

How Will Brexit Affect The Film & TV Industry?

Craig Elvy | September 8, 2019



What impact will Brexit have upon the film and TV industry, both in the UK and beyond? At present, the eyes of the world are watching the UK's parliament as it tries to wade through the tangled web known as Brexit. In 2016, the UK held a referendum to decide whether to stay in the European Union or leave, with 52% voting for the latter option. Over the past 3 years, the UK has attempted to implement this decision but, since the vote was held, the full consequences and complications of Brexit have come to the fore and the process has proved seemingly impossible for several Prime Ministers to manage.

Furthering the political turmoil, it has also emerged that the Leave campaign made a number of dishonest claims prior to the 2016 referendum and their conduct with regards to data collection has been explored in *Brexit: The Uncivil War*, starring Benedict Cumberbatch, and Netflix's *The Great Hack*. On the other side of the coin, Remain MPs have been criticized for being more vocal about what they *don't* want than what they *are* willing to accept.

The core problem with Brexit is that, even if you ignore the controversy surrounding the 2016 vote, there is no clear consensus on what type of Brexit the public or parliament want, with many vastly different options on the table. Currently, the UK government is pursuing a "No Deal" Brexit, and politicians are battling to prevent this outcome. Experts predict that if the UK left the EU without a deal in place, the country would be left with fresh food shortages, a lack of access to medicine and a damaged economy. More importantly though, how could Brexit affect the world of film and TV?

Any number of cinematic classics have been produced in the UK from *Shaun of the Dead*, which launched the careers of Simon Pegg, Nick Frost and Edgar Wright, to *Trainspotting*,

the tale of poverty and heroin addiction that catapulted Danny Boyle and Ewan McGregor into the Hollywood stratosphere. On the small screen, UK television has been hugely influential and very lucrative, with diverse shows such as *The Office*, *Doctor Who* and *Downton Abbey* gaining worldwide popularity.



Perhaps more than Britain's actual on-screen output, however, the country has become a key filming destination for a plethora of Hollywood productions. Due to film tax credits introduced by Gordon Brown's Labour government in 2006, it's often cheaper to shoot major blockbusters in London than in Los Angeles, and this is why franchises such as *Star Wars*, *The Fast & The Furious* and the Marvel Cinematic Universe all turn to the UK (and usually its famed Pinewood Studios) as a first choice filming location. The UK has become a hub for global film production, generating almost £8bn across all media formats in 2016, and this is why virtually every other blockbuster seems to include an action scene set in London.



Following the EU referendum, the British Film Institute commissioned an investigation into the possible consequences of Brexit on the UK's entire screen sector. While this report concluded that there were more potential risks than potential benefits, the forecast wasn't entirely bleak.

It's generally accepted that departing the EU will leave the UK with a weaker currency, and the pound has already fallen in response to certain Brexit developments. While a weaker pound is bad news for most, the BFI report predicts that this depreciation could make the UK's services in film production, visual effects, etc. more competitively priced. This is another reason for Hollywood's reliance on Britain as an attractive filming destination - in addition to the tax incentives, studios get more bang (pound) for their buck (dollar). Quite literally if they're spending it on pyrotechnics. With that said, the film industry isn't immune to the general problems created by a weak pound. The cost of the UK importing international content could rise, and this increase will likely be passed onto the consumer, driving up prices.

The UK's film and TV industry would arguably benefit from some of the positives frequently touted by Brexit supporters. Boris Johnson and his ilk have repeatedly claimed that leaving the EU would enable the UK to explore bespoke trade deals with new international markets such as China and India, whereas the EU currently negotiates as a bloc. Signing improved deals with individual countries could afford Britain's entertainment industry wider distribution and a bigger slice of the pie. Of course, this depends entirely on the UK's ability to obtain improved deals with other countries, on which there has been very little movement.

In a further potential benefit, the tax reliefs currently enjoyed by film productions in the UK could be more effective and far-reaching without having to adhere to the EU's state aid qualifications. At present, the eligibility for tax breaks requires certain EU criteria to be met, which could be relaxed after the UK leaves, perhaps enticing even more business into the country.



Whether a deal is agreed or not, one of Brexit's key aims is to halt the free movement of people between the UK and other EU countries, and the BFI's report claims that this will have a profoundly negative effect on the quality and quantity of talent available in the UK. For example, skilled visual effects artists and animators often travel to studios across Europe, with extra hands drafted in for major projects, but those workers would no longer be able to freely come to the UK post-Brexit. With 25-30% of Britain's current VFX and animation workforce comprising of individuals from the EU

(via UKIE), the progress and efficiency of these sectors would surely fall following any form of Brexit, denting the UK's status as a leading light in this area.

While the film industry's tax breaks might be boosted by Brexit, the UK would lose any contributions from the Creative Europe scheme. Creative Europe is an EU-founded initiative that provides financial backing to cultural and creative pursuits and, in recent years, has helped fund projects such as the Oscar-winning *The King's Speech*, the Oscar nominated *Philomena* and the Michael Fassbender fronted *Shame*. This loss of these contributions will be keenly felt and other UK-based initiatives would be left to pick up the slack.

TV funding could also be gravely affected by the loss of European sources. Earlier seasons of *Game of Thrones* were partly financed by the European Regional Development Fund, with the fantasy series filming largely in Northern Ireland, and EU funding was also instrumental in the production of the BBC's *Jamaica Inn* and hard-hitting action thriller, *Shaun The Sheep*.

While *Game of Thrones'* immense popularity eventually negated the need for such funding, these initiatives are vital for getting new projects up and running. The current trend towards sequels, remakes and adaptations is well-documented and studios are increasingly unwilling to put money on original stories and risky projects. As such, the loss of these European funding schemes will be particularly bad news for smaller productions, and may help reassert the dominance of major studios.



With a No Deal Brexit predicted to spell widespread trouble for the UK, disposable income and demand for on-screen entertainment could diminish, as ordinary families are forced to spend more money on food, household products and other essentials. Despite the government's promise to maintain tax incentives for filming, the accumulated costs of coping with No Deal, paying the EU's divorce bill and delivering the cash injections promised to the health, education and justice sectors could force the UK government to increase taxes across the board.

Perhaps more problematically, many film shoots require the movement of people and equipment across borders and, at

present, UK-based productions are able to relocate to EU locations with minimal fuss. Under the terms of a No Deal Brexit, this would certainly change, with the process becoming far more expensive and time consuming. In an interview with *The Guardian*, Jeremy Thomas, a British film producer of over 40 years, described the pre-EU membership process of transporting a production crew, where every single piece of equipment would need to be individually checked and every crew member would require a work permit. Thanks to modern technology, a return to those dark ages is unlikely, but the process will definitely be a more complex procedure than the current, virtually seamless, setup.

It remains to be seen as to whether Brexit will deter major Hollywood productions from filming the UK. The tax benefits that lured them here in the first place will likely remain in place, but the restrictions created by a No Deal Brexit might just counteract those advantages. When the likes of *Star Wars* comes to the UK to film, it will also shoot in other

countries and, while within the EU, it was easy for Rian Johnson to move from Pinewood Studios to Croatia, for example, which provided the setting for *Canto Bight*. With a hard border between the UK and the rest of Europe, that fluidity will vanish. Perhaps as a consequence, reports surfaced earlier this year (via *THR*) suggesting that Canada is becoming a more attractive option for directors, offering financial incentives without any of the Brexit stress.

Truthfully, no one knows for sure exactly what will happen if and when the UK leaves the EU - that's part of the reason the process is proving so divisive. However, well-researched predictions from trusted sources do not make for encouraging reading and although it's far from guaranteed that the UK will lose its prominence in the film and TV industry after Brexit, that status will certainly be put in jeopardy. Any potential benefits come with caveats or are dependent on certain conditions, whereas the drawbacks look to be immediate and tangible. ■