



≡ 20/20 ≡
VISION

TIGA'S
MANIFESTO
≡ FOR THE ≡
UK VIDEO GAMES
DEVELOPMENT
INDUSTRY

**A VISION
FOR THE INDUSTRY
IN 2020**

TIGA™

TIGA.ORG



TIGATM

'Split Second', developed by Realtime UK



'Total War: SHOGUN 2',
developed by Realtime UK

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FOREWORDS

THE UK VIDEO GAME INDUSTRY IS IMPORTANT ECONOMICALLY, CULTURALLY AND INCREASINGLY EDUCATIONALLY.

▶ **DAMIAN COLLINS MP**



"In my role as an MP I come across many trade associations. TIGA is distinctive in its focus, professionalism, and tenacity. TIGA has campaigned relentlessly for Games Tax Relief over many years and played a critical role in convincing first the UK Government to adopt this measure and then enabling the Government to make a successful case for Games Tax Relief to the EU Commission. TIGA's successful campaign for Games Tax Relief will benefit both the games industry and the wider economy and I am glad to have been able to advance this important measure.

"Representing numerous small businesses and comprising an industry of the future, TIGA's is a voice which deserves to be heard. I welcome the publication of this manifesto as one which I believe will shape the debate about how to sustain growth in the video games and creative industries in the years to come."

▶ **JUSTIN TOMLINSON MP**



This manifesto contains many sound ideas that I have discussed while working closely with TIGA in my capacity as Chair of the Video Games All Party Parliamentary Group. In that time, TIGA has done a consistently good job of spreading awareness of this vital industry at Westminster and elevating the industry's standing in Whitehall.

The ideas in this manifesto should be taken seriously as an important contribution to public policy debate. The United Kingdom is a world centre of excellence in video game innovation and we need to make sure that we continue to attract investment to these shores so that Britain remains in the lead. I congratulate TIGA on devising a comprehensive, credible and coherent policy agenda for the UK games industry.

▶ **RT HON STEPHEN TIMMS MP**



I know from my time as a Minister in the Treasury what a good track record TIGA has in making well considered submissions to Government and just how persuasive TIGA's arguments can be. That is why the proposals in this manifesto deserve serious consideration by all those formulating policy proposals in advance of the 2015 General Election.

The video games industry is at the forefront of the digital economy. Its success, reflecting the creativity of the country, is making a very important contribution to our economic recovery. The proposals in this manifesto will need to be weighed carefully by the Government which takes over in 2015.

"REPRESENTING NUMEROUS SMALL BUSINESSES AND COMPRISING AN INDUSTRY OF THE FUTURE, TIGA'S IS A VOICE WHICH DESERVES TO BE HEARD. I WELCOME THE PUBLICATION OF THIS MANIFESTO AS ONE WHICH I BELIEVE WILL SHAPE THE DEBATE ABOUT HOW TO SUSTAIN GROWTH IN THE VIDEO GAMES AND CREATIVE INDUSTRIES IN THE YEARS TO COME."



"GAMES TAX RELIEF WOULD NOT HAVE
HAPPENED WITHOUT TIGA'S EFFECTIVE,
PASSIONATE AND VIGOROUS 7 YEAR
CAMPAIGN."

JASON KINGSLEY OBE
CEO and Creative Director
at Rebellion and TIGA Chairman



TIGA represents developers, digital publishers and the service companies in our industry. Our core purpose is to strengthen the game development and digital publishing sector. We achieve this by fighting for the industry in the corridors of power, championing the industry in the media and helping our members commercially.

The UK video game industry is important economically, culturally and increasingly educationally.

The UK video game sector makes a valuable contribution to the UK economy. In 2014 the video games sector contributed £1.02 billion to the UK's GDP and generated £419 million for HM Treasury in tax revenues.¹ 28,000 people work in the games industry, including 9,896 in games development. Game development sustains knowledge based, graduate employment. A typical game development studio will have 80 per cent of staff qualified to degree level or above. The industry is export focused: 95 per cent of UK games development studios export at least some of their games.²

Video games are increasingly embedded in UK culture and society. 73 per cent of the population regularly play video games, including two-fifths of people aged over 50.³ Video games are cultural, audiovisual products on a par with film, television and animation. They draw on artistic disciplines such as music and art, and sometimes involve narrative. Video games also interact with other forms of media, for example,

inspiring film, television and music. No wonder that 86 per cent of British people believe that video games can be cultural products.⁴

Video games are educational. All video games have a rule set that has to be learned before they can be played and when a player starts a new game they have to be taught how to play it. Many UK games businesses have made educational or serious games.⁵ A number of studies suggest that video games may help to promote skills such as visual and motor skills, strategic thinking, relationship building, computer literacy, collaboration, competition, multi-tasking and experiential learning.⁶ Video games have the potential to play a valuable role in mainstream education,⁷ in training and in workforce development.⁸

The games development and digital publishing sector is a success story. The introduction of Games Tax Relief in 2014 – a measure which TIGA successfully campaigned for over the last seven years – will have a significant positive impact. Yet if the games industry is to achieve its full potential and make a significant contribution to UK employment and growth, then we need to do more. In particular, we need policy makers to build an environment that is favourable to start-ups and the growth of sustainable studios, the promotion of regional development clusters and further improvements in education and skills. This manifesto shows how we can achieve these goals.

JIM MCGOVERN MP



"I have worked with TIGA for many years to help introduce Games Tax Relief in 2014. This measure will help to create jobs, boost investment and grow businesses. Yet we need to do more to ensure that the video games industry continues to grow. So I am delighted that TIGA has prepared this well considered manifesto.

TIGA's manifesto contains a series of well thought out proposals which will receive serious consideration by many politicians and policy makers and it will help to influence the policy debate concerning the creative industries. I look forward to working with TIGA in the future to help advance this important industry."

LUCIANA BERGER
Labour and Co-operative MP
for Liverpool Wavertree



Games Tax Relief would not have happened without TIGA's effective, passionate and vigorous 7 year campaign. During this campaign TIGA has successfully convinced four political parties, three governments and played a critical role in persuading the EU Commission to authorise the introduction of Games Tax Relief. I am delighted to have been able to work with Richard Wilson, TIGA CEO, in successfully lobbying for Games Tax Relief.

I am confident that this important measure will have a major positive impact on jobs, investment and projects in the UK games industry including in Liverpool and across the North West. I am pleased that TIGA has now developed this comprehensive set of policy proposals to help the UK games industry to build on the success of Games Tax Relief. This is an important contribution as all political parties consider their manifestos for the general election to be weighed carefully by the Government which takes over in 2015.



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INTRODUCTION

THE UK NEEDS A STRATEGY FOR SUSTAINABLE ECONOMIC GROWTH. HIGHER GROWTH AND HIGHER PRODUCTIVITY IMPROVES LIVING STANDARDS AND WILL IMPROVE THE GOVERNMENT'S FISCAL SITUATION.

The central economic theme of the current Parliament (2010 – 2015) has been to reduce the Government's fiscal deficit which arose because of the financial crisis, damaging recession and sluggish recovery. The economic crisis caused significant economic, social and political damage and undermined the UK's standing in the world. Although the economy has returned to growth there is still a long way to go.⁹

The Parliament and Government which is elected in 2015 need a different emphasis. The UK needs a strategy for sustainable economic growth. Higher growth and higher productivity improves living standards and will improve the Government's fiscal situation. Economic growth relies on: the supply of the factors of production – land, labour and capital; and productivity growth, which is dependent upon innovation and invention. Government policy affects these variables. On land, planning controls are generally regarded as restrictive. The UK's infrastructure is not as good as it should be: the World Economic Forum judges Britain's infrastructure to be just 28th in the world.¹⁰ On labour, improvements are needed in education and training and the UK should remain open to highly skilled workers. On capital, the Government needs to encourage investment and enhance access to finance. On innovation, the Government can play a role through its investment in higher education, the research and science base and maintaining a society that is open to new ideas and to new highly talented people.

Broadly speaking the UK needs to promote a more balanced economic recovery which is less dependent on financial services, consumer expenditure and an expansion of private borrowing to buy houses, and more reliant on investment and exports. This will be a significant challenge. UK gross investment as a percentage of GDP was 14.2 per cent in 2012.¹¹ Capital expenditure remains 20 per cent below its 2008 peak.¹² The UK's trade performance continues to disappoint. Despite a 25 per cent depreciation of sterling between 2007 and 2009, there was minimal impact on the UK's trade in goods and services.¹³ The total trade gap in 2013 remained virtually unchanged on 2012 at £108 billion and exports grew just 1.4 per cent in the same year.¹⁴ The UK's productivity performance is also a matter of concern. The Bank of England has estimated that output per hour in 2013 was 16 per cent below the level that could have been expected had the pre-recession trends continued.¹⁵

The next Parliament and Government need to strengthen (and certainly avoid harming) those sectors where the UK has a comparative competitive advantage: for example, aerospace, business services, defence, high-value manufacturing and engineering, high technology industries, higher education, low carbon technology and the creative industries, including the video games sector.



'Split Second', developed by Realtime UK

NOW AT TIGA OUR MISSION IS TO STRENGTHEN THE GAMES DEVELOPMENT AND DIGITAL PUBLISHING SECTOR.

NUMBER OF UK GAMES INDUSTRY STUDIOS

2010

2013

278

620

PROPORTION OF UK GAMES INDUSTRY STUDIOS WITH MORE THAN FIVE PERSONNEL

2010

2013

58%

41%

TIGA is intent on building an enduring organisation which continually improves; a business that will make a significant impact on the games industry and so benefit our membership and the wider economy. Since 2010, TIGA has won 20 business awards, an achievement which reflects TIGA's drive for improvement and to meet best practice.

At TIGA we know what we stand for – developers, digital publishers and service providers. We know what we want to achieve – to make the UK the best place in the world to do games business; and we know how to accomplish this – by enabling developers, digital publishers and service providers to set up and grow strong, sustainable, independent businesses.

The UK games industry is changing. Many publisher-owned studios have closed down, down-sized or invested overseas in recent years. Traditional work for hire practice is giving way to new business models. Digital distribution is in the ascent. Retail is in decline. Developers have access to more options in terms of platforms, genres and distribution than ever before. The studio population

is changing. In Alice in Wonderland fashion, the UK games development and digital publishing sector has achieved the apparently impossible feat of expanding and shrinking at the same time. On the one hand, the number of studios expanded from 278 in 2010 to 620 in 2013/Q1 2014. On the other hand, the proportion of studios with five or more personnel shrunk from 58 per cent in 2010 to 41 per cent in 2013. This is a direct consequence of the UK games industry's increasing focus on mobile as the primary games platform.¹⁶

There has been a big rise in start-ups – and closures: 64 per cent of the UK's games companies started up between 2008 and 2013, but 30 per cent of games businesses closed down over the same period.¹⁷ With the rise in both studio start-ups and failures over recent years, the key strategic question facing the UK games industry in 2015 is clear: how do we support the growth and viability of more independent content creators and digital publishers?

Now at TIGA our mission is to strengthen the games development and digital publishing sector. We instinctively

understand the needs of indie-developers and digital publishers: TIGA is itself a small business and is run by UK developers and digital publishers for UK developers and digital publishers.

TIGA has a vision for the future of how the industry should progress by 2020. Over the next five years we want to see a flourishing developer and digital publisher sector, with strong numbers of start-ups, growing sustainable studios, a decline in the current 30 per cent business mortality rate and an increase in the overall studio population from the current 620 businesses that existed in 2013/Q1 2014. TIGA's vision is for consistent increases in employment and investment – driven by Games Tax Relief – with over 2,000 new studio jobs, a £220 million increase in investment from games development companies and regional clusters contributing to the industry's growth. TIGA's vision is for an increase in the number of studios with 15 or more staff so that there are more businesses in the UK capable of handling larger projects and investments from global publishers. Access to finance should be less of a challenge and the brain drain of talented staff overseas

should diminish as a problem. TIGA wants to see the UK become a globally recognised centre for games education and a continuous professional development in the sector's workforce. TIGA's ambition is for an increase in the production of culturally British video games. This manifesto will realise this vision.

TIGA's manifesto sets out a range of policies for the UK's political parties to consider in the run up to the General Election. Some of the proposals described in this paper identify how to build on the success and inherent potential of the UK video game industry, thereby benefiting the wider UK economy and society. However, some of the proposals in our manifesto are unashamedly cross-sectoral in nature. TIGA makes no apology for this: we want to see the advancement of policies that benefit the UK economy and society generally. We hope that political parties will support the agenda outlined in this manifesto and that the next Government will implement it.

TIGA recognises the macro-economic constraints facing the UK at this time. Yet the UK video games industry represents a significant driver in innovative economic

activity and with the right support the industry could contribute to the growth of a more diverse and sustainable UK economy. The UK is a world leader in video games development and with the right policy environment it has an opportunity to win a significant share of global market for video games.¹⁸ The global market for video games could be worth \$82 billion by 2017, up from \$67 billion in 2012 (www.forbes.com/sites/johngaudiosi/2012/07/18/new-reports-forecasts-global-video-game-industry-will-reach-82-billion-by-2017).

Dr Richard Wilson
TIGA CEO.



TIGA AND THE

GAMES
INDUSTRY





SUMMARY OF PROPOSALS

TIGA MANIFESTO FOR THE GAMES INDUSTRY

POWER UP SMALL FIRMS

1. Prototype funding should be made available to enable start-up studios to access finance and develop new IP.

2. A Creative Content Fund (CCF) should be established in order to encourage new studio formation, stimulate creativity and co-fund new content development and IP generation.

3. National Lottery funding could be made available to provide funds for games development, including prototype funding and the CCF.

BUILD WORLD WINNING GAMES BUSINESSES

4. An 'Export Tax Relief' should be introduced to incentivise more firms to export, thereby promoting export-led economic growth.

An Export Tax Relief is currently prohibited under EU law. However, the primacy of UK domestic fiscal policy can be seen in the UK's ability to introduce the Patent Box, and retain the Patent Box even when some other EU member states sought to have it abolished because they deemed it to be unfair. Interestingly, Germany provides drawbacks on local VAT tax paid on exported products. The UK Government could therefore explore the case for negotiating and securing an Export Tax Relief.

5. Awareness of UKTI's offering should be increased to ensure that more SMEs access its export services.

UKTI should enable more UK video games businesses to maximise their export potential: In 2013/14 just 1.4 per cent

(£220,100) of total UKTI Trade Assistance Programme funding was allocated to the video games sector. Additionally, just 0.18 per cent (£25,000) of total UKTI Events and Missions spending was assigned to the video games sector.

6. The UK should be aggressively marketed as an attractive location for inward investment for the games industry.

7. Video Games Tax Relief should be retained. During the course of the next Parliament the Government should carry out a cost benefit analysis of the merits of increasing the level of the Relief from 25 per cent to 30 per cent to stimulate further investment.

8. The amount of money that a company can raise via SEIS investment should be increased from £150,000 to £200,000 per annum to reflect the rise in development budgets required to make internationally competitive games

9. The UK should encourage the development and provision of superfast broadband speeds that rival the best in the world.

10. Greater competition should be promoted in the business banking sector and new entrants encouraged to enter the market as the UK banking sector remains heavily concentrated.

11. PEGI, the European game content rating system, should end its punitive pricing policy. PEGI's current policy is to charge a developer a fee for content rating every time it launches a game on a different console platform, even if the content is exactly the same. Charging fees for the same content should be stopped to save developers' money.

12. The EU funding regime for video games should be reformed. Games should not be required to have a narrative component or game genre in order to be eligible for EU funding via the Creative Europe programme. 'Serious' games should not receive preferential treatment under the EU's Horizon 2020 programme.

13. Policy makers should pursue a common global regulatory approach towards 'free to play' (F2P) games and in-app purchases (IAPs) based on the Office of Fair Trading's Principles for Online and App-based Games. This will enable UK games businesses to compete on a level playing field and ensure the effective protection of UK consumers.

PROMOTE GAMES CLUSTERS TO BOOST REGIONAL GROWTH

14. Regional/National Games Development Incubators should be established at a university or a consortia of universities in each of the English regions and in each of the nations within the UK to enable more successful start-ups (the incubators would support both student and non-student enterprises).

15. High technology video games clusters should be promoted around the UK through the provision of more business incubators at designated regional universities (see point 14), strengthening local industry and university links, building connections with finance providers and through the provision of business mentoring.

16. The Growth Accelerator service should be tailored to the needs of games developers and digital publishers to ensure that more studios benefit from the service over the life of the next Parliament.

ENHANCE SKILLS AND EDUCATION, PROMOTE MEASURED MIGRATION

17. A pilot SME Training Tax Relief (TTR) should be introduced. TTR would operate in a similar way to the existing R&D tax credits and would enable SMEs to offset expenditure on training, Continuous Professional Development (CPD) for staff and education outreach activities against corporation tax.

18. Specialist roles should be added to the Shortage Occupation List (including, but not limited to, Game Analyst, Senior Game Artist, Brand Manager, Senior Game Designer, Localisation Manager, Community Manager, Senior Producer, and Engine Programmer). This will enable games businesses to address skill shortages in highly specialised roles.

19. The Post-Study Work Visa should be reinstated, initially for STEM and other priority area students, to enable UK businesses to hire the best available talent trained at UK higher education institutions. The Post-Study Work Visa should allow non-EU students studying at UK universities to work at a UK business after graduation for a maximum of two years, and then apply for a more permanent work permit.

20. Policy makers should examine the case for increasing expenditure on higher education to ensure that UK tertiary education remains world leading.

21. Policy makers should examine the case for reducing tuition fees in priority undergraduate subject areas such as Mathematics.

22. The Skills Investment Fund should be maintained to enable UK games businesses to enhance skills in the games industry.

1. POWER UP SMALL FIRMS

2. BUILD WORLD WINNING GAMES BUSINESSES

3. PROMOTE GAMES CLUSTERS TO BOOST REGIONAL GROWTH

4. ENHANCE SKILLS AND EDUCATION, PROMOTE MEASURED MIGRATION



'Juiced 2', developed by Realtime UK





POWER UP
SMALL FIRMS

1. PROTOTYPE FUNDING

PROPOSAL

The Government should make prototype funding available for independent games developers. This could be financed via the National Lottery (or via Innovate UK).

REASON

Games companies face a significant funding gap that is restricting growth. Low availability of private and public finance restricts the growth potential of games companies, particularly the many new games companies starting up in recent years. Video games can be a very successful business. However, the revenue generation is spread very unequally in the value chain. While sales and marketing of video games is a highly scalable international business, the actual making of games is not easy to finance. Game development is a risky venture involving high technological, artistic and business risks. It is consequently relatively difficult to raise external finance. This can be a serious problem as the development of technology and content can be expensive.

TIGA proposes that resources should be made available to finance early stage development work in order to create playable prototypes, early stage development work or even to support full game development projects. Resources could also be deployed for marketing and distribution of games; for training; and to support businesses to attend international events. Prototype funding could be financed by re-deploying National Lottery money (see Section 4 below).

The main recipients of prototype funding should be the UK's independent developers because they typically find it difficult to raise finance in comparison to publisher owned studios. The funding should also be concentrated on areas where commercial funding either does not exist or only exists in return for un-commercial terms, such as the transfer of all the IP to the funder. Funding of innovative prototypes (like the game Limbo) would be particularly useful because these kinds of innovative games rarely see the light of day as few publishers are prepared to take the risk of funding them.

TIGA proposes that resources should be made available to finance early stage development work in order to create playable prototypes, early stage development work or even to support full game development projects.

The UK has made some funding available to support prototype development in recent years. Abertay University delivered a prototype fund which enabled developers to apply for grants of up to £25,000 to create prototype games. The Abertay Prototype Fund helped over 70 companies, supporting nearly 500 new or continuing jobs and enabled start-ups to overcome some critical business constraints¹⁹. However, the Abertay Prototype Fund has now been fully invested. Creative England introduced a Development Fund in 2013, whereby small and medium-sized enterprises (SMEs) have been able to apply for grants of between £10,000 and £50,000 to develop a new game IP for commercial release, but this has now closed. Creative England introduced a Prototype Fund for start-ups to apply for £10,000 to develop a prototype game. These are positive schemes but they are small scale in nature and are restricted to assist companies in certain parts of England.²⁰

The Prototype Fund should also include business, creative and technical guidance for funded projects to maximise their prospects for commercial success. Prototype funding should not be a stand-alone policy. Developers need to be given the tools and knowledge for commercial success. In particular, developers need business and commercial advice about how to get their prototype fully funded and released into the market. In the absence of this advice, the prototype funding could be wasted.²¹ The AppCampus Award Scheme provides an interesting model of prototype funding. In addition to strict milestone funding, recipients benefit from teaching, formal classes and introductions to key industry figures including investors.²²

EFFECT

Making prototype funding available will help start-ups and small development studios surmount barriers to accessing finance and enable more promising studios to fund prototype development and IP generation.

2. DEVELOP A CREATIVE CONTENT FUND

PROPOSAL

The UK Government should facilitate the development of a Creative Content Fund (CCF) in order to encourage new studio formation, stimulate creativity and co-fund new content development and IP generation.²³

REASON

UK games development has traditionally been heavily reliant upon global games companies for finance. 76 per cent of investment in UK games development is derived from global companies.²⁴ The remaining 24 per cent is self-funded by British games companies, who largely rely upon existing cash resources, including retained profits, and, to a much smaller degree, private investment to fund development.²⁵ As noted earlier, access to debt and equity finance is comparatively difficult. Additionally, those creative businesses (including video games development studios) that are fortunate enough to secure finance typically have to trade away their IP for project capital.²⁶

New IP is the engine of the games industry that opens new markets, triggers employment, raises tax revenues and delivers new growth to studios that own the IP. Retaining ownership of successful IP enables game developers to generate cash flow and support more sustainable businesses.²⁷ While new IP financing and distribution declined in the years preceding the launch of the new consoles in 2013, new routes to market (such as mobile, online and social gaming) have opened up, thereby reducing or even obviating the need for publisher assistance on those platforms. There is a strong opportunity for a new generation of British games companies, which are starting up in record numbers but usually at small scale, to become developer/publishers, to create and distribute new IP.

The establishment of a Creative Content Fund could help overcome these challenges and exploit new commercial opportunities. The CCF could provide funding of between £50,000 and £150,000 to game developers. Funding could be made available in two forms. Firstly, loans could be made on a pound for pound matched funding basis, whereby eligible companies would need to demonstrate that they can match the funding from other sources. Alternatively

the CCF could distribute funding in the form of a convertible loan on commercial terms (thus acting within EU rules about State Aid).²⁸ Recipient companies would be able to repay the loan or convert its value into equity after a set period. The CCF would aim to recoup the money from recipients out of successful sales once they had generated a certain amount of revenue (in proportion to the convertible loan) and over an agreed time period (likely to be 3 years). The advantage of the convertible loan approach for the game development studio is that if its game did not sell as well as expected it could transform the CCF's loan into equity or a share in the business, and so remove the debt from its balance sheet.

Eligible companies and projects would need to demonstrate the following criteria:

- The company is based in the UK.
- The company expends a minimum of 80 per cent of the development costs of this project in the UK.
- The company proposes to develop original new games IP which is innovative in terms of content, gameplay and, where appropriate, business models.
- The company retains majority ownership of the IP during the term of the loan.
- The company should have to demonstrate a robust business plan about how it intends to use the match funding to enhance its prospects for commercial success.
- The CCF should invest in projects that have the potential for commercial success, not prop up businesses that are in difficulties.²⁹ This should be demonstrated by credit checks and professional assessment of the company's financial statements.

The Creative Content Fund (CCF) could be designated as an National Lottery allocation body, together with arts councils and other distribution bodies, and given the right to decide which games projects and initiatives should be awarded with development funding. The CCF then, along with its other functions, would establish an application procedure for games developers to apply for this funding, evaluate applications received, and award funding to projects that fulfil a predetermined set of criteria. The CCF should be entirely impartial and independent of trade associations and businesses. However, the CCF could have an advisory board which potentially might include representatives from private sector investors.³⁰ A commercial mentoring

business advisory service should be provided for companies benefiting from CCF disbursements. This is necessary to safeguard investments and provide guidance to new companies.³¹

As noted, the CCF could disburse 20 convertible loans of £150,000 per annum (£3 million in total). The Fund's running costs are dependent on the level of administration and due diligence but the suggested structure may cost up to £450,000 per annum.³² Assuming the CCF is established to run over a 5 year term, the CCF is expected to cost £17,250,000 (excluding any return on investment). TIGA notes that these estimates will need detailed feasibility analysis to cost more accurately. The CCF could be financed via the National Lottery or via Innovate UK (see Section 4 below).

Schemes analogous to the Creative Content Fund have previously been created. For example, the 2013 Budget saw the announcement of a new £15m competition managed by the Technology Strategy Board for digital content production.³³ However, this does not focus on content creation per se but has a more technical thrust.³⁴

A recent example of the efficacy of direct government funding of games production can be found in Finland. Finland's Tekes government-backed funding agency has provided nearly \$70m in funding to Finnish games developers since the late 1990s providing financial assistance to many of the country's studios at the crucial high risk early stages of their existence. This includes providing early stage finance to Supercell and Rovio, two companies that have gone on to become global gaming giants. The success of this programme and the knock-on effect of an increase in inward investment and value realisation from subsequent fund raising and M&A activity has prompted the Finnish government to dramatically increase its direct games funding via the launch of Skene, a €70m dedicated games fund.³⁵

EFFECT

A CCF carefully structured by industry and the UK Government would improve developers' access to finance, stimulate original IP generation and promote studio growth. It would enhance the independence and commercial viability of game developers and strengthen the prospects for the expansion of the UK video games industry. The matched funding criteria would help to drive investment and job growth.



3. NATIONAL LOTTERY

PROPOSAL

National Lottery money could be made available to finance innovative video game prototypes and the Creative Content Fund (see the sections above).

REASON

As noted previously, many game developers find it comparatively difficult to raise debt and equity finance. Additionally, many of those video games development studios that manage to secure finance typically have to trade away their IP for project capital. There is little available funding for the development of innovative or different prototypes or small games, as many do not have an immediately commercial value or route to market.

Small, independent films, arts installations and projects, sports events, and other cultural activities are often financially constrained and at least partly dependent on funding from the Government due to the considerable financial risks that they take. Independent games developers take similar risks but the video gaming industry does not enjoy the same support enjoyed by the other sectors. Small, experimental games that often take the games industry forward are not always considered 'commercial' enough by large games publishers, inhibiting the development of the sector as an art form. It is time to recognise the games industry as an equivalent arts form to TV and film. Indeed, some studies suggest that the more people play games, the more they consume other culture, and vice versa.³⁶

Currently, National Lottery funding through the National Lottery Good Causes is only available to industries and organisations that fall under the remit of the 12 National Lottery distribution bodies that are tasked with allocating the funding.³⁷ Approximately 28 per cent of National Lottery revenue was returned to Good Causes in the year ending 31 March 2013, or approximately £35 million each week.³⁸ In total, the National Lottery has funded projects through the National Lottery Distribution Fund by over £31 billion since its inception. In 2013, 40 per cent of the Good Causes funding was awarded to Health, Education, Environment, and

Charitable causes, 20 per cent to Sports, 20 per cent to Arts and 20 per cent to Heritage. The distribution formula is set yearly by the Department for Culture, Media and Sport. The time has come to review the case for investing some National Lottery money in the video games sector.³⁹

The Creative Content Fund (CCF) could be designated as an allocation body, together with arts councils and other distribution bodies, and given the right to decide which games projects and initiatives should be awarded with development funding. The CCF then, along with its other functions, would establish an application procedure for games developers to apply for this funding, evaluate applications received, and award funding to projects that fulfil a predetermined set of criteria. The CCF should be entirely impartial and independent of trade associations and businesses. However, the CCF could have an advisory board which potentially might include representatives from private sector investors. Alternatively, the BFI could be designated an allocation body with responsibility for video games. Another alternative would be to designate Creative England as a funding body, which could distribute National Lottery Funds to the video games sector. The crucial point is that the designated funding body, whether it be the CCF, Creative England, or the BFI, should be competent and independent of trade associations and businesses.⁴⁰

Some National Lottery funding could also be made available to support the large number of important, but often overlooked, outsourcing firms that specialise in areas such as audio, animation, localisation, music, quality assurance, sound, etc. These businesses are critical to the health of the UK video games industry. They should be eligible for funding in respect of activities such as training and attendance at international events.

EFFECT

Making National Lottery finance available to fund prototypes through the CCF could have a significant impact. More studios would be able to develop prototypes and once a prototype is complete and operational, a route to market might become more apparent, allowing the game to be funded through to completion. National Lottery

funding for the CCF would enable more developers to raise finance, develop talent, stimulate original Intellectual Property (IP) generation and promote studio growth. National Lottery funding for prototypes and the CCF would also indirectly promote skills development in firms. Finally, it would result in a wider breadth of innovative video games in the marketplace, which could in turn increase the reach of video games into wider culture.

BUILD WORLD WINNING GAMES BUSINESSES

4. TAX RELIEF FOR EXPORTERS

PROPOSAL

An 'Export Tax Relief' should be introduced to incentivise more firms to export, thereby promoting export-led economic growth.

An Export Tax Relief is currently prohibited under EU law. However, the primacy of UK domestic fiscal policy can be seen in the UK's ability to introduce the Patent Box, and retain the Patent Box even when some other EU member states sought to have it abolished because they deemed it to be unfair. Interestingly, Germany provides drawbacks on local VAT tax paid on exported products. The UK Government could therefore explore the case for negotiating and securing an Export Tax Relief.

REASON

The UK needs to rebalance its economy towards exports and investment. For the UK, trade continues to disappoint. The UK has a persistent current account deficit, exporting fewer goods and services than it imports. According to the House of Commons Public Accounts Committee, from 2000 to 2012, the annual value of UK exports nearly doubled, but during the same period, the annual value of exports globally nearly trebled. Additionally, the annual value of UK global exports has been flat for the last two years.⁴¹ Small and medium-sized enterprises (SMEs) play a crucial role in the UK economy, accounting for almost 60 per cent of employment at the beginning of 2012. However, the UK has a slightly lower share of exporting SMEs than the EU average and the share of UK SME's revenues generated via exports is also lower than the EU average.⁴² One in five UK SMEs export compared to an EU average of one in four.⁴³ Lord Livingston, the former BT chief executive who became UK trade minister in December 2013, has noted that for 60 per cent of companies, exports account for less than a tenth of their sales, and a third do not have exports at all.⁴⁴ If the Chancellor's target of the UK achieving £1 trillion annual exports by 2020 (i.e. doubling the current figure), more needs to be done to encourage and assist exporters.

UKTI helps exporting firms through a variety of useful schemes (Passport to Export, Trade Assistance Programme, OMIS, etc), but awareness of UKTI is relatively low.⁴⁵ Additionally, the majority of Government support for exporters is focused on large businesses. Just £70 million – 2 per cent – of total government support for exporters provided by UKEF went to SMEs in 2012. In Germany, 46 per cent provided

by Euler Hermes went to the Mittelstand, or medium-sized businesses, according to the British Exporters Association.⁴⁶ Moreover, while exporting has great potential for UK businesses, access to finance is relatively difficult especially for creative businesses. Also, the cost of exporting in terms of increasing production, paying for insurance against late payment, and researching new markets can be a barrier to exporting.⁴⁷

Introducing an 'Export Box' or Export Tax Relief for UK exporting companies would help a range of business across many sectors, including many games development studios. 95 per cent of UK games development studios export at least some of their games. Many UK games development studios are export focused. For example, the proportion of turnover from exports is 100 per cent for Firebrand, 90 per cent for Jagex, 80 per cent for Lockwood Publishing, 80 per cent for nDreams, 85 per cent for Neon Play, and 90 per cent for Rebellion.

The next Government should consider introducing an 'Export Box' with a competitive tax rate (e.g. 15 or 10 per cent) on the profits generated from their exports. This could be achieved by applying an additional deduction to taxable profits, in the same manner as the existing Patent Box scheme to ensure commonality within the tax system. This method of tax relief would benefit from the fact that revenues from exports are easily identifiable, giving companies the option of identifying relevant export profits via apportionment or 'streaming' methods (depending on whether the export costs are easily separable), in a similar manner to that set out in the Patent Box legislation.

Once relevant export profits are identified, a calculation can be carried out in order to establish the deduction required to obtain an equivalent tax rate of 15 per cent for these profits. Any "export losses" created by this process would need to be carried forward for use against the next available export profits of the trade.⁴⁸

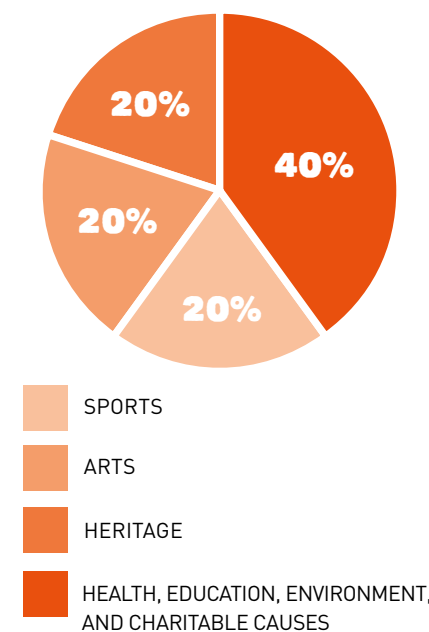
Key conditions should be that:

- The company has undertaken qualifying exports (see also below) for goods and/or services actually produced in the UK.
- Relevant Export Income and profits from exports will need to be prescribed in detail as with the patent box system.
- The interaction with other reliefs will need to be considered, including video Games Tax Relief, R&D tax credits, and the Patent Box itself. In general, there should be no double-dipping (i.e. claims for more than one relief on the same income or costs).

There are three distinctive groups in the exporting process.

a) Direct: where an exporter operates

NATIONAL LOTTERY
GOODS CAUSES 2013





directly from the UK with its overseas customer. Export orders are taken in the UK; manufacture and supply of goods are organised from the UK; billing and revenues are managed direct from the UK. Export profits are taxed in the UK.

b) Branches: where an exporter retains a UK base and establishes an overseas branch office, funded directly by the UK. The overseas branch is a separate legal entity in the host country and is directly linked to the UK. Billing is done from the UK, all revenues go direct to the UK, the branch office is essentially a cost centre, and all costs/revenues are brought directly back into the UK. Export profits are taxed in the UK, however relief is usually given for foreign taxes suffered to prevent double taxation.

c) Subsidiary: where an exporter establishes a permanent and separate legal entity overseas. All billing and revenues are managed in the overseas entity. Profits are taxed overseas, and brought back into the UK via dividend distributions. These can be subject to withholding tax at source, depending on the nature of any double tax treaties in place between the two countries.

Firms that are direct exporters (a) and firms with overseas branches (b) should be eligible for the Export Box/Export Tax Relief. In both cases the export business is undertaken directly from the UK.⁴⁹ Subsidiaries (c) should not benefit from the Export Box/Export Tax Relief. Similarly, indirect exporting firms (i.e., companies that contribute to the supply chain of another company that directly exports) should not be eligible from the Export Box/Export Tax Relief.

It is difficult to estimate the profits and thereby the initially lost revenues generated by exports (although over time the lower rate of corporation tax on exports should encourage more exports and revenues to the Treasury). It would therefore be prudent for HM Treasury to initially limit the Export Tax Relief to SMEs or even to just small businesses.⁵⁰

EFFECT

The UK has a persistent current account deficit, exporting fewer goods and services than it imports. If the UK is to achieve export led growth in the future then we need to assist and encourage more firms to export. Currently, just one in five UK SMEs export compared to an EU average of one in four. If the UK introduced an Export Tax Relief for SMEs, whereby eligible UK companies would pay a competitive tax rate on the profits generated from exports, then more businesses would have an incentive to export. This in turn could drive export led growth and help to rebalance the UK economy.

An Export Tax Relief is currently prohibited under EU law. However, the primacy of UK domestic fiscal policy can be seen in the UK's ability to introduce the Patent Box, and to retain the Patent Box even when some other EU Member States sought to have it abolished because they deemed it to be unfair. Interestingly, Germany provides drawbacks on local VAT tax paid on exported products (see *Germany. Country Commerce 2014*, The Economist Intelligence Unit, 2014, p. 44). The UK Government could therefore explore the case for negotiating and securing an Export Tax Relief.

5. RETAINING AND ENHANCING GAMES TAX RELIEF

PROPOSAL

Video Games Tax Relief should be retained. During the course of the next Parliament the Government should carry out a cost benefit analysis of the merits of increasing the level of the relief from 25 per cent to 30 per cent to stimulate further investment.

REASON

TIGA's seven year campaign for Games Tax Relief (GTR) came to a successful conclusion in March 2014, when the EU Commission finally approved the measure. No significant changes are likely to be made to GTR for four years. In 2017 the UK Government should notify the EU Commission of its plan to continue with the Relief and the EU Commission will decide whether the Relief can be maintained for another four years in 2018. During this period TIGA will be examining whether GTR can be improved in any way. One area that UK policy makers should examine in advance of notifying the EU Commission is in relation to the rate of Relief.⁵¹ The rate of Relief could be increased to ensure that the UK's games industry competes on a more level playing field.⁵² The levels of tax relief available for video games around the world vary, with the most generous including Singapore; Georgia, Florida, and Louisiana in the USA; and Manitoba, Ontario and, Prince Edward Island in Canada.⁵³ Significantly, studios in receipt of public support in Canada are receiving support equivalent to 23 per cent of their turnover, giving them a significant benefit.⁵⁴

The effective rate of relief for the UK's new Games Tax Relief will be less than 20 per cent. This is because Games Tax Relief is calculated by working out the level of additional deduction that is permitted for qualifying costs. The enhanceable expenditure is calculated by

multiplying the applicable rate (25 per cent) by the lower of:

- 100 per cent of UK core expenditure;
- 80 per cent of total core expenditure.

Therefore if you only have UK expenditure, the 80 per cent of total core expenditure will always be a limiting factor. Consequently, the maximum relief = 80 per cent x 25 per cent = 20 per cent.

As you are testing total core expenditure any expenditure which is not "qualifying core" expenditure will further reduce this percentage, for example financing costs and advertising. Therefore in practice Games Tax Relief is likely to provide an effective rate of only around 16 – 18 per cent.

TIGA suggests that the next Government should carry out a cost benefit analysis of the case for increasing the existing level of relief from 25 per cent to 30 per cent. TIGA recognises that specific tax rates and tax reliefs are not the only factors influencing investment decisions. The overall business environment, including the general infrastructure, the skills base and property rights are also important. However, the UK's key competitors in the games industry include states and provinces in countries such as the USA and Canada provide not only a broadly favourable business environment but also generous tax reliefs for games production. Therefore, it is vital that the rate or rates of relief to be adopted for the UK's Games Tax Relief are highly competitive vis-à-vis these other countries.

EFFECT

Increasing the level of GTR to 30 per cent will increase the attractiveness of the UK as a place to do business and will enable the UK games industry to compete on a more level playing field.

6. SUPPORTING EXPORTERS VIA UKTI

PROPOSAL

Awareness of UKTI's offering should be increased to ensure that more SMEs access its export services.

UKTI should enable more UK video games businesses to maximise their export potential: In 2013/14 just 1.4 per cent (£220,100) of total UKTI Trade Assistance Programme funding was allocated to the video games sector. Additionally, just 0.18 per cent (£25,000) of total UKTI Events and Missions spending was assigned to the video games sector.

REASON

UK Trade and Investment (UKTI)⁵⁵ operate a number of useful schemes to help exporters (although its funding has recently been diverted)⁵⁶:

Passport to Export (P2E): Passport to Export takes about 12 months to complete during which time a company attends a 1 day workshop to spend time assessing its objectives and approach towards overseas trade. Participating companies work with an International Trade Adviser (ITA) to devise a series of action points that form part of plan to improving their overseas trade prospects by using the support that UKTI can offer.

Gateway to Global Growth (G3): This is focused more towards established exporters with slightly more developed resources who need a lighter touch and the programme has a less formal approach.

OMIS: UKTI, through its overseas Consulates and Embassies (Posts) and in some cases British Chambers of Commerce offers a network of sources of specific localised information and knowledge that are made available to exporters. Once a company has decided it wishes to investigate a market with a view to trade, the local Post can be contacted and asked to produce a specific and unique report on any subject matter the company wishes (known as OMIS reports (Overseas Market Introduction Service).

Outward Trade Missions: UKTI organises regular high profile visits to strategically important markets to champion UK trade and promote British companies. Missions enable participating companies to meet with foreign parties who can add value to their efforts in those markets.

Inward Trade Missions: These bring groups of influential buyers to the UK to meet specific clients selected for their relevancy to the Mission's character. Often these are high level meetings and events featuring key players in the overseas territory.

The Trade Show Access Programme (TAP): TAP supports UK businesses looking to exhibit at overseas trade shows by providing eligible firms with grants. Eligible companies can apply for up to 3 grants in any one year to subsidise the cost of participating in an exhibition. As part of an Accredited Trade Organisation led presence, companies can receive between £1400 and £1800 per exhibition.

Export Marketing Research Scheme(EMRS) and Published Research: UKTI can fund between 33% - 50% of desk research as well as 50% of the costs of field research in the target market.

These schemes are helpful and UKTI does useful work with the companies that it supports but is reliant on the company committing time and financial resources to a sustained campaign to develop overseas. It can take years

of hard work to establish a new market or find the right partner that will allow a company to move into a lucrative new area so UKTI can only be as effective as the company's engagement with the process. Additionally, awareness of UKTI is limited.⁵⁷

Working with trade associations like TIGA is essential for UKTI to get the message out to the games development community. Government and Parliament should also support the work of UTKI and work to raise awareness of the organisation.

As well raising awareness, UKTI should aim to enable more UK video games businesses to maximise their export potential, particularly through the Trade Assistance Programme and through Events and Missions. Yet in 2013-14, just 1.4 per cent (£220,100) of total UKT&I Trade Assistance Programme funding was allocated to the video games sector. Additionally, just 0.18 per cent (£25,000) of total UKT&I Events and Missions spending was assigned to the video games sector. UKT&I should examine the case for increasing support for games development, digital publishing businesses and other games businesses. The sector has a very high tendency to export: 95 per cent of games businesses export at least some of their products and services. Enabling more games businesses to attend trade shows and to have their travel, accommodation and exhibition expenses should enhance their potential to export. This benefits both the games industry and the UK economy.⁵⁸

EFFECT

Increasing awareness of UKTI and its schemes amongst SMEs should lead to more businesses availing themselves of its support. This in turn should lead to more SMEs being able to develop sustainable and realistic plans for international trade expansion. Additionally, other things being equal, enabling more games businesses to benefit from the Trade Assistance Programme and from Events and Missions should enhance the sector's export potential.

7. MARKETING THE UK GAMES INDUSTRY

PROPOSAL

Market the UK games industry aggressively as an attractive place for inward investment and look at the different ways that the Government can fully promote the UK's video games sector.

REASON

The introduction of tax relief for the UK games industry has been a positive step in attracting

investment to the UK but this alone is not enough. Many countries now have tax relief programmes in place and the Government should be promoting the UK games industry as an attractive place to do business.

Overseas governments and agencies are marketing their territories aggressively both to potential investors in the video games industry and to potential workers. For example, over recent years:

- South Korea, a rapidly growing video games market, has committed \$144 million to the creation of an agency designed specifically to promote their video games and other creative industries.⁵⁹

- Japan has carried out a stimulus package that focuses on the promotion of video games exports.⁶⁰

Canada in particular has been active in marketing itself as a leader in the video games industry and high profile examples include:

- British Columbia, a province with a thriving video games sector, outlining specific policy objectives of "Investment attraction and trade promotion support by trade missions to key Asian markets, marketing materials and in-market trade representatives."⁶¹

- A recent trade mission to Japan by the Canadian Minister for International Trade which resulted in a significant investment from Japanese video games manufacturer NAMCO BANDAI in Vancouver. ⁶²

This has resulted in a recent study showing that Canadian video games manufacturers were 'satisfied' by the Government's marketing of the industry. ⁶³

The UK should be marketed aggressively as an attractive place for inward investment and to do games business. UKTI, Creative Scotland, Scottish Enterprise and Scottish Development International can work with TIGA to develop a convincing proposition to investors in order to increase investment in the UK and Scottish games industries.

EFFECT

As a result of strong marketing, Canada is now "known internationally for its very strong base of creative and technological talent" ⁶⁴ and "has been notably successful in attracting investment and skilled personnel from jurisdictions like the United Kingdom." ⁶⁵

In contrast, a lack of strong marketing of the UK's expertise in this sector has cost investment in the past. For example, Dundee lost out to Galway as the location for the European HQ or US games maker 'Big Fish Games'.⁶⁶

Effective marketing of the UK as a good place to do games businesses should serve to attract a larger share of inward investment and to support the growth of more employment and businesses in the games industry.



8. SEED ENTERPRISE INVESTMENT SCHEME

PROPOSAL

Increase the amount of money that a company can raise via SEIS investment from £150,000 to £200,000 per annum.

REASON

Creative businesses, including games developers, find it relatively difficult to access debt, bonds and equity finance.⁶⁷ This is because of the high levels of uncertainty about consumer demand, the intangible nature of IP and in some cases the vagaries of the work for hire business model which results in development studios sometimes operating for months before receiving revenue. Additionally, games developers typically have relatively few assets and are comparatively young with little evidence of a financial track record. While developers know about their business, venture capitalists' and business angels' knowledge is more imperfect. This results in a finance gap affecting businesses that lack collateral. Moreover, private investors are disinclined to invest in small and medium-sized enterprises like many games development studios because the largely fixed costs of due diligence are too high relative to the amount of equity sought.⁶⁸

The Seed Enterprise Investment Scheme can help SMEs access capital because it provides tax efficient benefits to individuals and encourages investment in small and early stage start-up businesses in the UK.⁶⁹ Over the last couple of years, the SEIS scheme has successfully supported the funding of many new start-up games studios and entrepreneurs across a range of games platforms. But the development and marketing budgets required to make internationally competitive games are on the rise as game devices such as mobile phones and tablet PCs become increasingly technically advanced, rivalling game console quality, and consumer expectations of a mobile game experience get higher.

EFFECT

Increasing the SEIS cap from £150,000 to £200,000 would help ensure that new studios can continue to gain from the SEIS scheme (and get access to early funding which simply is not readily available elsewhere), whilst ensuring the projects they create are good enough to compete in a challenging marketplace.

9. SUPERFAST BROADBAND

PROPOSAL

The UK should encourage the development and provision of superfast broadband speeds that rival the best in the world.

REASON

The business operations of UK SMEs suffer as a result of the UK's current broadband speeds.⁷⁰ The Federation of Small Business argues that lack of access to superfast broadband "reduces productivity, stifles innovation and restricts the ability of British firms to grow and compete in global markets"⁷¹. Small businesses themselves are also aware of the problems that lack of access to superfast broadband bring, with 14% of all SMEs in the UK citing lack of reliable and fast broadband as the main barrier to growth⁷² and over a third of Scottish SMEs feeling constrained by the broadband speed currently available to them.⁷³

Some of our competitors offer consumers and businesses much faster broadband speeds. Most recent findings by Akamai's State of the Internet show that the UK is 14th in the world in terms of average broadband speeds with 9.1mbps.⁷⁴ The UK is also far behind direct competitors in the video games market like South Korea and Japan who are number 1 and 2 respectively.⁷⁵

It is not just in terms of current speeds that the UK is behind but also in terms of future trajectory. The coalition government is still committed to achieving 2mpbs universal access and 95% 24mbps access by 2017.⁷⁶ This is in stark contrast to other countries such as:

- Finland⁷⁷ and Denmark⁷⁸ who are committed to achieving 100mbps by 2015 and 2020, and;

- South Korea, committed to achieving 1,000mbps(1gbps) for 90% of the population by 2017.⁷⁹

More Mbps available should make possible the provision of more services over the internet and could help to sustain new and different business models. The provision of universal broadband at speeds of 2 mbps

would in effect provide a safety net: for example, this level of broadband allows access to standard definition video on the BBC iPlayer. While that might work for single person households, if there is to be a true digital opportunity for everyone then faster connections will be needed. This is because the connected TV in the living room will be sharing that bandwidth with games consoles, laptops and smart phones. If everyone in a household is to benefit then something more ambitious than a safety net will be needed.

Broadband does not simply help consumers. It also supports SMEs. 60 per cent of all new businesses are started from home.⁸⁰ Very small businesses sometimes purchase residential packages because it is cheaper. Giving them more bandwidth allows for small businesses to take advantage of a much wider range of services online.

EFFECT

The provision of and access to high speed broadband could help grow the UK economy as the International Telecoms Union (ITU) suggest that a 10% increase in fast broadband penetration can result in as much as a 1.38% increase in a country's GDP.⁸¹

Indeed, quick take-up of superfast broadband is likely to wield even greater growth in the video games sector. It is argued that a key factor in the rapid increase of the South Korean video games market from \$1.3 billion to \$4 billion⁸² in the 2000s was the rise in online gaming, made possible by Government's rapid uptake of superfast broadband capacity.⁸³

The provision of and access to high speed broadband should facilitate innovation, access to new markets and improved consumer choice. It opens up new content for consumers, but also underpins the growth of businesses small and large by giving them access to every consumer online. Better broadband should result in the development of new content.

10. BANK FINANCE

PROPOSAL

Greater competition should be promoted in the business banking sector and new entrants encouraged to enter the market as the UK banking sector remains heavily concentrated.

REASON

The market for business current accounts and for lending to small and medium-sized enterprises (SMEs) is heavily concentrated in the UK. The four largest providers of business current accounts to small and medium-sized enterprises (SMEs) account for over 80 per cent of SMEs' main banking relationships in Great Britain and around 90 per cent in Northern Ireland. The Office of Fair Trading notes that, "The supply of lending to SMEs is also concentrated and the tendency of SMEs to approach their main BCA provider when seeking lending appears to limit the degree of competition for lending."⁸⁴

Given the relatively high risk nature of game development, bank lending is unlikely to become the principal source of finance for the industry. Bank loans and bank overdrafts are not crucial sources of finance for most UK games developers. In 2009, just 10 per cent of game developers had a bank loan and only 33 per cent operated a bank overdraft to fund their business. In 2014 just 13 per cent of developers in a TIGA survey accessed debt from a financial institution (e.g. a business bank loan). Nevertheless, greater competition in the market for business current accounts and in the market for lending to SMEs should improve the banks' quality of service and have a positive impact on SMEs' access to bank finance.⁸⁵ Additionally, policy makers must ensure that the British Bank, which provides expertise and Government money to the smaller business finance markets, benefits creative industries like the video games industry.

EFFECT

Greater choice and competition in the banking sector might improve bank lending to small and medium-sized businesses, including those in the games development sector.

11. EU FUNDING FOR VIDEO GAMES SHOULD BE REFORMED

PROPOSAL

Gameplay (which involves art, audio, design, music and technical creativity), not a narrative component or a game genre should determine if a game is eligible for EU funding via the Creative Europe programme. Additionally, 'serious' games should not receive preferential treatment under the EU's Horizon 2020 programme. Instead, 'serious' and 'entertainment' games should be treated equally under the scheme.

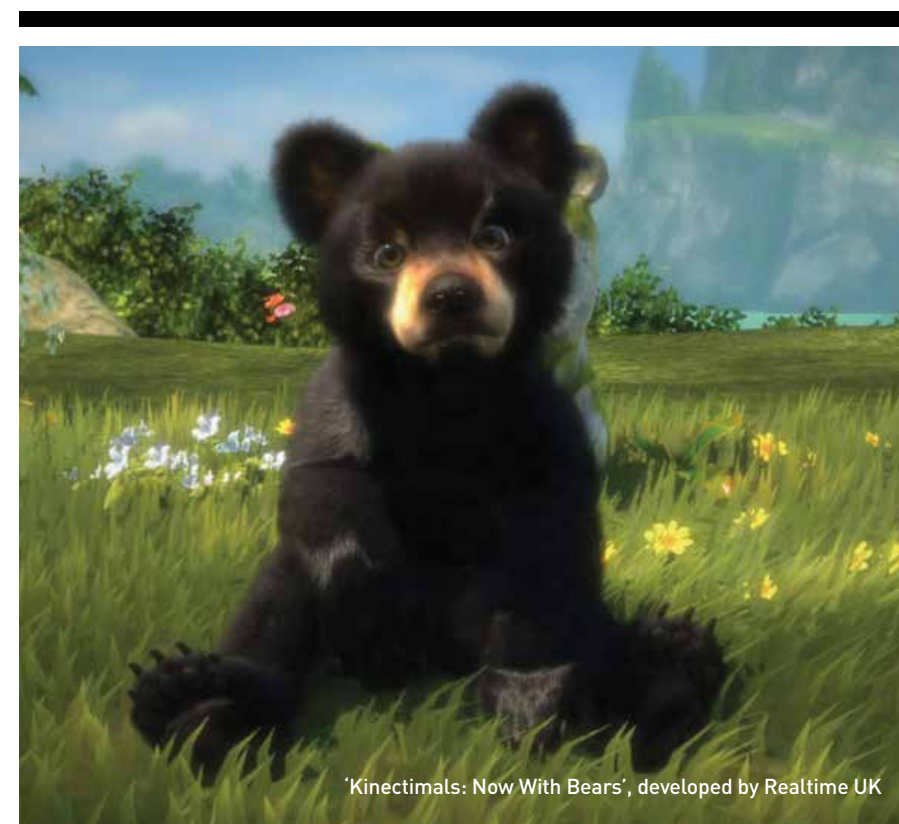
REASON

Games developers in the EU can access two main funding streams: the Creative Europe programme and the Horizon 2020 programme.

CREATIVE EUROPE

The Creative Europe stream makes money available to games businesses via the MEDIA sub-programme. The MEDIA sub-programme has an annual budget of 2.5 million euro. The programme provides two support measures: contributions from 10,000 euros to 50,000 euros are available for concept development and contributions from 10,000 euros to 150,000 euros are available for developing a playable prototype (details correct at time of writing but changes are imminent).⁸⁶ About 20 projects will be funded per annum. Developers have to provide match funding to access these support measures. Unfortunately, unless developers have published a commercial game with a narrative component during last two years then they cannot apply for funding under the MEDIA programme. Furthermore certain genres are considered 'non cultural' even if they include a narrative component. However, it is too restrictive to assume that a genre or narrative element alone determines whether games are 'cultural'. Gameplay is also an important feature of gaming.

Additionally, the regulations covering the Creative Europe programme need to be improved. At present, the scheme will only



'Kinectimals: Now With Bears', developed by Realtime UK



provide funding for bids with a proven track record. It is completely understandable that the EU wants to direct its funding to projects that have the best track record and thus the best chances to become commercial successes. However, the current guidelines are too narrow to reach this goal. Some of the most successful game development studios in Europe are second or even third round start-ups, composed in many instances by highly experienced individuals. These are the companies that have the highest changes to succeed. TIGA contends that if the key team members in a bid have experience in producing games, this should be considered as eligible evidence of a proven track record.

Moreover, the funding rates should be updated. For example, 150 000 € is insufficient funding for a cutting edge AAA console game prototype. Game prototypes, especially on the console game side, are getting more and more expensive. Project budgets financed by publishers commonly reach 20 million, and can be as high as 40 million euros, and prototypes cost at least 1 per cent of the final budget to make. Consequently, the maximum EU contribution to prototype funding should be increased to at least 200 000€.

HORIZON 2020

The Horizon 2020 programme is not a games specific funding programme, but games companies may propose bids requesting 100,000 – 1 million euros under the scheme. The major drawback with this programme is the requirement that funding for video games is restricted mainly to 'serious' games.⁸⁷

EFFECT

If the requirement for a game to be 'serious' was dropped and the need to incorporate a narrative nature was replaced with the objective of providing ambitious and innovative gameplay, then European funding would focus its efforts more directly on content innovation. This could help to push the European games industry ahead of its global competitors. The EU could then provide more effective support to the European games development sector.

THE MAJORITY OF UK AND EUROPEAN GAMES DEVELOPERS OPERATE SMALL STUDIOS WHERE FINANCIAL RESOURCES ARE LIMITED AND COSTS NEED TO BE KEPT TO A MINIMUM. TIGA'S POLICY IS TO STRENGTHEN THE GAME DEVELOPMENT AND DIGITAL PUBLISHING SECTOR IN PARTICULAR BY SAVING GAMES BUSINESSES MONEY AND IMPROVING THEIR ACCESS TO FINANCE (HENCE TIGA'S LONG CAMPAIGN FOR GAMES TAX RELIEF)

12. PEGI SHOULD END ITS PUNITIVE PRICING POLICY

PROPOSAL

UK policy makers should put pressure on PEGI, the European game content rating system, to end its punitive pricing policy. At present, PEGI's policy is to charge a developer a fee for content rating every time it launches a game on a different console platform, even if the content is exactly the same. This is excessive, unreasonable and should stop.

REASON

As of 1st of July 2014, PEGI will effectively have three pricing tiers:

- The lowest, for online or downloadable games only which must be under 250mb, charges €260 for certification, and the same again for each additional platform even if the content is the same.
- The middle tier is for games larger than 250mb, with a production budget of less than €200,000 and charges €1,155 for

certification and €1,050 for each additional platform, again even if the content is unchanged.

- The highest tier is for games with a budget larger than €200,000 and charges €2,100 for certification and €1,050 for each additional platform, even if the content is exactly the same.

To give one example, from the beginning of July 2014, the ratings fee for a 'Lower Development Cost Product' (where the game's budget is less than €200,000 euro) is €1,155 in the first instance and €1,050 for each additional platform thereafter. So if an indie developer was to launch the same game with exactly the same content on PlayStation 3, Xbox 360 and PS Vita, they would be looking at a ratings bill of €3,255. PEGI's pricing policy imposes disproportionate costs on indie developers pursuing a multi-platform strategy.

The PEGI content ratings system should be focused on providing information to consumers and protecting vulnerable consumers from accessing inappropriate content. It should not be burdening small games businesses with excessive costs. Many small development businesses operate on a knife-edge and struggle to conserve every pound or euro they can in order to stay in business.

TIGA further suggests that PEGI examines the potential for delivering its rating system more efficiently. At present, PEGI carries out the rating process repeatedly for games on multiple platforms. TIGA suggests that instead developers could be offered the opportunity to sign a legally binding document stating the game content is identical. This would allow PEGI to provide a single multi-platform age rating, which in turn would save PEGI's time and indie developers' money. TIGA would be happy to work with one of its members, Stevens & Bolton LLP to draft this legally binding agreement and make it available for free to indie developers.

The majority of UK and European games developers operate small studios where financial resources are limited and costs need to be kept to a minimum. TIGA's policy is to strengthen the game development and digital publishing sector, in particular by saving games businesses money and improving their access to finance (hence TIGA's long campaign for Games Tax Relief). PEGI's pricing policy imposes damaging and unreasonably high fees, which have a disproportionate impact on small games businesses. It cannot be right to charge a developer a fee for content rating every time it launches a game on a different console platform even if the content is exactly the same.

If the UK and European development sector is to thrive then we need a pricing policy from PEGI which is helpful, not a hindrance; is proportionate, not punitive; and is equitable, not exorbitant.

To summarise, it is disproportionate and unreasonable to charge a developer a fee for content rating every time it launches a game on a different console platform, even if the content is completely the same. TIGA proposes that the fee for age rating the same game content for different platforms should be scrapped entirely. PEGI's current approach risks harming start-ups and small independent developers.

EFFECT

If PEGI scrapped its iniquitous and punitive pricing policy, game developers and digital publishers would be able to save precious resources. In particular, small indie developers and start-ups would find it efficient and effective to pursue a multi-platform strategy.

13. FREEMIUM GAMES AND IN-APP PURCHASES

PROPOSAL

There should be a common global regulatory approach towards 'free to play' (F2P) games and in-app purchases (IAPs) based on the Office of Fair Trading's Principles for Online and App-based Games.

REASON

F2P games can be of great value to consumers and developers alike. This is because the F2P business model allows consumers to play extremely high quality games entirely free before actually spending any money. A report published by TIGA in 2013 showed that typically 95 per cent of consumers playing a F2P game do not spend any money at all.

However, it is important that the video games industry adheres to high standards. The OFT has developed a set of Principles for Online and App-based Games with which all games businesses selling games to UK consumers will have to comply by April 1st 2014. The OFT's eight principles have been developed after extensive consultation with TIGA, games businesses and other interested parties. They ensure that consumers, particularly children, are protected from commercially dubious practices.⁸⁸

UK policy makers should aim to ensure a common global regulatory approach towards F2P games and IAPs. This is necessary in order to protect both UK consumers and export-focused UK games businesses from unscrupulous practices by competitors from abroad.

EFFECT

A common global regulatory approach based on the OFT's eight principles will provide an effective system of consumer protection. It will also enable UK games businesses to compete on a level playing field.





PROMOTE GAMES
CLUSTERS TO
BOOST REGIONAL
GROWTH

14. ACCELERATING GROWTH IN THE GAMES INDUSTRY

PROPOSAL

Tailor the Growth Accelerator service to the needs of games developers and digital publishers and ensure that more studios benefit from the service over the life of the next Parliament.

REASON

The principal challenge facing the UK games industry is that too many studios fail: 216 new games companies entered the UK games industry but there were also 197 closures (2008 – 2011). In 2013, while there were 224 start-ups, there were also 107 closures. The five year mortality rate for UK game companies is 29 per cent.⁸⁹ The high mortality rate is primarily a consequence of inadequate commercial skills (pricing/ payment, distribution and marketing, and customer relationship management) and limited access to finance.

In the last five years, the global industry has experienced tremendous change with the advent of new technologies (e.g. smartphones and tablets), commercial models (e.g. micro-transactions and freemium), distribution channels (i.e. retails vs network) and business practices (e.g. moving from games as a product to games as a service). These changes have created significant challenges for some managers and leaders in the games industry intent on building viable gaming studios.

Tailoring the Growth Accelerator service to meet the needs of games developers and digital publishers could reduce the mortality rate and enable more studios to successfully grow. The Growth Accelerator service is a partnership between leading private sector business growth experts, Grant Thornton, Pera, Oxford Innovation and Winning Pitch and backed by the current Government. Growth Accelerator focuses on businesses that are aiming for high growth (defined as increasing turnover by 20 per cent per annum). Participants in the scheme can access up to £2,000 match funding for senior managers to hone their leadership and management skills, network with like-minded businesses and benefit from the support of a Growth Manager and Growth Coach.⁹⁰ The Growth Accelerator Service could be tailored to support games development and digital publishers by

providing participants with access to additional advice. Mentors from the games industry with experience of business and commercial expertise could advise participants about the market opportunities (e.g. the suitability of the project to the target platform, audience demographics), competitive challenges (e.g. the project's USP), commercial models (e.g. pricing, integration into gameplay), routes to market (e.g. funding, publishing and distribution) and overall viability of their game project.

EFFECT

Businesses that seek external advice and information are 14 per cent more ambitious and 50 per cent more successful than those that do not.⁹¹ A Growth Accelerator Service that is tailored to the needs of the games industry will help to reduce the high studio mortality and give more studios the opportunity to grow.

15. ESTABLISH DEDICATED GAMES DEVELOPMENT INCUBATORS IN THE REGIONS AND NATIONS

PROPOSAL

Regional/National Games Development Incubators should be established at a university or a consortia of universities in each of the English regions and in each of the nations within the UK to enable more successful start-ups (the incubators would support both student and non-student enterprises).

REASON

The UK video games development sector is increasingly moving towards a self-publishing model which favours smaller, more agile teams rather than larger and less flexible studios which can often be tied to restrictive publishing deals and deadlines. This is for a variety of reasons (the advent of easily accessible online retail in software, platforms such as Apple's iOS and Google's Android, lower risk etc.). While the AAA model of game development will remain clearly the industry ecosystem is rapidly evolving.

The new wave of small start-up studios needs support if they are to maximise

their potential. Twelve universities (i.e. one university in each of the nine English regions and one in each of the nations in the UK) could be designated to provide a Regional/ National Games Development Incubator for start-ups, enabling them to benefit from accumulated expertise in both research and enterprise and access to skilled graduates. The UK Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive could select and designate the relevant and appropriate regional and national universities via a competitive process. Universities would only be designated as Regional/National Game Development Incubators if they met key criteria relating to infrastructure, industry links and if there was sufficient regional/ national demand.

An example of a more concentrated effort for start-ups abroad is that of the Dutch Game Garden,⁹² an initiative in the Netherlands which is funded by City of Utrecht, the Province of Utrecht and the European Regional Development Fund (ERDF) of the European Commission. Set up in 2008, this is currently the physical location for more than 45 start-up game development studios, showing the considerable - and continued - level of investment provided to this initiative. The Dutch Game Garden, although not located within a University, has strong links with a variety of higher education institutions in the Netherlands (including the nearby Utrecht School of Arts). Another example is the AppCampus, a mobile application accelerator program managed by Aalto University in Espoo, Finland. The AppCampus is an 18 million euro joint investment between Microsoft and Nokia to foster mobile application development on Windows Phone and any other Nokia platform. The AppCampus provides funding, coaching and go-to-market support.⁹³ The UK video games development sector operates in a dynamic global environment where new, fast-moving business models demand both flexibility but also the passing on of experience and expertise from existing businesses and establishments to fledgling indie games studios.

Universities are well placed to provide incubators to start-up teams of students: they typically have the physical space, some development equipment and the IT support needed to support start-ups. The 12 Regional/National Games Development Incubators should be open to both students and to non-student start-ups. The Incubators should encourage and support their start-ups to approach external funders in order to make their ideas and business financially sustainable. Universities could carry out a competition in order to ensure that only the teams with the greatest potential can benefit from the Dedicated Incubators.

The 12 Regional/National Games Development Incubators could liaise with Local Enterprise Partnerships, the Technology Strategy Board, the EU - and where appropriate, the Scottish and Welsh Governments and the NI Executive - to access funding to commercialise start-up projects. Additionally, TIGA's prototype fund, the Creative Content Fund and the National Lottery (see sections 1, 2 and 3 above) could provide further source of funding.

EFFECT

The 12 Regional/National Games Development Incubators should produce new and more sustainable companies. Additionally, the reputation of UK higher education would be enhanced. The participating universities would demonstrate strong support with the games industry and with the wider economy. This could serve to strengthen the appeal of the universities involved to overseas students. The reputation of the UK as a centre for game development would be given an important boost.

16. PROMOTE REGIONAL GAMES CLUSTERS

PROPOSAL

The UK Government should promote high technology video games clusters around the UK.

REASON

London is an economic success story. Yet relatively few developed countries are quite so dependent on their capital. London's predominance within the UK is not abating and is probably growing.⁹⁴ Policy makers should aim to maximise economic and employment opportunities throughout the UK. Promoting the development of high technology clusters could be part of a process of ensuring that economic growth benefits all parts of the UK. Clusters of geographically concentrated firms from the same sector or similar sectors that collaborate and compete with one another are good for the economy. This is because they typically encourage knowledge transfer, promote business efficiencies including higher productivity and improved skills development, encourage innovation and new firm formation and enhance profitability. Clusters can also attract multinational investment.⁹⁵

There is potential to encourage the development of high technology clusters in the different regions and nations within the UK. Universities can provide access to highly skilled graduates and share cutting edge research. Local business angel networks can be nurtured.⁹⁶

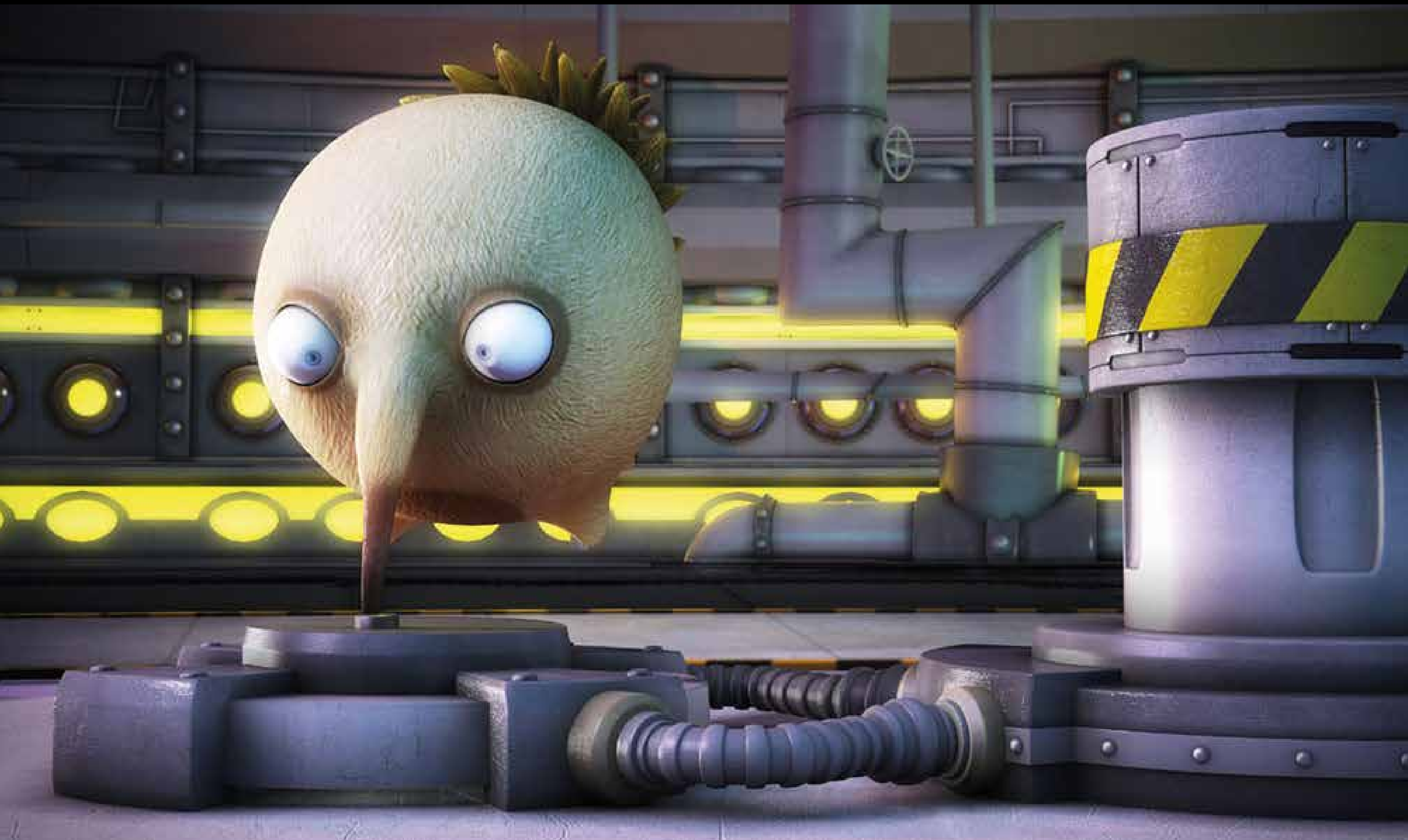
Creative clusters of games studios have spontaneously emerged across the United Kingdom including Birmingham, Brighton, Cambridge, Dundee, Edinburgh, Glasgow, Guildford, Leamington Spa, Leeds, Liverpool, London, Manchester, Newcastle, Oxford, and Sheffield.

We should strengthen these clusters and support start-ups. The provision of 12 Regional/ National Games Development Incubators at designated universities (see section 17), strengthening local industry and university links, building connections with finance providers and through the provision of business mentoring. Encouraging networks and partnerships, a strong innovation base and a strong skills base can also support the growth of clusters.⁹⁷

EFFECT

Adopting this approach could help to increase more start-ups and help to build more sustainable high technology and creative businesses, including games businesses. A critical mass of games businesses in regional clusters should in turn encourage inward investment. This is because businesses are likely to be attracted to areas that have an infrastructure that supports their needs: access to talented staff; affordable premises; education providers; and good transport links.

Policy makers should aim to maximise economic and employment opportunities throughout the UK. Promoting the development of high technology clusters could be part of a process of ensuring that economic growth benefits all parts of the UK.





ENHANCE
SKILLS & EDUCATION.

PROMOTE
MEASURED
MIGRATION

17. SME TRAINING TAX RELIEF

PROPOSAL

A pilot SME Training Tax Relief (TTR) should be introduced. This tax measure would operate in a similar way to the existing R&D tax credits. SMEs would be able to offset expenditure on training, Continuous Professional Development (CPD) for staff and education outreach activities against corporation tax.⁹⁸

REASON

Of the UK adult population, 21% possess A-levels as their highest qualification, 21% have GCSEs as their highest qualification and 19% possess unrecognised or no qualifications at all.⁹⁹ This is relatively low.¹⁰⁰ A large proportion of the UK workforce also lacks good basic skills: one report even suggests that 78.2% of the UK population have poor numeracy skills and 43.4% have poor literacy skills.¹⁰¹ The UK should strive for one of the best skilled and qualified workforces in the world. Enhanced skills can improve productivity which is good for business.¹⁰² Equally, higher skills can raise the employability of individuals.¹⁰³

Although many UK employers do provide training, the duration of this training is much shorter than the EU average.¹⁰⁴ Employers face the hurdles of cost and lost time when training their staff. This is particularly true for SMEs.¹⁰⁵ Games businesses invest in training. 85 per cent of UK games developers provide some form of training to their employees. However, only 8 per cent provide training leading to a qualification.¹⁰⁶

The SME Training Tax Relief could be piloted in the video games sector and potentially other creative industries.

EFFECT

This measure would serve to encourage more workforce development and training by games businesses in particular and other SMEs in general. Other things being equal, staff productivity and employability would be improved. It would enable developers and other businesses to finance management training, strategic skill development and promote investment in continuous professional development. It could additionally lead to an increase in training resulting in qualifications.

It would also lead to stronger business-educational links. In the case of the games industry, more developers would have the incentive and resources to provide guest lecturers to universities, contribute to course development, participate in school, college and university career days and make work placements available. Knowledge exchange between industry and universities would be strengthened.

18. EXPAND THE SHORTAGE OCCUPATION LIST

PROPOSAL

The following roles should be added to the Shortage Occupation List:

- Analyst: Game Analyst; Data Analysts; and Business Performance Managers (i.e. analysts but with commercial focus);

- Artists: Senior Game Artists; User Interface Artist; and Technical Artist;

- Brand Manager;

- Designers: UX Designer; Senior Game Designer; Digital Design and Marketing Manager;

- Localisation Manager;

- Social and Digital Media Specialists: Community Manager and Video Journalist,

- Producers: Technical Producer, Senior Producer, Associate Producer, Line Producer;¹⁰⁷

- Programmers: Online Programmer; Engine Programmer; User Interface Programmer; Gameplay Programmer; Artificial Intelligence Programmer; Audio Programmer; Unity Programmer; Tools Programmer; Online Services Programmer; Mobile Game Developer Programmers including C++/Java skills; Physics Programmer, Animation Programmer, Graphics Programmer.

REASON

Since 2008 the UK has operated a five tiered Points Based System for Migration to the UK from outside the EEA. Tier 2 is reserved for migrants qualified to NQF6+, is the most commonly used tier for the employment of migrants in the game sector, and is limited

to 20,700 people p.a. Tier 2 is aligned with the Shortage Occupation List (SOL). The SOL is a fast track recruitment process which enables developers to look outside of the UK/EU labour markets without having to advertise first. If a role is not on the SOL then employers have to advertise for 28 days within the UK first, including on the Job Centre Plus website. Points are accumulated on a number of set criteria.

Highly restrictive immigration policies, unless implemented very carefully and intelligently, could hamper the growth of our small and medium-sized enterprises (SMEs), including specialist technology businesses, and threaten their competitiveness in a global market.

The UK video games industry needs a highly educated and trainable workforce in order to compete successfully. The industry relies on highly creative, technical people with skills and qualifications in areas such as design, programming, artificial intelligence, animation, mathematics and physics. UK games businesses increasingly recruit graduates in a range of disciplines, although employers typically place most emphasis on portfolio work rather than qualifications. TIGA's research shows that some studios have 80 per cent of their workforce qualified to degree level. Games businesses cannot always recruit the staff that they need from within the UK because video games development often requires people with highly specialised skills. If they are unable to recruit the talent required to produce a game or part of a game, the work will usually be transferred elsewhere if part of a global entity or the contract lost, if an independent business.

In specialised technological fields it is not foreign nationals competing against UK citizens for jobs or driving down salaries; it is UK enterprises competing against businesses from around the world for the best and brightest talent. It is already easier for some of our competitors (for example, Canada) to recruit from outside their borders than it is for UK businesses.

In the case of some specialist roles we are dependent on skilled migrants to help high technology SMEs to grow and to actually employ more British people. Migrants can also help to improve the skills of indigenous workers. For example, a UK video games studio might seek to recruit someone with online/multi-player programming skills from outside of the EU because such skills are in short supply in the domestic labour market. With this key individual, the studio could then build a team around him/her. His/her role would be to plan the online component and execute this plan via his/her team, investing time in the quality of their work and transferring his/her technical

knowledge to them to enhance their skills. He/she may further guest lecture at universities and set projects for students, thereby increasing lecturer knowledge. In short, migration can have a multiplying effect on employment and knowledge transfer.¹⁰⁸ Additionally, the employment of skilled migrant workers typically results in knowledge sharing with existing teams. This entails an enhancement in the skills and knowledge of the indigenous workforce.

High technology businesses, including games development studios, are not typically seeking to hire from overseas to save money. Instead, they look outside the EU in order to find rare and specialist staff who are capable of doing the job that needs to be done and who will ideally increase the overall expertise of the business over the longer-term by knowledge-sharing.

Few people doubt that the UK needs some immigration controls. However, if the UK is to protect and enhance its high technology sectors then we need smart policy that responds to the complex realities of modern business.

EFFECT

Adding these roles to the Shortage Occupation List will enable more studios to recruit the highly skilled personnel that they need in order to operate effectively and efficiently. It will enhance the ability of studios to grow their teams, turnover and exports.

19. NON-EU STUDENTS

PROPOSAL

The Post-Study Work Visa should be reinstated, initially for STEM and other priority area students, to enable UK businesses to hire the best available talent trained at UK higher education institutions. The Post-Study Work Visa should allow non-EU students studying at UK universities to work at a UK business after graduation for a maximum of two years, and then apply for a more permanent work permit.

REASON

It is becoming increasingly expensive, slow and difficult to employ top non-UK tech talent, once they have finished studying at UK universities. In 2012, the Government abolished the Post-Study Work Visa that

allowed any graduate from a UK institution to stay in the UK for a maximum of two years without a work permit. The Post-Study Work Visa was described as "a bridge to highly skilled or skilled work".¹⁰⁹ With the exception of a maximum of 1,000 visas for promising entrepreneurs, the Tier 1 Post-Study Work Visa was converted into a form of Tier 2 Visa requiring a job offer from an employer willing to sponsor the candidate and a salary over a set level.¹¹⁰ The current minimum salary level is set at £20,300, although candidates with PhDs are exempted from this requirement. Prior to 2012, if a non-EU student who had graduated from a UK university wanted to stay in the UK, businesses could hire them for two years, and then apply for a work permit. Of the total 273,581 work visas granted in the year ending 2011, over 50,000 were Post-Study Work Visas granted to non-EU graduates.¹¹¹ This helped a great deal as it meant businesses could hire talented graduates straight out of university with minimum bureaucracy. By abolishing the Post-Study Work Visa, the Government effectively made the UK less attractive for international top talent. Many competent and highly qualified students who want to work in the UK have no choice but to leave if they cannot find a job before their graduation. UK universities are effectively educating and training overseas talent, and then exporting them to other countries that compete with UK businesses in attracting top talent. In short, UK universities are essentially strengthening the competition for UK businesses.¹¹²

The abolition of the Post-Study Work Visa has also hindered the potential of UK higher education. According to UNESCO, the UK is the second most popular market for overseas students after the USA.¹¹³ Higher education is our eighth biggest export industry, valued at £8bn.¹¹⁴ Yet this export success story is being undermined and threatened by the current clampdown on overseas students studying in the UK. It is potentially significant that the popularity of the UK among graduate school applicants decreased by almost 9 per cent between 2008/9 and 2012/13.¹¹⁵

Meanwhile, countries such as Canada, one of the most important competitors to the UK gaming industry, welcome graduates, giving them work permits, and encouraging permanent residence. Under the Post-Graduation Work Permit programme, an international graduate from a Canadian institution can work in Canada for a maximum of the length of the study programme.¹¹⁶ This work experience then helps them qualify for a permanent residency through the Canadian Experience Class, under which a maximum of 12,000 applicants per year can become permanent residents. There is a further scheme to encourage candidates with PhDs to stay



in country. From 1 June 2014, eligible international graduates will be authorised to work while waiting for a decision on the Post-Graduation Work Permit, making it easier for graduates to transfer seamlessly to working life and for Canadian businesses to hire the best talent.

EFFECT

Reinstating the Post-Study Work Visa will enhance the export potential of UK higher education because universities will become more competitive in the market for overseas students. UK businesses will be able to hire highly skilled non-EU students more easily, thereby easing skill shortages and strengthening their ability to grow and to compete.

20. EXPENDITURE ON HIGHER EDUCATION

PROPOSAL

Policy makers should examine the case for increasing expenditure on higher education to ensure that UK tertiary education remains world leading.

REASON

UK higher education is a success story and a source of competitive advantage. According to the 2013 Shanghai University league table of universities, the UK has two universities in the top 20, and nine in the top 100, second only to the USA, with 17 and 52, respectively.¹¹⁷ There is only one other university in Europe in the top 20. The UK has just one per cent of the world's population yet scientific papers produced in the UK were cited at least 106,306 times in 2012, only behind the United States with 341,608 citations.¹¹⁸ According to the Royal Society, Britain achieved 8.1 per cent of the world's scientific citations between 2004 and 2008, while our humanities published second most articles per year in the world.¹¹⁹ The UK is also second only to the USA in the market for overseas students, although the number of first-year, non-EU students at UK universities decreased for the first time in 2011-2012. The net annual contribution to the UK's national income made by

international students in higher education is estimated by the Government to be £10 billion. This is estimated to rise to £17 billion by 2025.¹²⁰

Many of the UK's competitors spend substantially more on higher education. Canada, South Korea and the USA spend between 2.6 per cent and 2.8 per cent of GDP on tertiary institutions. The UK spends just 1.4 per cent of Gross Domestic Product (GDP) on tertiary education,¹²¹ of which approximately three quarters is from private sources.¹²² Unless the UK increases investment on tertiary education and spends it effectively, the UK's competitive advantage in higher education could be eroded.

Higher education funding has not kept pace with the expansion in student numbers that has taken place. Funding per student has halved in the UK over the past 20 years.¹²³ Funding in the UK (£15,862) is considerably less than the US level of investment (\$25,576) and substantially lower than Canada (\$22,475) and Sweden (\$19,562).¹²⁴ The UK video games industry competes to a crucial extent on the quality of its workforce. If tertiary education is not adequately financed then the supply and quality of graduates could be adversely affected.

Policy makers should examine the case for increasing expenditure on higher education to ensure that UK tertiary education remains world leading. Increased expenditure on higher education could be funded in a number of ways: by maintaining in real terms public expenditure on tertiary education at current levels¹²⁵ and then increasing it as the Government's deficit is brought under control; and/or by eliminating or raising the cap on tuition fees; and/or by increasing private sector investment in higher education.

EFFECT

Increasing the proportion of GDP allocated to tertiary education will support the UK's ambition to be a leading knowledge economy. More intelligent people will be able to benefit from higher education, the quality of research will be strengthened, the recruitment and retention of high quality teaching staff will be enhanced and the UK's leading position in the market for overseas students will be reinforced. UK games businesses will also be more likely to draw on a healthy supply of high quality graduates if investment in tertiary education is increased.

21. REDUCE TUITION FEES IN PRIORITY UNDERGRADUATE SUBJECT AREAS¹²⁶

PROPOSAL

Policy makers should consider the case for reducing tuition fees for students studying for priority undergraduate degree courses, such as Mathematics. This could be achieved either by universities voluntarily cutting tuition fees for specific disciplines or by Government action to achieve this objective, either by regulation or by financial intervention.

REASON

The video games industry needs high quality graduates (or the vocational equivalent) in both STEM (Science, Technology, Engineering and Mathematics) subjects such as computer science and mathematics, and also in art and animation. The games industry has experienced skill shortages particularly in computer programming. Interestingly, whereas the total number of full-time undergraduate and postgraduate students increased by over 100,000 between 2008 and 2013 (from 1,540,035 in 2008/9 to 1,682,145 in 2012/13), mathematical sciences gained less than 7,000 students (an increase from 27,760 in 2008/9 to 34,255 in 2012/13), and the number of students studying computer sciences decreased by almost 500 (from 71,750 in 2008/9 to 71,265 in 2012/13).¹²⁷

The Leitch Review of Skills suggested in 2006 that the UK needs to increase the proportion of the workforce qualified to degree level or the vocational equivalent from 29 per cent in 2005 to 40 per cent in 2020.¹²⁸ By 2013, 38 per cent of the UK workforce (women aged between 21 and 59, and men aged between 21 and 64) were considered graduates, according to the Office for National Statistics.¹²⁹ Yet the number of graduates in some STEM disciplines is in decline. While the number of students studying mathematical sciences full- or part-time has increased considerably, the number of people taking Computer Science courses at University has fallen dramatically from 134,035 in the academic year 2002/03 to 89,505 in 2012/13.¹³⁰

Some STEM courses are relatively expensive for universities to provide and clearly need to be properly resourced.¹³¹ In 2012, Imperial College London explained to the House of Lords Science and Technology Committee that while educating a HEFCE fundable taught student in some STEM subjects might cost up to £15,700 per annum, educating a humanities student at Russell Group institutions is estimated to cost approximately £7,100 per annum. Money raised through higher tuition fees should be used to provide for bursaries and lower fees generally for capable students from disadvantaged and minority backgrounds to study STEM subjects.¹³² Currently, individuals from these groups are not well represented amongst students studying degree courses in games and STEM.¹³³ Financial background should not be a barrier to study, hence the need for the judicious use of bursaries and lower fees.

EFFECT

Reducing tuition fees for priority degree courses such as Mathematics and keeping them lower in comparison to other undergraduate subjects, would provide a strong financial incentive to bright students to study this discipline. Other things being equal this should increase the supply of good quality graduates in this discipline, easing skill shortages in the video games and other industries.

Reducing tuition fees for priority degree courses such as Mathematics and keeping them lower in comparison to other undergraduate subjects, would provide a strong financial incentive to bright students to study this discipline.

22. MAINTAIN THE SKILLS INVESTMENT FUND

PROPOSAL

Maintain the Skills Investment Fund to enable UK games businesses to enhance skills in the games industry.

REASON

The Creative Skillset Skills Investment Fund (SIF) channels industry and government investment for training and skills development into schemes to address skills gaps and shortages in film, animation, high-end TV, games and VFX. Every pound invested by industry into the SIF is matched by HM Treasury up to £8m each year for two years, making the total potential investment in skills through the SIF £32m over two years.

Four key funding schemes relevant to the video games industry are available via the Skills Investment Fund: a Trainee Network (to assist games companies to take on new trainees with financial support); a Short Course Programme (to encourage companies to provide continuous professional development); Commissioned Training; and a Challenge Fund. To date, £1,188,100 has been awarded to 88 different games businesses via the Skills Investment Fund.¹³⁴

EFFECT

Maintaining the Skills Investment Fund will enable more games businesses, particularly smaller firms, to take on trainees and to invest in training. This should enhance the productivity and competitiveness of participating firms.



'Total War: SHOGUN 2', developed by Realtime UK





FOOTNOTES

- 1 Gibson, N., Gibson R., and Wilson, R, *Making Games in the UK Today 2014* (TIGA 2014).
- 2 Gardner, P., Gibson, R., and Wilson, R., *Investing in the Future: a Tax Relief for the UK Video Games Development Sector* (TIGA, 2009).
- 3 See <http://www.mcvuk.com/press-releases/51488/2009-UK-National-Gamers-Survey>
- 4 Gardner, P., Gibson, R., and Wilson, R., *Investing in the Future: a Tax Relief for the UK Video Games Development Sector* (TIGA, 2009)p. 6.
- 5 Relentless, the Brighton based developer, created Buzz! The School Quiz. The School Quiz created a series of curricular video games in conjunction with the Department for Ed and Skills (as it was then called). Red Redemption launched a game in 2007 called "Operation Climate Control" (with Defra and Oxford University), aimed at GCSE school children aged 15-16 to educate them about climate change and to stimulate changes in behaviour.
- 6 Gardner, P., Gibson, R., and Wilson, R., *Investing in the Future: a Tax Relief for the UK Video Games Development Sector*, p. 27.
- 7 See Sandford, Richard, Ulicsak, Mary, Facer, Keri, and Rudd, Tim, *Teaching with Games* (Futurelab, 2006). Available at: http://www.futurelab.org.uk/resources/documents/project_reports/teaching_with_games/TWG_report.pdf
- 8 The potential market for corporate video training games is substantial. Caspian Learning developed a game to train Volvo's sales workforce; PIXELearning developed games involving diversity training and corporate social responsibility; and PlayGen created anti-money laundering and data security training games.
- 9 The deficit is still high compared with other countries and average pre crash levels. With borrowing of 6.6 per cent of national income last financial year, the UK still compares poorly with the average of 4.8 per cent for all advanced economies and 3 per cent for the eurozone in 2013, according to the most recent International Monetary Fund assessment. See <http://www.ft.com/cms/s/0/07ebc8b4-cac6-11e3-ba95-00144feabdc0.html#axzz30PAdL1t9>
On July 25th 2014 it was reported that the UK economy had finally reached and surpassed the size of its pre-recession peak six years ago. It has been the UK's longest slump for more than 100 years. The collapse of Lehman Brothers in 2008 heralded a savage moment of reckoning for Britain's economy; the shock that started in the financial sector wiped 7.2 per cent off national output, wrecking the public finances. Of the G7 major economies, only Italy has taken longer than the UK to regain its pre-crisis size and output per head in Britain is still 4 per cent below its pre-crisis level. See <http://www.ft.com/cms/s/0/27d93aa2-1419-11e4-b46f-00144feabdc0.html?siteedition=uk#axzz3B6pRG8PO> and <http://www.ft.com/cms/s/0/bad33d56-13d5-11e4-8485-00144feabdc0.html?siteedition=uk#axzz3B6pRG8PO>
- 10 <http://www.ft.com/cms/s/0/5538caf6-0061-11e4-8aaf-00144feab7de.html#axzz36EPbzcGa>
- 11 This compares to an estimated 12.8 per cent in the USA, 17.6 per cent in Germany, 18.2 per cent in Italy, 19.4 per cent in Finland, 19.8 per cent in France, 24 per cent in Canada, 26.7 per cent in South Korea and a global average of 23.8 per cent in 2012 (see <https://www.cia.gov/library/publications/the-world-factbook/fields/2185.html>). Interestingly, according to the OECD, Britain has for the past two decades invested less in public infrastructure assets than many of its main competitors. In 2009-10, the UK invested 3.5 per cent of gross domestic product in public infrastructure assets. See <http://www.ft.com/cms/s/0/ce9e10b0-ca09-11e3-8a31-00144feabdc0.html?siteedition=uk#axzz30PAdL1t9>

- 12 <http://www.ft.com/cms/s/0/19bfd6c-9ecb-11e3-a48e-00144feab7de.html?siteedition=uk#axzz2udVF7NPO>. Ed Balls, the Shadow Chancellor, commented on July 1st 2014 that business investment is still £6.1 billion a year below its pre-crisis peak and is the fourth lowest in the EU as a share of national income, only above Cyprus, Greece and Ireland (<http://www.ft.com/cms/s/0/74d7e8d4-006a-11e4-9a62-00144feab7de.html?siteedition=uk#axzz36EPbzcGa>)
- 13 <http://www.ft.com/cms/s/0/a2e15f28-f6f9-11e3-8ed6-00144feabdc0.html?siteedition=uk#axzz35Bu0UE9v>
- 14 <http://www.ft.com/cms/s/0/cd4f0c40-ab6f-11e3-8cae-00144feab7de.html?siteedition=uk#axzz33bArN4E0>. George Osborne, Chancellor of the Exchequer, acknowledged in a speech in February 2014 that the UK economy was "still too unbalanced." The UK is the world's second biggest services exporter, after the USA, but its £79 billion annual trade surplus in services is not large enough to cancel out its £108 billion deficit in goods (<http://www.ft.com/cms/s/0/5ac46826-ff95-11e3-8a35-00144feab7de.html#axzz36EPbzcGa>)
See also: <http://www.ft.com/cms/s/0/5ed2e0c6-1edc-11e4-ad93-00144feabdc0.html?siteedition=uk#axzz3B6pRG8PO>
- 15 <http://www.ft.com/cms/s/0/852da4fa-0135-11e4-9750-00144feab7de.html?siteedition=uk#axzz360MsXi00>
See also: <http://www.ft.com/cms/s/0/6abcb458-1bde-11e4-adc7-00144feabdc0.html?siteedition=uk#axzz3B6pRG8PO>
- 16 Gibson, N., Gibson, R., Wilson, R, *Making Games in the UK Today 2014* (TIGA, 2014).
- 17 Gibson, N., Gibson, R., Wilson, R, *Making Games in the UK Today 2014* (TIGA, 2014).
- 18 Ian Davidson MP, Chair of the House of Commons Scottish Affairs Committee, said: "The Committee strongly believes that the video games interactive technology industry is potentially a world leader for the UK and the Government must do more to encourage development and growth in the sector." See *House of Commons Scottish Affairs Committee, Video Games Industry in Scotland*, Second Report of Session 2010-11, Volume 1, February 2011, p. 10, paragraph 30. Indeed, the Committee recommended that "the Government should make the future of this industry a priority". See House of Commons Scottish Affairs Committee, *Video Games Industry in Scotland*, Second Report of Session 2010-11, Volume 1, February 2011, p. 10, paragraph 30.
- 19 72 per cent of respondents who had benefited from the Abertay Prototype Fund reported that the scheme had enabled them to surmount the constraint on their business of accessing working capital. 62 per cent said that the Fund had enabled them to deliver employment growth, 53 per cent stated that it had allowed them to secure new commercial partnerships and 88 per cent noted that it had helped them to develop an effective business model. 25 per cent of respondents said that the Fund had enabled them to release new IP and a further 60 per cent said that the IP was still in development. 78 per cent said that they would not have secured funding elsewhere (information from Abertay University, January 21st 2014).
- 20 Creative England's funds are primarily derived from either the Regional Growth Fund or ERDF, both of which are made available on geographical eligibility based on historic support (or lack of). ERDF in particular, is restricted to very specific regions, whilst RGF is more "national" and the aim is for us to determine the areas that would most benefit from the funds.
- 21 Recipients of prototype funding could be required to provide some evidence of how they would ensure that their game gets funding beyond the prototype phase and out into the market as part of the application process for prototype funding.
- 22 <https://www.appcampus.fi/>

- 23 Interestingly, France currently operates a Fund for new IPs, that provides 50 per cent of the production cost if the game is original and innovative.
- 24 Publishers fund game projects according to two main models: (a) work for hire, whereby a publisher commissions a studio to develop a video game for a fee; (b) royalty advances, whereby a studio pitches a project to a publisher with whom it agrees to share royalties generated by the game in exchange for an advance that funds development activities. Once the game is released the publisher recoups the advance from the sales receipts of the game in proportion to the agreed revenue share allocated to the studio, after which it shares royalties.
- 25 Gardner, P., Gibson, R., and Wilson, R., *Investing in the Future: a Tax Relief for the UK Video Games Industry, second edition* (January 2011).
- 26 *Creative Industries Council: Access to Finance Working Group Report* (Creative Industries Council, December 2012)
- 27 *It's Time to Play*. A survey on the impact of a tax credit for cultural video games in the UK development sector (NESTA, August 2009).
- 28 The Funding would be within EU State Aid Funding rules and would not need to be declared to the Commission for the following reasons:

-The funding would encompass several General Block Exemption Regulations such as 'Aid for Newly Created Small Enterprises, 'Aid for Young Innovative Enterprises' and 'Research and Development Aid'. Source: Commission Regulation (EC) No 800/2008 of 6 August 2008

-The majority of this funding would fall under €200,000 and would therefore be considered 'de minimis' funding and would not need to be declared to the commission. Source: Commission Regulation (EU) No 1407/2013 of 18 December 2013

-The commercial nature of the loans would also exempt them from state aid regulation. According to the Department for Business, Innovation and Skills State Aid Guide 'If the State is acting in a way that a private investor would in a market economy, for example in providing loans or capital on similar terms to that of a private investor, it is not providing State aid within the meaning of Article 107(1)'. Source: The State Aid Guide, The Department for Business, Innovation and Skills, June 2011, p.6
- 29 The precise repayment mechanisms should be determined after consultation with the industry. However, even if 70 per cent of the net revenue was returned to the CCF that would still be a better royalty rate than developers receive from most traditional global publishers and should provide suitable on-going cash flow to support the recipient company in the future. In the case of one of these projects performing very well commercially 70 per cent should allow for multiple complete failures to be borne without compromising the Fund.
- 30 Developers may have to rescue themselves if a conflict of interest arises.
- 31 See the AppCampus as an example of this approach: <https://www.appcampus.fi/>
- 32 This is based on the following estimates of £10,000 due diligence per project, 2 financially-trained administrators with investment background £200,000 + £50,000 overheads.
- 33 See https://www.innovateuk.org/competition-display-page/-/asset_publisher/RqEt2AKmEBhi/content/cross-platform-production-in-digital-media-feasibility-study
https://www.innovateuk.org/competition-display-page/-/asset_publisher/RqEt2AKmEBhi/content/cross-platform-production-in-digital-media-collaborative-r-d
<https://connect.innovateuk.org/web/creativektn/funding>
- 34 The competition has been run in two streams:

- Feasibility studies: small projects, approx. £50k-£100k part-funded by a TSB grant; in total £1M has been announced and awarded for early-stage digital content production tools. See attached pdf from December 2013 with details of the 13 winning applications.
- Collaborative studies: larger projects, up to £2M of grant funding from the TSB; a total of £14M is available; competition submissions have closed, and the results will be announced on 11 March 2014.
- Overall, this funding is aimed at projects addressing convergence in digital technologies, and covers film and television, online video, animation and video games (including pre-production, production and post-production processes, particularly in visual effects technologies).
- Innovate UK (formerly known as the Technology Strategy Board), the Government agency charged with promoting business-led innovation, currently distributes 0.4 per cent of its funds to the video games sector. Following a question posed to Ed Vaizey, Minister of State for Culture and the Digital Economy by Luciana Berger, Shadow Minister, Public Health and MP for Liverpool Wavertree, it was revealed that in 2013/14 Innovate UK provided 0.4 per cent (£1.9 million) of its core budget to videogames. This compares to £277,000 (0.06 per cent of its core budget) in 2012/13, and no funding at all for the videogame sector in 2011/12. Innovate UK operates some very useful schemes and it is good to see that its funding for the videogame industry has increased over the past two years. Yet the £1.9 million invested in the video games sector in 2013/14 pales in comparison to the £26 million of Lottery Funds provided to the UK's film industry each year.
- 35 Source: <http://www.tekes.fi/en/programmes-and-services/tekes-programmes/skene/> and <http://techcrunch.com/2013/12/03/rovio-supercell-finland/>
- 36 Borowiecki, K. J., Prieto-Rodriquez, J. [2013] *Video Games Playing: A Substitute for Cultural Consumptions?* [TEP Working Paper No. 0413, available at <https://www.tcd.ie/Economics/TEP/2013/TEP0413.pdf>]
- 37 These funding bodies are: Arts Council England, Arts Council of Northern Ireland, Arts Council of Wales, The British Film Institute, Big Lottery Fund, Creative Scotland, Heritage Lottery Fund, Sport England, Sport Northern Ireland, Sport Wales, sportscotland, and UK Sport.
- 38 National Lottery (2014), *Where the Money Goes* (available at <https://www.national-lottery.co.uk/player/pl/goodcausesandwinners/wherethemoneygoes.ftl>)
- 39 Encouragingly, some UK politicians, including the Minister for Culture, Communications and Creative Industries, Ed Vaizey MP, has supported the allocation of Lottery funding to the games industry. See Interview with The Market for Computer and Video Games, 31 March 2014, available at <http://www.mcvuk.com/news/read/ed-vaizey-mp-tax-relief-is-just-the-start-for-uk-games-developers/0130403>
- 40 Creative England could be suggested as an alternative designated funding body, and distribute National Lottery funding to the video games industry. Policy makers would have to weigh the benefits of expanding the scope and responsibilities of an established organisation like Creative England against the creation of a new organisation like the CCF which would be solely focused on the video games sector.
- 41 See <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/709/70902.htm>
The Government does spend resources on promoting exports. For example, the PAC notes that In 2012-13, UKTI and FCO spent £420 million to promote exports.
- 42 *Business, Innovation and Skills, Trade and Investment for Growth White Paper* (February 2011), Cm 8015.
- 43 *Roads to Success: SME Exports, House of Lords Select Committee Report on Small and Medium Sized Enterprises, Report of the Session 2012 – 13*

- (March 2013), HL Paper 131, paragraph 2.7.
- 44 <http://www.ft.com/cms/s/0/3432879e-9562-11e3-8371-00144feab7de.html?ftcamp=crm/email/2014217/nbe/UKBusiness/product&siteedition=uk#axzz33bArN4E0>
- 45 *Roads to Success: SME Exports, House of Lords Select Committee Report on Small and Medium Sized Enterprises, Report of the Session 2012 – 13* (March 2013), HL Paper 131, paragraph 5.18.
- 46 <http://www.ft.com/cms/s/0/cd4f0c40-ab6f-11e3-8cae-00144feab7de.html?siteedition=uk#axzz33bArN4E0>
- 47 *Roads to Success: SME Exports, House of Lords Select Committee Report on Small and Medium Sized Enterprises, Report of the Session 2012 – 13* (March 2013), HL Paper 131, paragraph 4.1.
- 48 Tax relief can be delivered in a number of different ways, and each has its benefits and issues.

-Additional deduction (e.g. R&D tax relief, Patent Box): An additional deduction is made from taxable profits, resulting in less tax being paid. This is straightforward to administer and would not include cash credits from the Government, but has little benefit for loss making companies unless there is an additional opportunity to surrender losses for a credit (such as the SME R&D tax relief scheme).
- Payable credit (e.g. new large company RDEC scheme): A credit paid directly to companies by HMRC, which can be used to discharge tax liabilities, or (if none exist) claimed as cash. This approach has the advantage of being easy to calculate and explain to companies, as the benefit is very clear. This does have the potential to require more cash outflow from the Treasury however, and it is likely that HMRC will wish to tax this payable credit, adding some complication to the calculation, in line with the RDEC scheme.
- Allowance (e.g. Annual exemption for capital gains tax (which is available for individuals)): A company could pay no tax on Export Profits up to a certain value, and full CT thereafter. This might encourage non-exporting companies to begin to make export sales, but would do less to encourage significant exporters to increase their activity (though it would reduce their total tax bill, 'rewarding' them for their substantial exports), although this could be an expensive option.
- Exemption (e.g. United States IC-DISC scheme): A separate subsidiary is set up to make exports, and pays no corporation tax. This is probably somewhat complex and a big change to the UK tax system. Accordingly, this is not the most attractive option.
- 49 Option c) provokes real difficulties: the profits are taxed in the host country, any dividends may be subject to withholding tax, although may be treated as non-taxable in the UK. A tax credit based in the UK for these overseas profits would create numerous complications because the profits may not ever be subject to UK taxes and would already have been subject to tax in the source country. However, if these companies were excluded, an export tax credit might create artificial discrimination between companies that export directly, and companies that export from a base in the host country.
- 50 Companies House gives this definition of Small and Medium companies according to the 2006 Act:
Companies Act 2006
Accounts Exemption Thresholds for companies with accounting periods starting on or after 6th April 2008.
- Small company**
To be a small company, at least two of the following conditions must be met:

• Annual turnover must be £6.5 million or less

• The balance sheet total must be £3.26 million or less

• The average number of employees must be 50 or fewer

- 20/20 VISION**
TIGA'S MANIFESTO FOR THE UK VIDEO GAMES DEVELOPMENT INDUSTRY
- Medium-sized company**
To be a medium-sized company, at least two of the following conditions must be met:

• Annual turnover must be £25.9 million or less

• The balance sheet total must be £12.9 million or less

• The average number of employees must be 250 or fewer

<http://www.companieshouse.gov.uk/companiesAct/implementations/apr2008ExemptionThreshold.shtml>

In addition the European union have a slightly different definition and also has a category for 'micro' companies:

<http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/>

As stated above the cost of Export Tax Relief is difficult to estimate. To put the measure into context, in 2011/12, the cost of R&D Tax Relief amounted to £1.2 billion, based on £11.9 billion of R&D expenditure. For 2011/12, a total of 11,920 companies submitted 12,190 returns, making 12,550 separate relief claims. See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255617/rd-introduction.pdf
- 51 Significantly, rates of relief already appear to be increasing in the EU. For example, Ireland wants to introduce a rate of 32.5 per cent of relief for film and TV productions. The EU Commission still has to approve this request (information from HMRC, June 10th 2014).
- 52 Interestingly, The Rt Hon George Osborne MP, Chancellor of the Exchequer, has said: "I want the UK to remain a world leader in the creative industries, that's why I am announcing tax reliefs that will be among the most generous available anywhere." See "UK to get world class creative tax breaks" (HM Treasury press release, June 18th 2012 http://www.hm-treasury.gov.uk/press_48_12.htm).
- 53 <http://www.gamesindustry.biz/articles/2013-05-22-gaming-tax-credits-a-developers-guide-to-free-money>. Although Quebec recently reduced its level of relief for English speaking games (<http://www.gamesindustry.biz/articles/2014-06-13-game-subsidies-cut-as-quebec-government-slashes-spending>), French language games continue to attract a high level of relief: English language games will benefit from 24 per cent tax relief, French language games will receive 30 per cent tax relief. Some Canadian provinces continue to provide for more generous levels of tax relief for video games than in the UK (<http://www.gamesindustry.biz/articles/2013-05-22-gaming-tax-credits-a-developers-guide-to-free-money>. At the time of writing, it has been reported that a number of games businesses in Quebec, including Ubisoft and Warner Brothers, will be immune from any reductions in tax relief until 2019 at the earliest (<http://www.develop-online.net/news/ubisoft-and-warner-bros-exempt-from-quebec-tax-relief-cuts/0194614>).
- 54 e-skills, the Sector Skills Council for Business and Information Technology. The Report, *Technology Insights 2011*: The Games Development Sector.
- 55 UK Trade and Investment (UKTI) is the government body that is responsible for growing our overseas trade and attracting inward investment from overseas to the UK. It is structured across 9 English regions and the Devolved Administrations with each regional contract being delivered by a commercial contract holder. Whilst fundamentally the same, each region can alter slightly how services are delivered and adapt them according to regional needs. Across the regions there are International Trade Advisers (ITAs) whose job it is to help companies trade securely and successfully overseas. These ITAs are not civil servants and come from the private sector and brings with them a wealth of experience gained from the private sector. The Inward Investment Services Team is responsible for promoting the UK regions to overseas businesses and to attract them to expand and develop in the UK. Many foreign studios are interested in setting up business in the UK to collaborate with the depth



	of letter we produce and to help them expand into other areas of Europe. Far from threatening our home grown industry, these overseas companies provide new jobs and bring with them an understanding of other cultures and markets that enhance our international reputation as the leading games development country in the world. Most UK studios will engage with UKTI through their ITA with whom they develop a personal relationship and a series of Action Plans that enable them to identify and successfully execute a strategic growth plan to help them increase international trade.	64	http://theesa.ca/wp-content/uploads/2011/08/SECOR_ESAC_report_eng_2011.pdf p.12	http://www.scribd.com/doc/43354992/Home-Business-Report-2007?in_collection=2728400. See also: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/39255/12-829-home-business-guide.pdf and http://www.flexibility.co.uk/flexwork/location/home-enterprise.htm and http://www.btplc.com/Thegroup/BTUKandWorldwide/BTRegions/England/Factsandfigures/EnterpriseNationHomeBusinessReport2009-Nov09.pdf	• the presence of functioning networks and partnerships	Rules/tier1statementofintent.pdf).	global economy – world class skills. Final Report (HM Treasury, December 2006), p. 3.			
		65	Ibid. P.24		• a strong innovation base with supporting research and development (R&D) facilities	110	The Migration Observatory at the University of Oxford (2012), Britain's '70 Million' Debate: Chapter 4 – Migration of Non-EU Nationals [available at http://migrationobservatory.ox.ac.uk/reports/4-migration-non-eu-nationals].	129	Office for National Statistics (2013), Full Report – Graduates in the UK Labour Market 2013 [available at http://www.ons.gov.uk/ons/dcp171776_337841.pdf].	
		66	House of Commons, Scottish Affairs Committee, 'Video games industry in Scotland', Second Report of Session, 2010-11, Volume 1, 19th January 2011, p.94		• a strong skills base					
		67	Bank finance is not an important source of finance for most games developers. Developers typically have no main assets that can be used as collateral unlike traditional industries with lots of plant and property on the balance sheet.	81	http://www.itu.int/ITU-D/treg/broadband/ITU-BB-Reports_Impact-of-Broadband-on-the-Economy.pdf p.4	• adequate physical infrastructure				
		68	BIS and DCMS, <i>Access to Finance for Creative Industry Businesses</i> , May 2011 (Warwick Business School and IFF) [see http://www.berr.gov.uk/assets/biscore/enterprise/docs/a/11-898-access-to-finance-for-creative-industry-businesses.pdf and Creative Industries Council: Access to Finance Working Group Report [Creative Industries Council, December 2012].	82	http://www.ehow.com/info_12036378_country-leads-video-game-industry.html	• the presence of large firms	111	Immigration Statistics, July to September 2011 (Office for National Statistics).	130	According to e-skills, the sector skills council for Business and Information Technology, the number of IT and computer science graduates fell by 25% between 2004 and 2008 (from 20,210 to 14,920). See http://www.hesa.ac.uk/index.php?option=com_datatables&Itemid=121&task=show_category&catidex=3#subject
56	Over recent months, BIS has cut funding to UKTI and diverted this money to the Regional Growth Hubs each of whom have an Internationalisation programme. As each Region handles it's budget separately there is no standard procedure with regard to financial support. Some Hubs are maintaining the 50/50 match funded grant system while others adopt a 33/66 or 20/80 contribution level whilst some offer no direct cash funding at all. However all Growth Hubs are charged with encouraging SMEs to grow and there is support available locally for companies that can demonstrate a clear business plan to develop and create jobs over the next two years. UKTI is working closely with the Regional Growth Hubs and other agencies to ensure that all our SME clients are aware of the range of support and services that exist such as the Growth Accelerator Scheme. It is a sad fact that some studios do not see themselves as traditional businesses and do not engage as well as "traditional" companies. UKTI would like to change that perception to ensure that any Studio – whether large or small understands the need to adopt the same fundamental business principles as any other commercial organisation to safeguard growth and profitability.	69	The SEIS, which was introduced in 2012, currently operates under the following parameters:	83	'The Video Games Industry: Explaining the Emergence of New Markets, Quentin Cucuel, Otago Management Graduate Review, Volume 9, 2011	• an entrepreneurial culture	112	A similar argument has also been advanced by James Dyson. See http://www.ft.com/cms/s/0/34226450-8a76-11e3-9c29-00144feab7de.html?siteedition=uk#axzz33bArN4E0		
			• any one company can raise no more than £150,000 in total via SEIS investment;	84	http://www.oft.gov.uk/shared_ofi/markets-work/sme-update.pdf	• access to finance.				
			• SEIS investors can allocate £100,000 in a single tax year which can be spread over a number of companies;	85	Wilson, R., <i>State of the UK Game Development Sector</i> (TIGA, 2010).	- See more at: http://www.local.gov.uk/economy/-/journal_content/56/10180/3510371/ARTICLE#sthash.Jrx8hfwV.dpuf. See also: http://www.ipt.org.uk/the-rise-and-rise-of-uk-business-clusters.aspx. See also: http://www.ipt.org.uk/how-can-government-support-business-clusters-in-the-uk.aspx; See also: https://www.sussex.ac.uk/webteam/gateway/file.php?name=workpaper9.pdf&site=2				
			• Investors cannot control the company receiving their capital and have more than a 30% stake in the company in which they invest;	86	Source: http://ec.europa.eu/budget/library/biblio/documents/2014/DB2014_WD_1_en.pdf [pages 239-240]. See also http://www.egdf.eu/egdfwelcomes-the-european-game-development-support-scheme/	See also: http://www.aimresearch.org/uploads/File/Publications/Academic%20Publications%20/Challenging_clusters.pdf				
			• investors can receive up to 50% tax relief in the tax year the investment is made;	87	See http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/calls/h2020-ict-2014-1.html. See also http://www.egdf.eu/european-commission-provides-record-funding-for-european-game-developers/	See also: http://www.clusterobservatory.eu/index.html#?view=documents;mode=all;sort=name;uid=;id=				
			• the business company must be a UK company and have a permanent establishment in the UK;	88	For information on the OFT's eight Principles, see http://www.tiga.org/news/press-releases/tiga-seven-days-til-dday-for-iaip	It would be important to identify and audit bona fide courses to eliminate any potential for abusing SME Training Tax Relief.	115	QS Top Universities (2013), Student Mobility: Most Popular Countries [available at http://www.topuniversities.com/blog/student-mobility-most-popular-countries].		
			• in the 2012-13 tax year, tax payers can roll a chargeable gain on the disposal of assets in the tax year into shares qualifying for SEIS income tax relief, with a full capital gains tax exemption;	89	Gibson, N, Gibson, R., and Wilson, R., <i>Making Games in the UK Today 2014</i> (TIGA 2014).	Full Report – <i>Graduates in the UK Labour Market 2013</i> [Office for National Statistics 2013] p.3.	116	Government of Canada (2014), Stay in Canada After Graduation [available at http://www.cic.gc.ca/english/study/work-postgrad.aspl		
			• the company must have fewer than 25 employees (if the company is the parent company of a group, that figure applies to the whole group).	90	See http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/2538-ict-37-2014-1.html and http://www.egdf.eu/eufundingspring2014/	The UK finished 22nd out of 34 OECD countries for educational attainment 'Education at a Glance' [Organisation for Economic Co-operation and Development, 2013] p.32.	117	www.shanghairanking.com. According to QS, the education consultancy, there are 18 British universities in the world's top 100 [www.topuniversities.com], whereas Times Higher Education World University Rankings puts this figure at 11 [www.timeshighereducation.co.uk/world-university-rankings].	132	Some universities already have their own bursary schemes to support students from disadvantaged backgrounds and/or to support students on STEM courses. These traditions need to be developed further.
			• the company's trade must be no more than two years old;	91	See http://www.growthaccelerator.com/	Considered to below GCSE grade D. '2011 skills for life survey: headline findings' [Department for Business Innovation and Skills, December 2011], p. 5 and p. 8.	101			
			• the company must have assets of less than £200,000; and the company has to trade in an approved sector – generally not in finance or investmenthttp://www.seis.co.uk/	92	http://www.dutchgamegarden.nl/english/about-dutch-game-garden/	Improving the nation's skill profile is essential to the future prosperity of the UK. The benefits of this investment are felt by individuals, employers and the economy 'Employability and Skills in the UK: Redefining the Debate' [The Work Foundation, November 2010] p.3.	102		118	SCImago Journal and Country Rank [www.scimagojr.com, accessed on 26 March 2014].
		70	'The fourth utility: Delivering universal broadband connectivity for small businesses across the UK', The Federation of Small Business, July 2014, p. 4	93	https://www.appcampus.fi/		103	Ibid.	119	www.researchtrends.com [Issue 32, March 2013].
57	<i>Roads to Success: SME Exports, House of Lords Select Committee Report on Small and Medium Sized Enterprises, Report of the Session 2012 – 13</i> (March 2013).	71	ibid	94	http://www.ft.com/cms/s/0/1dde4404-f60e-11e2-8388-00144feabdc0.html?siteedition=uk#axzz30V53CMlf		104	The UK average is 7 hours vocational training, below the EU average and half the level of France. 'Business Investment in Skills' [Confederation of British Industry, August 2011] p.13.	120	Universities UK Parliamentary Briefing (Universities UK, available at http://www.universitiesuk.ac.uk/highereducation/Documents/2013/BriefingImmigrationBillSecondReading.pdf)
58	http://www.parliament.uk/business/publications/written-questions-answers-statements/writtenquestions-answers/?page=1&max=20&questiontype=AllQuestions&house=commons%2clords&member=4070&keywords=ukti%2cand%2cvideo%2cgames]	72	ibid	95	Bagwell, S, 'Creative clusters and city growth', in Creative Industries Journal Volume 1 Number 1 © 2008 Intellect Ltd; Pandit, N.R., Cook, G.A.S, Beaverstock, J.V. and Ghauri, P.N., 'An empirical study of service sector clustering and multinational enterprises' in Journal of Services Research, Special Issue, February 2008.		105	SMEs devote significant time and resources to developing their staff. 'Business Investment in Skills' [Confederation of British Industry, August 2011] p.6.	121	The UK spent 1.4 per cent of its GDP on tertiary education in 2010 (Education at a Glance, OECD, 2013), of which 0.7 per cent came from public sources (including public subsidies to households attributable to educational institutions and direct expenditure from international sources) and 0.6 percent from private sources of funding. Core tertiary education services accounted for 0.8 per cent of the GDP, ancillary services 0.11 per cent, and R&D at tertiary institutions 0.46 per cent. Excluding public subsidies attributable to payments to educational institutions, public funding for tertiary education accounted only for 25.2 per cent of all funding for tertiary education.
		73	http://www.scotland.gov.uk/Resource?Doc/98170114237.pdf	96	On high technology regional clusters, see http://www.ft.com/cms/s/0/034f6fda-8aa8-11e3-9465-00144feab7de.html?ftcamp=crm/email/201423/nbe/InformationTechnology/product&siteedition=uk#axzz2sFKTU8C		106	Wilson, Richard, <i>State of the UK Video Game Development Sector</i> (TIGA, 2008), p. 6.	122	Including subsidies. <i>Education at a Glance</i> 2013 (OECD, 2013).
		74	The State of the Internet', 2013 Report, Volume 6, Number 3, 3rd Quarter, p.25	97	http://webarchive.nationalarchives.gov.uk/+http://www.dti.gov.uk/clusters/ecotec-report/dti_clusters.pdf; see also: http://www.publications.parliament.uk/pa/cm200304/cmselect/cmtrnd/118/11808.htm. See also: http://webarchive.nationalarchives.gov.uk/+http://www.bis.gov.uk/policies/economic-development/clusters-in-the-uk. There are a number of factors critical to successful clusters, including:		107	The role of Producer is currently on the SOL but it might be helpful for both the industry and for the MAC to delineate the precise producer roles that the games industry needs more clearly.	123	Leitch Review of Skills, <i>Prosperity for All in the Global Economy – World Class Skills</i> . Final Report (HM Treasury, December 2006), p. 67.
		75	Ibid, p.13	98			108	Take one of our members, Codeplay, an Edinburgh based business and an internationally recognised expert in advanced optimising technologies for computer and video game graphics. Codeplay operate in a highly specialised niche field, working with global technology giants like ARM and Qualcomm and create, for example, graphics compilers that make their chipsets run faster and more efficiently. This is a fantastic example of Britain's intellectual contribution to the progress of bleeding-edge technology around the world. Yet Codeplay is finding it increasingly challenging to meet market demand for its services and grow because it cannot find the talent locally and is inhibited from hiring specialised talent from overseas because of our immigration regulations.	124	<i>Education at a Glance</i> 2013 (OECD, 2013).
59	House of Commons, Scottish Affairs Committee, 'Video games industry in Scotland', Second Report of Session, 2010-11, Volume 1, 19th January 2011, p.93	76	https://www.gov.uk/government/policies/transforming-uk-broadband	99	http://webarchive.nationalarchives.gov.uk/+http://www.dti.gov.uk/clusters/ecotec-report/dti_clusters.pdf; see also: http://www.publications.parliament.uk/pa/cm200304/cmselect/cmtrnd/118/11808.htm. See also: http://webarchive.nationalarchives.gov.uk/+http://www.bis.gov.uk/policies/economic-development/clusters-in-the-uk. There are a number of factors critical to successful clusters, including:		109	Border & Immigration Agency (2006), Highly Skilled Migrants under the Points Based System – Statement of Intent [available at http://www.bsnw.ork.uk/resources/law/public-law/New-Immigration-	125	Total funding for higher education via HEFCE in the 2014-15 budget is £4,091 million, down from £5,014 million in 2013-14 (HEFCE, 2014).
60	Ibid.	77	The fourth utility: Delivering universal broadband connectivity for small businesses across the UK', The Federation of Small Business, July 2014, p.10						126	Clearly, this policy does not apply to Scotland, which does not charge under-graduates tuition fees.
61	http://www.bcjobsplan.ca/wp-content/uploads/TechnologyStrategy2012.pdf p.14	78	http://www.businesszone.co.uk/topic/technology/small-firms-hindered-slow-broadband-450000-still-using-dial/57271						127	Statistical First Release 197, <i>The Higher Education Statistics Agency</i> [http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=3103&Itemid=161]
62	http://www.international.gc.ca/media_commerce/comm/news-communiques/2013/04/10b.aspx?lang=eng	79	The fourth utility: Delivering universal broadband connectivity for small businesses across the UK', The Federation of Small Business, July 2014, p.10						128	<i>Leitch Review of Skills, Prosperity for all in the</i>
63	http://theesa.ca/wp-content/uploads/2013/10/ESAC-Video-Games-Profile-2013-FINAL-2013-10-21-CIRC.pdf p.48	80	Enterprise Nation (2007), "Home Business Report":							



‘DiRT Showdown’, developed by Realtime UK

ENDORSEMENTS OF TIGA

From MPs, MSPs and government over the last five years:

Alex Salmond MSP, Scotland's First Minister:
TIGA is "an excellent tradee body".

**John Swinney MSP Cabinet Secretary for Finance
and Sustainable Growth:**
"I was very impressed by the case that you made
in relation to tax breaks for computer games and
I pressed this point again when I wrote to the
Chancellor of the Exchequer about the budget...I...
congratulate you and TIGA on being such a driving
force in achieving it [GTR]."

**Fiona Hyslop MSP, Cabinet Secretary for Culture
and External Affairs:**
"I know TIGA played a key influencing role in bringing
[Games Tax Relief] to where it has got to today...
The computer games industry specifically is a very
important part of the Creative Industries Growth
Sector in Scotland and we are grateful for the support
which TIGA has offered through their research
which has helped to provide a better reflection of
an industry which may not be captured accurately
through traditional statistical reporting methods."

Stewart Hosie MP, said:
"TIGA has played a vital role in making the case for
Games Tax Relief. The quality of TIGA's research
and its tenacious campaigning have enabled MPs
including myself to make the case for a tax relief for
the video games sector in Parliament."

Justin Tomlinson MP, said:
"Unlike many trade associations, TIGA has
consistently provided strong empirical evidence
to back up its case for Government support and
investment. TIGA made a powerful case for a tax
credit for games production and I was pleased to
work with TIGA in securing this measure in the
Budget [i.e. 2012 budget]."

**John Whittingdale OBE MP, Chair of the Culture,
Media and Sport Select Committee:**
"I pay tribute to TIGA for playing a leading role
in raising the profile of the games industry in
Parliament and for playing a critical role in lobbying
for this tax change [GTR]".

"The final approval of tax relief for the video games
industry is terrific news and will ensure that the
UK remains one of the leaders in the development
and production of electronic games. TIGA deserves
considerable credit for the success of their campaign
which they have promoted over a number of years."

Damian Collins, MP:
"In my role as an MP I come across many trade
associations. TIGA is distinctive in its focus,
professionalism, and tenacity. TIGA has campaigned
relentlessly for Games Tax Relief over many years
and played a critical role in convincing first the
UK Government to adopt this measure and then
enabling the Government to make a successful
case for Games Tax Relief to the EU Commission.
TIGA's successful campaign for Games Tax Relief
will benefit both the games industry and the wider
economy and I am glad to have been able to advance
this important measure."

Mark Field MP:
"On 27 March 2014, the European Commission gave
full approval to UK government plans for a video
games tax relief. It marks a successful end to a
hard-won fight to get this vital industry the boost it
needs, enabling eligible companies to benefit from a
payable tax credit worth 25% of qualifying production
costs. TIGA has been a key player in getting this
fantastic result. Through their efforts, video games
makers now have a secure future on these shores,
providing UK jobs in what is a youth-oriented industry
and ensuring that gamers across the world will see
the enormous talent, ingenuity and creative spirit we
have here in Britain."

Rt Hon Stephen Timms MP:
"Both as a Government Minister and from the
Opposition benches, I have seen TIGA campaigning
professionally and tenaciously for Games Tax Relief.
TIGA played a critical role in securing the Relief,
convincing successive governments - a difficult
job in both cases. I hope the tax credit which their
lobbying has secured, and which I strongly support,
will provide a powerful boost to the UK video games
industry."

Jim McGovern MP, said:
"TIGA has played a crucial role in making the case
and winning the argument for a tax break for games
production."

Tom Watson MP:
"I have no doubt that with TIGA - the UK's best
trade association - the issues that matter to the
video games sector will remain high up the political
agenda."

**Don Foster, former Liberal Democrat Culture
Spokesman and now Liberal Democrat Chief Whip &
Govt Deputy Chief Whip:**
"I have witnessed TIGA campaign proficiently,
persistently and persuasively for a video Games
Tax Relief over many years. Along the way TIGA has
successfully convinced political parties, governments
and finally the EU Commission to support video
Games Tax Relief. TIGA has played a vital role in
delivering a tax reform which will have a major and
positive impact on the UK video games industry."

Business endorsements:
**Gary Bracey, Commercial Director,
Kuju Entertainment:**
"Kuju considers TIGA an invaluable organisation
for videogame developers. Not only have their
campaigns made a massive difference with regard
to governmental tax incentives and general
Parliamentary support but also their events play
an important role in providing information and a
networking resource which is second-to-none."

**Jeff Meek, Partner and Head of Forensic Accounting,
French Duncan:**
"At French Duncan we are pleased to be a TIGA
member and to work with the TIGA team. Our
membership enables us to maintain close ties with
the video game industry, which in turn allows us to
give TIGA's developer members tailored accountancy
services from a provider that knows their territory.
TIGA membership makes perfect commercial sense
for French Duncan."

Harald Riegler, CEO, Sproing:
"TIGA provides networking events where I can
learn and network, and this has helped me and
my business a great deal. I also value the lobbying
work that TIGA carries out. In this regard TIGA is a
role model for other organisations. I am pleased to
be a member of TIGA and would recommend TIGA
membership to other developers and publishers."

Elaine Green, owner, Nellyvision
"As a member of TIGA we have been able to attend
several of their events to our benefit. As a company
that does a lot of contract work, our network is
critical to us and any contacts we gain through
events like these are greatly appreciated. Our
TIGA membership has also allowed us to seek
out vital information about funding through their
GrowthAccelerator event, as well as information
about taxes and grants. We are happy to say a TIGA
membership can have some very tangible benefits,
whether it be information you need or growing your
network - or indeed expanding your company. We
needed an artist and decided to advertise the position
through TIGA, and we quickly found just the right
candidate. Perhaps we would have found someone
advertising somewhere else as well, but doing it
through TIGA meant it was targeted at just the right
people we were looking for - and it's hard to argue
with results!"

**Mike Hawkyard, Business Development Director,
Amuzo Games:**
"Networking with the right people is essential for
game developers, business owners and the broader
tech industry, especially as the ecosystem continues
to broaden, whilst the pressures on our time are as
high as ever. TIGA goes to great lengths to ensure
the many games industry networking opportunities
it provides are simple, effective and fun, which is
precisely why they are so valuable."

Patrick O'Lunaigh, CEO, nDreams:
"A major benefit TIGA offers members, in addition to
networking opportunities and money saving offers
from others in the network, is the best practice
content and guidance it provides. For example, TIGA's
Guide to Self-Publishing provides excellent expert
advice for any studio looking to self-publish (as well
as co-publish). I'm sure this resource, and the many
others TIGA offers its members, will be of great
value to the UK's developer and digital publishing
community. TIGA's also delivered valuable PR
opportunities for my business, and repeatedly takes a
stand in consumer media too, defending the cultural,
artistic and economic value of the UK video games
industry."

Oli Christie CEO, Neon Play:
"As a new mobile games studio, it made complete
sense for Neon Play to join TIGA. We saw huge
benefits from joining, not least the considerable
amount of money we've saved on everything
from services to events as a result. On top of this,
the number and quality of networking and PR
opportunities TIGA provides really sets it apart as
a superlative trade organisation. As Neon Play
continues to mature and grow, these benefits have
proved as useful as ever, so regardless of what stage
your business is at, I'd recommend joining TIGA for
all the support it will provide."

Colin Anderson, MD, Denki:
"If you're a developer or digital publisher, whether
you're based in Scotland or anywhere else in the UK,
there's no question TIGA is the right trade association
for you. For over a decade it's been helping
developers build successful studios and make
valuable contacts throughout the industry, especially
when it comes to connecting with investors &
publishers. All of which is on top of the determination
and political savvy the organisation shows year
after year, campaigning for a fairer business and
legislative environment for games businesses across
the UK. TIGA has not only helped to deliver improved
R&D credits for UK developers, but Games Tax Relief
as well."



OUR ORGANISATION & OUR INDUSTRY

TIGA is the trade association representing the video games industry. Our members include games developers, digital publishers, in-house publisher owned developers, outsourcing companies, technology businesses and universities.

TIGA helps developers build successful studios, connect with investors & publishers, network with the right people, save money and access professional business advice.

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*Trade Association
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2010 / 2011*



INVESTORS
IN PEOPLE

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