly unsustainable. The report is also highly critical of the streamers' practice of taking all IP rights and thus depriving production companies of developing an asset base to offset subsistence costs. The report presents a highly critical account of many of the other problems facing the independent sector – such as the decreasing level of support by state organisations and the public service broadcasters, the failure to rejoin Creative Europe, and the poor performance of the BFI with regard to training. However, the article argues that one of the most significant of the report's many

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recommendations is that streaming platforms should be required contribute to the publicly funded infrastructures from which they benefit, through a 5 per cent levy on their UK subscriber revenue in order to support levels of domestic HETV production.

Keywords: Culture; Media and Sport select committee; high-end television (HETV); indigenous production; independent sector; streamers; BFI; tax credits; training

The Culture, Media and Sport (CMS) select committee's report on British Film and High-End Television was delivered on 10 April 2025. Given 20 years of historic failure to engage politically in support of our indigenous film culture it is a welcome initiative. The government is now obliged to respond to its numerous interventions which could lead to a more informed approach to our audio-visual industries which would safeguard the pluralism of input necessary to serve and reflect our diverse communities.

This inquiry started in July 2023 under the previous government and the earlier investigations led to two significant recommendations for enhanced tax incentives for the VHX visual effects sector and for independent British film productions, resulting in two welcome new measures: a VHX tax credit and the Independent Film Tax Credit targeting lower budget productions with a minimum threshold of £1m.

In 2022 the British Film Institute (BFI) published the report *An Economic Review of Independent Film Production* (BFI/Alma Economics 2022) signalling the disastrous decline of this sector in recent years. This has resulted from successive governments' tendency to estimate the strength of Britain's film industry solely according to its economic rather than its cultural value. There has been a significant failure to recognise the needs of the independent sector and its importance to the development of moving image work as an art form, to the livelihood and training of new talent and to making visible the diversity of UK experience. Instead, governments have focused on policies to maximise the returns from high budget inward investment production,[1] largely driven by the United States which has played the dominant role in our audio-visual culture since the Second World War.

Film and high-end television (HETV) cannot be judged simply as commodities, nor assessed only in terms of contribution to growth and GDP. They are also critical vectors for our national identity, values and meaning, as has been recognised in UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005), which was ratified by the UK in 2007.[2] In this respect, given that screens are one of the most dominant vectors of culture, what creative works appear on our screens, big and small, has an enormous impact on our society and values. To sustain a thriving democracy it is thus crucial that the widest and most diverse audio-visual production and access are ensured for the stories of all our communities across the UK.

The fact that over 20 years has lapsed since the last report on British independent film[3] is also indicative of a failure by Government to recognise the critical interdependence of different aspects of our audio-visual culture and the threat posed to the whole environment when market forces are allowed to create a very far from level playing field. Since July 2023 the nationwide optic fibre rollout necessary to facilitate the bandwidth for high-speed audio-visual streaming has provided the base for streamers to transform the landscape. Whereas the first impact on the value chain was in distribution and exhibition, the key players – Netflix, Amazon, Disney+ and Apple – have since entered production and operate on the successful vertically integrated model of their Hollywood ancestors, such as Paramount, Warner Bros and Universal, who not only own studios and subsidiaries in the UK but also enjoy a powerful lobby and sit on the boards of our own film institutions, including the BFI. Some would argue that certain policy options, as suggested in this report, have thus never been seriously considered within the film and TV establishment.

The impact of these developments on the independent sector has been exacerbated in the past seven years by the catastrophic impact of Brexit and our exclusion from the Creative Europe scheme. As the Culture, Media and Sport Committee report notes: 'Between 2014 and 2020, UK films supported by Creative Europe's MEDIA programme generated 80 million admissions across Europe and revenues of just over €575m outside of the UK' (2025: 15). The Conservative Government reneged on promises and failed totally to provide support commensurate to the benefits of participating in this scheme, a lifeline for the independent sector, not least in supporting co-productions with partners in Europe. Even if the figure for the UK Global Screen Fund,[4] with an initial 2021 budget of £7mi, were doubled, Ben Roberts, the BFI Chief Executive, noted that it would not reach the levels of funding that the BFI were able to distribute through the Creative Europe MEDIA programme,[5] another measurement of the impoverishment of the sector.

After Brexit came Covid, followed by the Hollywood strike-impacted year of 2023 which reduced overall UK spending across film and high-end TV from a peak of £9.7bn in 2022 to £5.8bn, a drop of 40 per cent, more extreme than the 23 per cent recorded in 2020 when

Covid hit hardest (Keen 2024: 7). Correspondingly, investment fell to its lowest for UK's local film production, to a mere £160m. From another point of view, the change in habits induced through lockdown ultimately served to boost both subscriptions to streamer platforms and their interest in investing in HETV, with the result that in 2023 this sector attracted a record £815m, five times more investment than previously (Tabbara 2024). This consolidated the ascendancy of Netflix as one of the key financiers of UK film. Over the four years to 2022 it was involved in financing more films than Warner Bros, Disney and Universal combined. In the same period, the strongest platform players, Netflix, Amazon and Apple, were also involved in financing more productions than the six legacy Hollywood groups (Disney, Warner Bros, Universal, Sony Pictures, Paramount and MGM) combined, albeit that investment in studio production by these players remains significant (ibid.).

These trends have both strengthened the dominance of American companies in the UK audio-visual environment and led to a collapse in genuinely independent UK film production. In 2024, domestic films accounted for just 9 per cent of total spend on film production in the UK (BFI 2025). At the box office, the market share of the gross box office earned by UK independent film was only 6.9 per cent (ibid.). This reflects the extraordinary levels of investment by US companies in the UK industry, 82 per cent of production spend in HETV last year and 87 per cent production spend in film, according to the CMS report. Whilst the UK seems indifferent to the role played by cinema in its own culture, this realisation of cinema's cultural importance recently prompted President Trump to threaten tariffs regarding the outsourcing of US production, regarding it as an attack on US national cultural identity.

Given 20 years of historic failure of political engagement in support of the UK's indigenous film culture, the CMS report is a welcome change. It is remarkable for its comprehensiveness, incisiveness, and sound and sometimes brave recommendations, helped in large measure by the length of the investigation and the inclusion of evidence from the plurality of individuals and institutions essential to sustain a thriving diverse film culture. Testimony was given by those involved with education, professional development, distribution and exhibition as well as from the key players involved in UK's production sector, both American and British, and the report was unequivocal that:

> The Government needs to step up support for all elements of the film and HETV ecosystem. The introduction of the Independent Film Tax

> Credit is a welcome first step, but the Government should go further: from enhancing tax relief for distribution of low-budget films and for certain budgets in HETV, through to ensuring the UK derives full value from British-originated intellectual property (IP) and requiring companies investing in the UK to increase support for culturally-distinct British content. (2025: 1)

The report signals that tax credits, however significant, are not an answer in themselves. Incentivising investment in production without support for the institutions on which the skills and talent base depend will not address the cause of decline summarised in the BFI's *Economic Review of Independent Film*. As the CMS report notes, this found that 'the model of independent production is being shaken to its foundations in three critical areas: budgets are not growing at a market rate, revenues are falling, and costs are escalating' (2025: 8).

The escalation in costs affecting low-budget production is largely related to the expansion in studio and streamer production where the higher production values and wages paid are making low-budget film and drama unsustainable. The average budget for a film financed through inward investment in 2021–3 was £26.4m – eighteen times higher than the average of £1.5m for productions financed by the UK alone (Keen 2024: 7). It is also true that whereas the Independent Film Tax Credit will incentivise more production within the budget brackets of the streamers, for Netflix between £1–3m, it will not support the many films which are commissioned on much smaller budgets, notably commissions by public service broadcasters, shorts, first features and investigative documentaries.

It is regrettable that documentaries are hardly mentioned in the report although they are an essential part of independent production, not least in keeping the British public well informed, albeit that international content is now concentrated on an increasingly limited number of countries (Scott 2025). Post-pandemic audience viewing habits seem to have moved online, with Netflix estimating that 78 per cent of their audience now watch documentaries. Figures for the distribution for independent documentary show a marked decline. In 2023, UK box office for 111 films, released by 45 different companies, amounted to only £4.1m, whereas pre-pandemic, 2018–19, box office was closer to £10m. Since by far the majority of documentaries are produced on budgets less than a million, ranging from £8,000 to £800,000 and over,[6] they are excluded from the current tax credit system and depend on the declining finance of the public service broadcasters. Although documentary, as in this report, is considered a poor relative of feature films, both are art forms interpreting human experience and feed off each other, with many UK producers and directors moving between the two, not least to offset the scarcity of employment in the features market.

Independent producers are more and more dependent on an ever-declining pot of state funding and/or investment from BBC or Channel 4 Films, both public service broadcasters, or the BFI. It was remarkable that in his evidence to the Committee,[7] Ben Roberts, CEO of the BFI, stated that only 49 awards were made from the Global Film Fund last year, representing 18 per cent of applications, and these applications are not only for low-budget film and HETV production but also for games, though the BFI in its evidence was unable to give a breakdown on the share. Input from the National Lottery which complements the Global Film Fund has remained at £2.7m for the past 25 years. Given that the BFI (2018) has reported that £1 of National Lottery funding for film generates £6.40 in gross value added (GVA) to the UK economy, it is timely that the CMS report recommends that the Government increase the budget for the UK Global Screen Fund. The report also recognises that the Global Screen Fund could not and has not replaced the benefits of our membership of Creative Europe, and recommends that UK rejoins Creative Europe as an associate member, which is most welcome. However, the report does not take up the recommendation from the UK Coalition for Cultural Diversity that the UK rejoin the Eurimages co-production fund of the Council of Europe.[8] Such a move would immediately open up significant co-production possibilities in film and high-end TV for the UK, which would undoubtedly be a much-favoured partner for other countries.

Given that the recommendations that were made by the Committee, and considering that the creative industries are one of eight industries in the Government's industrial plan and a key growth sector, arguably as significant in their contribution to GDP as the UK's highly prized finance sector, it is quite inexplicable that nothing was mentioned in relation to culture in the most recent UK/EU economic summit. The silence was also a missed opportunity to reassure our European partners that the UK's system for identifying productions as British is not enabling the country to act as a back-door entry point facilitating the entry of American-funded films into the European market. It is widely appreciated that UK works still count as 'European' for the purposes of European quotas both on TV and online. The scale is significant: the UK production sector is twice the size of that of Europe's largest producer, Spain, and UK films comprise 10 per cent or more of all films under the quota system in the EU, which is therefore a valuable market outlet. The report's recommendation that the government keep a keen eye on EU discussions on this issue is now of heightened importance in the context of any potential UK/US trade deal which includes digital services thus extending to 'audio-visual services'. At present the UK operates an 'audio-visual exception' in free trade agreements. We change that at our peril as regards our delicate relations regarding the audio-visual export market to the EU. Although this is not covered in the report, it urgently needs be taken into account by the Department of Culture Media and Sport and the Department of Business and Trade.

In highlighting the important link between funds for production and funds for research and development, the weakening of our access to European funds is also significant. These funds offer opportunities to grow talent and to seed projects for the future. Renowned producer Rebecca O'Brien points out that she secured £150,000 from Creative Europe's MEDIA strand to develop five screenplays, a source of finance which has not since Brexit been replaced by public service broadcasters or the BFI (CMS 2025: 7).

This absence in development funding, alongside the paucity in production, impacts the ability of producers to become established. According to British Film Institute records, over the 2014–22 period, 1,631 people were credited as a first producer, but only 10 per cent of these producers have gone on to make more than one film; 51 per cent of these 169 producers were able to make only one more film after the first; and a further 41 per cent have made just three films. Significantly, only ten producers have succeeded in making five or more local UK films since 2014 where the productions have been substantially financed and controlled by the UK (Tabbara 2024).

This problem has only been aggravated by the streamers' practice of taking all IP rights and thus depriving production companies of developing an asset base to offset subsistence costs. Effectively, many become 'pop up' companies for the purpose of one production. It also directly affects the chances for UK directors, and particularly female ones, to develop the visibility and competence needed to compete, thus keeping the ratio of male to female directors disproportionately low (European Women's Audiovisual Network 2016). In film, male directors still dominate, with an approximate 5:1 ratio (83 per cent men vs. 16 per cent women). In TV women directed just 30 per cent of TV episodes.

The CMS report notes that the UK is at odds with other OECD countries who offer tax relief for research and development in the film industry, whereas in the UK the film industry is excluded from such schemes. The main sources for development funding remain in the public sector – the BFI, BBC Film and Film4, and the national and regional screen agencies. However, since all the budgets for all these organisations have experienced severe, real terms cuts over the past decade the report recommends additional tax relief and review (CMS 2025: 10–11).

Effectively, the decline of the independent film and HETV sector directly reflects the failure of policy makers to understand the interdependency of the UK's diverse audio-visual ecology. Whilst streamers now account for a huge new source of production funds they are not bound by the terms of trade which must be observed in the public sector, in spite of the fact that their business practices put the independent sector at risk. One of the consequences of this is that SVoD platforms working with independent producers insist on controlling all IP rights, thus denying independents business assets associated with 'content', whether for realisation now or in the future. This essentially starves them of the funds to enable them to be sustainable and the report recommends that research should be done into how regulatory measures, 'akin to PSB terms of trade', could be applied to platforms to ensure a minimum level of ownership of rights by producers working with them (ibid.: 24).

Whilst it is the exceptional strength of British creatives which attracts both inward investors and platforms to produce in the UK, there is no commensurate investment in the development of skills on which these companies depend. Instead, the screen industry relies heavily on the independent film sector and public service broadcasters to nurture the talent on which they depend.

It was significant that, in their testimony, neither Netflix, Amazon, Paramount nor Universal could account for the amount of spend on training in spite of an existing voluntary commitment to invest 1 per cent of budgets in order to ease the skills crisis. The failure to commit such a small percentage of the considerable profits which they are making, and the evident lack of seriousness in their intention to deliver, led to strong criticism in the report. It was one of several instances which highlight the way in which public service broadcasting institutions and state funding play an essential but unacknowledged role in sustaining the whole industry, and compensating for market failure, whilst constantly under attack both by interested parties and by governments lacking the foresight and the political will to maximise the role they play. As the report concludes:

> It is time for streamers to put their money where their mouth is. They laud the UK's mixed production ecology, with public service broadcasters and independent producers at its heart, but their business practices are putting that at risk. They need to step up their support for the making of culturally British content, and not just reap the cultural and training benefits it provides. Ultimately, they should then benefit from a healthier supply of PSB-made shows that they can license for their platforms. (Ibid.: 26)

With regard to training, the committee were also underwhelmed by the performance of the BFI and the coherence of its strategy in this respect. The strength of the sector depends on a large workforce but, in spite of innumerable reports, strategies and programmes and in the face of rapid expansion in the sector, there is a lack of coherence in renewing its essential human resources. There are 90,000 people working in the sector, of which 73,000 are in production. The BFI works with Lottery Funding to support Screenskills, which focuses largely on HETV, and increasingly it is working through Screenhubs building focal points regionally. Ben Roberts pointed out that '84% of our overall beneficiaries for lottery funding are outside London and 69% of our skills clusters activity is happening outside London'.[9] However, in the submission of evidence it is clear that there is no coherent monitoring system in place to guarantee delivery of its aims, something which was criticised.

Recognising the urgency of delivering practical measures to meet the skills/training crisis 'once and for all', the report recommends that further public funding for ScreenSkills should be linked to measurable outcomes based on 'ambitious and robust performance indicators' (2025: 45). The report's requirement for greater accountability was extended across the board in order to make it a statutory obligation 'for the entire film and HETV production industry to report their spending on skills and training as a percentage of their production budgets every financial year' (ibid.: 47).

There has also been a failure on the part of the government to appreciate the nature of working practices in the industry with regard to the much-vaunted apprenticeship support scheme. In spite of considerable representation to officials, the length of the minimum term required for an apprentice to be engaged makes it inaccessible to an industry which essentially depends on freelance, short-term labour. The report urges the Government to ensure portability of apprenticeships between employers, to support smaller companies with the overhead costs that enable them to offer apprenticeships and to cut bureaucracy in order to incentivise both high-quality training providers and higher education institutions to participate (ibid.: 49).

Given the uptake of film and media courses at HE level, in spite of the ongoing attack on the Humanities more generally, and the complete transformation of young people's engagement with audio-visual skills given the development of digital technologies in the past 20 years, it seems remarkable that the evidence points to a lack of interest in entering the screen industries. In the report this is signalled in a call on the government and the BFI to launch a 'national awareness campaign highlighting the employment opportunities offered by film and HETV, and the range of skills the industry requires' (ibid.: 52). Several other factors investigated by the report may play into this phenomenon. The expansion of the industry has come at the expense of standards and security for what is essentially a freelance workforce. Even if wages in some departments have risen, there is strong evidence that regulation of working conditions has declined, with employees working extremely long hours, often without remuneration either for overtime or travel to locations. Minimum hourly wages are not guaranteed and many leave the industry due to pay precarity and burnout. There were many testimonies to bullying and the industry remains fundamentally indifferent to the particular needs of women: childcare is not generally accepted as a budget schedule, there is little acceptance of job-sharing and long hours do not allow for caring responsibilities. This is one reason why there are fewer films directed by women and why women still predominate in certain 'lady grades' such as hair and make-up, where rates of pay are lower. One freelance hair and make-up artist explained what freelancing means in practice:

> Even though most people are self-employed (because they don't have a choice any other way), they are not in control of their working lives at all. They cannot choose where they work, at what times, when to eat, or sleep, to be able to job-share or go part-time, to take the afternoon [off] to see their children's sports day, or indeed visit a doctor. The only choice is to not take a job. (Ibid.: 55)

The precarity of the industry also acts as a disincentive for those without alternative means to support themselves while becoming established in the industry. It is estimated that Covid led to a 20 per cent decline in the workforce, not least because incomes were too low to qualify for Government support funds during lockdown.

As an art form, cinema over-indexes for lower socio-economic groups[10] in its audiences but this is still not reflected in its production. Equally, the loss of schemes for micro-budget production has contributed to the lack of proportionate participation of ethnic minorities in spite of targets set by the BFI of 40 per cent in London and 30 per cent UK-wide.[11] It will be even harder to meet these targets given the scarcity of development and production funding currently evidenced in the BFI's astonishingly low rate of successful applications to their Film and Talent Funds: 6 per cent and 3 per cent respectively. This is symptomatic of the difficulty for workers of any disadvantaged class or ethnic background to turn to independent production for employment or skills development, which should prioritise such opportunities. Without the presence of a more diverse input into both stories and skills in front of and behind the camera respectively, the situation of under-representation in the independent film and HETV sectors is likely only to continue. One additional measure, not raised in the report, but which might strengthen employment security and resources in the regions, would be to incentivise local mayors to enhance opportunities for their local creative industries so that a greater diversity of stories gets a hearing, with the possibility of their reaching screens both large and small.

Taking account of the breadth of contexts and the industry's dependence on freelance workers, the report endorses what has long been argued by BECTU and others, namely the need for a Freelance Commissioner (ibid.: 57). This would strengthen the voice of freelancers in policy making and not least ensure basic standards laid out by the Creative Industries Independent Standards Authority. The UK is lagging behind in this area, and there are structures in other countries which might be followed. Both France and Germany have a system of *intermittence* to support workers in the entertainment sector and enable them to access unemployment compensation between two short-term employment contracts. Beyond this, many would argue that it is the government's responsibility to adopt either a basic minimum income or minimum hourly wage, or preferably both.

Turning to the situation of exhibition and distribution of independent film and HETV, it is welcome that the Committee's report quotes the evidence of Alex Hamilton, CEO of StudioCanal UK, who compared the UK to France, observing that the latter has a 'more cohesive system right the way through the value chain' and recommending that British policymaking considers all parts of the ecosystem 'as a coherent whole' (ibid.: 63).

The US studios now look for a first UK streaming window, ahead of a traditional linear UK transmission and the streamers, Apple, Amazon and Netflix, have proved to be major disruptors preferring almost immediate release on home screens and thereby reducing any competitive advantage for cinemas, and regardless of co-investment from a broadcaster. Furthermore, given the absence of any funding for operational and capital costs in line with the Arts Council NPO (national portfolio organisation) funding scheme, together with a collapse in local government funds for culture and the collateral damage of the government's recent increase in National Insurance overheads, the Independent Cinema Office is projecting that 45 per cent of cinemas will be loss-making by the year-end.

The UK Cinema Association also drew attention to the fact that cinemas have long suffered from 'a lack of a consistent slate of diverse, audience-friendly and well-marketed titles, across all genres but particularly in the mid-market and independent space'.[12] The Managing Director of Picturehouse, Clare Binns, agreed that 'the public want choice and alternatives to 'the Hollywood world view' (ibid.: 67). That situation is particularly acute for independent British films, with the UK 'significantly behind' other key European film markets in terms of the proportion of box office derived from domestic films. The report fails to mention in its main body just how bad the situation is for domestic UK film in the cinema, where UK film enjoys only 6.9 per cent of the British box office compared to the presence of locally produced film in, for example, France (40 per cent) and Italy (35 per cent). In UK cinemas British film is almost invisible. Ironically, other countries' box offices have also bounced back more strongly than the UK's, which, according to the head of the UK Cinema Association, has been 'almost entirely due to their domestic films' (ibid.).

There were suggestions, including from the Independent Cinema Office, that VAT might be redirected into public funding streams to support the independent sector, with a general levy on cinema tickets also being proposed, but the weight of evidence was that the exhibition sector was simply too vulnerable to sustain change to its fragile basis of funding at this time. But this may need reviewing unless other funding is forthcoming, especially given the successful historical precedent of the Eady Levy (1950–85), a universal levy on all cinema tickets producing funds which were then distributed back into the industry, until Thatcher's Conservative government intervened to stop what they viewed as an undesirable subsidy.

The report offers no answer for UK's poor performance in exhibition, compared to that of our European partners. Nor does it mention the opportunity of benefiting from the Europa Cinemas programme which, were we to rejoin the EU's Creative Europe programme, invests a maximum of €15,500 per year for a single-screen cinema to €50,500 for a cinema with fifteen or more screens in order to support primarily the programming of European films and related activities. However, in order to enhance the profile of UK films amongst British audiences, the report does focus on three measures: a 25 per cent tax relief in the 2025 Autumn budget for the prints and advertising (P&A) costs of films claiming the Independent Film Tax Credit, a reconsideration of removing VAT from all cinema tickets, and a fund, similar to the National Portfolio Organisation scheme funded by the Arts Council, to maintain capital infrastructure and improve cinemas' energy efficiency.

In its final sections, the report turns to the new toolkits offered by AI and the responsibilities of the large tech companies developing them. Significantly, the Committee affirms its belief in ensuring creators' interests are central to any application of AI technologies, stating that:

> We need to protect and promote the diversity of cultural expressions made by humans. They are the lifeblood of our societies. They give joy, are therapeutic, spur development, social cohesion and mutual understanding. They help us make sense of our lives and of the world. We threaten that at our peril. (Ibid: 79)

Evidence from creative practitioners and institutions embraced the potential of AI, although the committee pointed out that currently there are no fixed definitions to describe 'the practice of designing, developing, and deploying AI while upholding values of trust, transparency, fairness and privacy' (ibid.: 73). It acknowledged evidence calling for ethical codes which would cover tools trained on licensed data to ensure copyright is upheld, ensure informed consent from anyone whose creative work or likeness is being used, and also ensure that audiences know when generative AI is being used in a film or programme.

Several organisations have already developed their own guidance and principles with regard to these issues. Whilst acknowledging the ongoing debate in government about what legislative frameworks, if any, are required, the Committee recommends unequivocally that creators' copyright is defended in relation to training of AI models observing that the current strategy to opt out is untenable. The actors' union Equity found that 65 per cent of performers believe that the development of AI technology poses a threat to employment opportunities in the performing arts sector, rising to 93 per cent in the case of audio artists (ibid.: 78). To sustain creators during the next phase it will be crucial to ensure that creative rights holders are proportionately remunerated and that creatives are sufficiently skilled up to be able to negotiate and navigate this complex new technology. To assist creators on this journey, the BFI has commissioned three pieces of research: one is capturing what is going on in the AI sector at present, identifying pathways in the UK; one is examining what is happening internationally that might inform regulation; and one is looking specifically at the sustainability agenda.

It will also be critical to ensure transparency from all companies using AI programmes, particularly in their use of algorithms. GenAI uses algorithms and recommendation systems which stand between the creator's work and the individual citizen. As Carole Tongue argues: 'By accentuating the ongoing dynamics of cultural homogenization in the digital environment, these systems hinder the discoverability of diverse cultural content and narrow cultural choices. This is a direct threat to the diversity of cultural expression.'[13]

The dramatic change in business models and employment being ushered in with AI should not reinforce the British film industry's dependence on the United States, which already enjoys over an 80 per cent share in production, distribution and exhibition. Rather, the current government should recognise the value of cinema as an art form and not simply an industry, and the independent film sector not as a poor relative but as vital to the realisation and development of the UK's creative strengths. The CMS report does offer the current Labour administration means of robustly engaging with and supporting UK creatives, and this at a critical time when US interests' penetration of our cultural ecosystem is accelerating by means of AI technologies. It is also the case that supporting our local audio-visual sector effectively supports *all* our creative industries on which it depends, whilst maximising access to local stories which, as many of the Committee's witnesses pointed out, are fundamental to the health and diversity of our society.

If the government is to sustain the endangered ecosystem supporting independent film and HETV, it will also need to take an interdepartmental approach and to adopt the report's recommendations for new sources of funding. The most significant of these is the Committee's support for making SVoD platforms contribute to the publicly funded infrastructures from which they benefit, through a 5 per cent levy on their UK subscriber revenue. This would be administered by the BFI in order to support levels of domestic HETV production. Whilst this might at first be on a voluntary basis, if there is no willingness to comply, the Committee recommends that this should become mandatory within a year (ibid.: 27). Additionally, funding for the BFI is exposed in the report as being wholly inadequate for the extensive tasks which it is being asked to carry out in the national interest. For example, concerning its responsibility for curating the National Archive, evidence emerged that the public only has access to only 39 per cent of a resource of over 2,000 UK feature films. Furthermore, the BFI's CEO stated that the archive is 'so huge that only 2% to 3% of the holdings are accessible' across the entirety of its collections (ibid.: 88). To increase the BFI's resources, the report recommends that the operation of the National Lottery Fund is reviewed with the aim of increasing the funds available for distribution. This might then facilitate an increase of the BFI's current, fractional 2.7 per cent quota of monies allocated to the arts, an allowance which has never been increased since the beginning of the National Lottery programme.

The reasoning and recommendations of the CMS report are clear and bold. The demand now is for a strong response from government to recognise the long-term reward in investing in the R&D and future talent which this sector represents in our creative industries as a whole, and which will help sustain inward investment in years to come. This response will likely need to be interdepartmental given the interdependency of players in the sector, and it is devoutly to be hoped that rumours of current threats to weaken or disperse the Department of Culture Media and Sport will prove unfounded. Neither creative works nor their creators thrive according to the norms of the basic economic principles governing other industrial commodities, and for this reason the Department of Trade and the Department of Business, Skills and Technology need to collaborate closely with a ministry dedicated to promoting the cultural values and interests of the country going forward.

Notes

1. The report defines high-end TV as comedy, drama or documentary with minimum budget of £1m; independent film as production without input from major US studios or streamers; and inward investment productions as those substantially controlled and financed outside UK (CMS 2025: 5).
2. Available at <https://www.unesco.org/en/legal-affairs/convention-protection-and-promotion-diversity-cultural-expressions> (accessed 1 June 2025).
3. This was discussed by Julian Petley in the very first issue of the *Journal*, which also contained articles on the Independent Film Parliament, one of which was by Holly Aylett.
4. Details of the Fund are available at <https://www.bfi.org.uk/get-funding-support/funding-support-international-activity/uk-global-screen-fund> (accessed 1 June 2025).
5. Oral evidence to the CMS Committee, 28 January. Available at <https://committees.parliament.uk/oralevidence/15298/html/> (accessed 1 June 2025).
6. As detailed at <https://www.eightengines.com/article/how-much-does-a-documentary-cost#> (accessed 1 June 2025).

7. Oral evidence to the CMS Committee, 28 January. Available at <https://committees.parliament.uk/oralevidence/15298/html/> (accessed 1 June 2025).
8. The Coalition's written evidence is available at <https://committees.parliament.uk/writtenevidence/124812/html/> (accessed 1 June 2025).
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Carole Tongue was MEP for London East from 1984 to 1999. She served as Deputy Leader of the European PLP and as front-bench coordinator for the Socialist Group on the European Parliament Culture, Media and Sport Committee. She authored a landmark report in 1996 on public service broadcasting, *Public Service Broadcasting in the Multichannel Digital Age*, which led to the inclusion of the PSB protocol in the 1997 Amsterdam Treaty. She founded a UK creator/trades union consortium to ensure local film/TV production was protected in the EU TV Without Frontiers directive. In 2007, she co founded, with Holly Aylett, the UK Coalition for Cultural Diversity and has chaired it since then. From 2014, she has also chaired the European Coalitions for Cultural Diversity.