



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.

TIGA'S MANIFESTO

FOR THE UK VIDEO GAMES DEVELOPMENT INDUSTRY

A VISION FOR THE INDUSTRY IN 2020



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PART 1

TIGA'S CORE PURPOSE IS TO STRENGTHEN THE GAME DEVELOPMENT AND DIGITAL PUBLISHING SECTOR

TIGA represents developers, digital publishers, education providers and service companies and is the trade association for the video games industry. Our core purpose is to strengthen the game development and digital publishing sector.

We achieve this by campaigning for the industry in the corridors of power, championing the industry in the media and helping our members commercially.

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 and exceed best practice.



PART 2

CONSIDERABLE OPPORTUNITIES EXIST FOR THE UK GAMES INDUSTRY

DFC Intelligence estimates that the global video games market is worth:

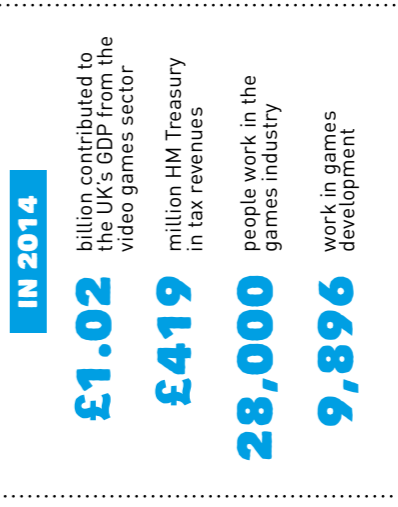


Yet too many studios in the UK fail. 30 per cent of UK games companies that have existed at any stage in the last five years have closed down. If the sector is to achieve its full potential and make a significant contribution to UK employment and growth, then we need to do more.

In particular, the UK needs to build an environment that is favourable to start-ups and the growth of more sustainable studios.

THE UK VIDEO GAMES INDUSTRY

Game development is a knowledge industry par excellence. The UK video game industry is important economically and culturally.



The sector sustains highly skilled, graduate employment. A typical games development studio will have 80 per cent of staff qualified to degree level or above and many studios provide on-going training.

The industry is export focused: 95 per cent of UK games development studios export at least some of their games. The sector makes intensive use of technology and many studios invest in R&D.

Some of the best performing games IP globally is generated in the UK. Notable examples include the Grand Theft Auto franchise, developed by Rockstar.

Other UK studios have produced major games franchises such as Batman and Lego, as well as individual world-class titles such as RuneScape (developed by Jagex) and Worms (developed by Team 17).

Video games are increasingly embedded in UK culture and society. Games are a top entertainment medium, selling more at retail and via digital distribution in 2013 than video and over twice as much as music. Games are played in 7 out of 10 households.

Video games are cultural, audio-visual products on a par with film, television and animation. They draw on artistic disciplines such as music and art, and may involve narrative. Video games also interact with other forms of media, for example, inspiring film, television and music.

The UK 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 give the UK industry an important boost and enable it to compete on a more level international playing field against overseas competitors.



STRENGTHENING THE UK VIDEO 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.

TIGA HAS A VISION FOR THE FUTURE OF HOW THE INDUSTRY SHOULD PROGRESS BY 2020

Over the next five years we want to see:

- an increase in the production of culturally British video games
- a rise 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 become less of a challenge
- the brain drain of talented staff overseas diminish as a problem
- the UK become a globally recognised centre for games education and continuous professional development in the sector's workforce.

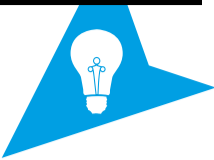
This manifesto will realise this vision.



HOUSEHOLDS PLAY GAMES



1. POWER UP SMALL FIRMS



- A.** Prototype funding should be made available to enable start-up studios to access finance and develop new IP.
- B.** A Creative Content Fund (CCF) should be established in order to:
 - encourage new studio formation
 - stimulate creativity
 - co-fund new content development and IP generation.
- C.** National Lottery funding could be made available to provide funds for games development, including prototype funding and the CCF.

2. BUILD WORLD WINNING GAMES BUSINESSES

- D.** 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.

- E.** 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.



- F.** The UK should be aggressively marketed as an attractive location for inward investment for the games industry.
- G.** 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.

- H.** 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.

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

- J.** 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.

- K.** 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.

- L.** The EU funding regime for video games should be reformed. Games should not be required to have a narrative component or a 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.

- M.** 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 (now Competition and Markets Authority) 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.

3. PROMOTE GAMES CLUSTERS TO BOOST REGIONAL GROWTH



- N.** Regional/National Games Development Incubators should be established at a university, or at a consortium 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).

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



- P.** 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.

4. ENHANCE SKILLS AND EDUCATION, PROMOTE MEASURED MIGRATION



- Q.** 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.

- R.** 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
- Engine Programmer

This will enable games businesses to address skill shortages in highly specialised roles.

- S.** 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.

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



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

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

MPs ON TIGA'S MANIFESTO



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.



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.



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.