



**House of Commons Culture, Media and Sport Select Committee “*The impact of Brexit on the creative industries, tourism and the digital single market*”
GuildHE’s & ukadia’s Written Response to the Call for Evidence**

28 October 2016

GuildHE & ukadia

1. [GuildHE](#) is an officially recognised representative body for UK Higher Education. Our members include universities, university colleges, further education colleges and specialist institutions from both the traditional and private (“for profit” and “not for profit”) sectors. Member institutions include some major providers in professional subject areas including art, design and media, music and the performing arts; agriculture and food; education; maritime; health and sports.
2. ukadia (the United Kingdom Arts and Design Institutions Association) is a group of specialist arts and design institutions from across the UK’s higher and further education sectors. We aim to promote, nationally and internationally, the key contributions of specialist colleges to the UK’s world-renowned reputation in visual arts, performance and the creative and cultural industries.

Opening comment

3. GuildHE & ukadia believe that the UK’s exit from the EU could result in creating a sense of worldwide isolation within specialist art and design institutions which by their very nature are international and collaborative hubs for creative arts communities.
4. This is likely to lead to a reduction in the future labour market within the creative industries sector, compounded by being outside the Digital Single Market.
5. The below offers evidence collated from members on the possible implications following exit from the EU.

A. Will the UK be able to attract and retain talent from across the world in order to maintain its high reputation in the creative industries?

6. We perceive that there will be a longer term impact to the UK creative industries both in terms of losing EU and overseas students from our institutions but also from the subsequent knock-on effect on the UK work-force, ranging from orchestras to games development to small design agencies.

7. Given the current growth and strength of this sector within the UK economy, the potential economic implications of such a knock-on effect suggest a profoundly worrying downturn for UK plc.
8. Arts and art working, and much arts research, are inherently collaborative ventures and much of this is currently cross-border. The challenge to continue to do this after Brexit will be high.
9. Whilst we welcome the Government's commitment to honour EU-funded projects awarded before the point of exit from the EU until the end of their lifecycle, the uncertainty over future funding will mean less of such work and hence a diminution of this work and our international impact.
10. A similar case can be made for joint research work in planning with partner institutions from the EU - already we see problems with these and loss of, or threats to, future funding.
11. In particular, clarification is needed over whether the UK will be able to continue taking part in Horizon 2020 should the point of exit occur before 2020.
12. Any perception that the UK is pulling up the drawbridge will send potential partners and collaborators towards other more welcoming countries, many of which are eager to invest and build the reputations of their universities as well as to exert soft power.

Potential impact on students and staff

13. The risk of further isolation from the European arts mainstream and the marginalisation of the UK creative industries will also be affected by the risks to study in the UK for EU nationals.
14. The release this week of early deadline data from UCAS shows a decline in applications for 2017 from the EU. Notwithstanding the very hopeful Government confirmation on their fee status, this gives an indication as to the difficulties likely from 2018 onwards and suggests the urgent need to have support and clarity on fees for EU nationals in 2018 as soon as possible.
15. EU students add a richness to the ukadia institutions and are significant proportion of our institutions - often 10% or more.
16. Allied to the issues of student mobility is the matter of staffing. Most ukadia institutions rely on staff from outside the UK – at least 10% in most cases - and many of these are EU nationals. The obvious risk to us losing this talent needs urgent consideration with similar reassurances about job security for this group.

B. The Digital Single Market (DSM)

17. The DSM is a key concern for our members who have digital and media specialisms. During the two-year negotiation period the potential impacts on science, research, Digital Media, and the DSM should be at the forefront of the UK's negotiation with the EU. Key points on potential impacts and necessary negotiation:
 - a) "Geo-blocking" (a form of territorial segmentation) that according to the EC represents an obstacle to a single digital market. Negotiations should aim to prevent geo-blocking.
 - b) Related evidence on the DSM has already been presented to Parliament in April 2016, and is worth the CMS Committee referring to. See <http://www.parliament.uk/business/committees/committees-a-z/lords-select/eu-internal-market-subcommittee/inquiries/parliament-2015/online-platforms/>

18. In terms of impact of leaving the Digital Single Market on UK job markets and the potential loss of opportunity with Brexit:
- “Europe’s public service media organisations invest approximately EUR 20 billion in content and predominantly air domestic and European content.” (see <https://www.ebu.ch/contents/news/2015/05/the-ebu-welcomes-the-european-co.html>)
 - About 7 million people in Europe earn their livelihoods from core creative industries such as film, music, and television. There has been little empirical analysis to date to forecast how large an economic impact (e.g. lost jobs and wages) copyright changes may have on this group.
 - Innovation in technology would also potentially become more difficult.
 - Also see the EU DSM: http://ec.europa.eu/priorities/digital-single-market_en

C. EU Structural Funds

19. In addition, many of our members are embedded in their local communities and make valuable contributions to the economy through effective business partnerships through high quality applied research.
20. Several have benefitted from EU Structural Funds, further enhancing their contribution to the economy and wider society.
21. Often, support for the creative industries forms a major part of these bids – examples can be found in Cornwall in particular.
22. Therefore decreased access for businesses to EU networks and funds will also impact the research environment and speed of innovation (for example, by destabilising established partnerships).
23. However, there is the opportunity for schemes such as the Global Challenges Research Fund to be used strategically to enable continued collaboration.

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October 2016