

# Invest 2035: The UK's Modern Industrial Strategy

We thank you for your time spent taking this survey.  
Your response has been recorded.

To complete the survey please make sure you have first downloaded and reviewed the PDF, 'Invest 2035: the UK's modern industrial strategy' from [this website](#), or read through the [web-accessible document here](#).

We are grateful for all views. Please answer as many questions as you can but if certain sections are irrelevant, or you feel unable to give an opinion, feel free to leave the answer box blank.

We estimate it will take approximately 30 minutes to complete the full survey (depending on how many sections you complete or are relevant to you). You can save your answers and come back to them at any time.

This is a public consultation that will inform the development of the new Industrial Strategy, the Government's proposed plan to boost investment, growth, and stability. The final Industrial Strategy will be published in Spring 2025, alongside the multi-year Spending Review.

We are asking for your views on our approach, including evidence, analysis, and policy ideas. We welcome input from a range of partners, including businesses, experts, trade unions, local and regional actors, and other interested parties.

**The consultation closes at 11:59pm on 24 November 2024.**

### **Download full list of questions**

You can download the full list of the questions here: [Consultation questions](#)

### **Print or save a copy of your responses:**

At the end of this questionnaire, you have the chance to either print or save a copy of your response for your records. This option appears after you press 'Submit your response'.

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email to allow you to continue your response where you left off.

It's very important you enter your correct email address if you choose to save and continue. If you make a mistake in the email address you won't receive the link you need to complete your response.

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## Personal Details

What is your name?

What is your email address?

What is your contact number? [Optional]

In what capacity are you replying to this call for evidence?

- Business
- Business association
- Charity
- Member of the public
- Researcher, academic
- Think Tank
- Trade Union
- Other**

Trade Body

What is the name of your business/organisation?

UK Interactive Entertainment (Ukie)

Which sector do you work in?

Video Games/Creative Industries

Are you happy to be contacted directly about your response?

- Yes**
- No

## **Sector Methodology**

The Government has undertaken initial analysis to help determine eight growth driving sectors. Future work will build on this analysis to determine the key subsectors within these broad sectors, using evidence collected from this Green Paper as well as further evidence-gathering and use of wider methodologies.

Please read p.16-20 of the PDF ([or here online](#)) before completing these questions.

## Q1. How should the UK government identify the most important subsectors for delivering our objectives?

The UK games industry has been a long-term success story underpinned by the UK's rich history of combining creative storytelling and technological innovation, an enabling business environment supported by a regime of creative industry reliefs which have supported steady growth in the sector, and a further education system that has long developed a steady stream of technically gifted developers and entrepreneurs. The industry has consistently overdelivered on the world stage despite the UK's relative size economically, creating some of the most recognisable games properties of all time from Lara Croft through to Grand Theft Auto. The UK industry has a strong track record and exists in a truly global market in which companies can access markets quickly and without significant physical restrictions. International companies have increasingly recognised the UK as the source of incredible talent and innovation and have invested in the UK industry – but also acquired the value of some of these longstanding titles. However, with the right long-term interventions the UK industry need not become an 'IP farm' for international companies and, with the right combination of support, more of that creativity and economic value can be kept in the UK and help deliver on the Government's growth mission. Data from Ukie's industry valuation has tracked industry growth over the past decade, seeing an annualised growth rate of 8%. We estimate the overall economic contribution of the UK video games industry to be £6bn Gross Value Added to the UK economy in 2021 (Ukie, Video Games Industry Manifesto) – a significant part of the UK's overall creative industries and supporting a highly skilled and geographically dispersed workforce across the UK's regions and nations. The UK games industry is concentrated not just in London but is spread across a range of developed and developing clusters including towns such as Royal Leamington Spa, Guildford and Brighton to Middlesbrough, Newcastle, Sheffield, Liverpool, Leeds, Manchester, Dundee, Edinburgh and many more. We estimate that there is a directly employed workforce of 26,600 with the industry supporting 76,900 jobs overall throughout its value chain. The roles within the industry are highly skilled, often requiring a high level of technical expertise and are highly productive, with the most recent BFI screen business report estimating that GVA per FTE in the industry was £122,000 - significantly higher than the UK national average. However, despite these favourable economic and productivity metrics and the impact on the growth of the creative industries, the overall impact of the UK video games industry is significantly under researched. There are several reasons for this. Economic data about the games industry available through DCMS is limited by the structure of SIC codes used internationally. The development and publishing strands of the industry are not clearly distinguishable, owing partly to historical naming conventions, and reporting on the development strand is limited due to it being identified only at the lowest order of the SIC hierarchy. Building on work done with ONS and DCMS to revise the SIC system globally, Ukie proposes adopting an SIC system where video games are defined by two clearly named 4-digit codes to enable us to better understand the sector over time and meaningfully compare it with other industries in the UK. Secondly despite its growth and size both domestically and globally – as well as the wider cultural and societal influence – games does not benefit from its own public institutions – instead sitting under wider 'screen bodies' such as the British Film Institute. Therefore, there is no long term organisational or institutional research programme which seeks to measure the overall impact of the video games industry – either economically or socially. Whilst studies into the economic and social impact of games have recently been commissioned by the BFI Innovation Challenge Fund and exist within academia such as the Horizon Europe-funded GameHEARTS programme, there are no long-term longitudinal studies which measure impact over time. The

lack of a dedicated cultural institute receiving public funding such as through the National Lottery has not stopped the growth of the UK video games sector, but it has restricted sector's research and institutional knowledge relative to other creative industries. Working with the video games industry, the Government can put in place the right conditions to energise further growth. We urge the Government to commit to developing a long-term evidence base for the UK video games industry via UKRI in order to evaluate the full range of economic, social and cultural impacts of the UK video games industry, both domestically and internationally; the creation of appropriate SIC codes in order adequately reflect the distinct nature of the video games industry as part of the current ongoing revision of the codes by ONS – and to explore the development of a dedicated 'UK Video Games Council' with the aim of supporting and developing the UK industry's long term growth.

## Q2. How should the UK government account for emerging sectors and technologies for which conventional data sources are less appropriate?

The video games industry is an incubator of advanced and emerging technologies which are developed with a games and entertainment application before 'spilling over' into wider applications for other sectors. It is possible to analyse the impact of this technology in terms of its economic impact, as well as its impact on employment – however very few studies exist. One such study was Ukie's tech spillover report which estimated that technology originally developed in the games industry contributed an additional £1.3bn in terms of economic output and supported 10,000 jobs – in addition to overall economic impact of the UK based video games sector. However, it is clear that the impact of emerging technologies, given its wide potential application, may have benefits that go far beyond purely economic measurements. The application of VR/AR in healthcare for example for the purpose of visualisation, simulation and training for doctors has led to higher success outcomes in particular types of surgery (The Economic Impacts of Video Games Technology Spillover, Ukie & FTI consulting) , whilst pharmaceutical companies have used 3D visualisation engines, originally developed by video games companies, to successfully facilitate drug discovery and development (Games Technology Spillover, Ukie & FTI consulting) , . In addition to the potential spillover benefits on physical health, there have been several studies which ascribe a positive mental health benefit in playing games (Video game play is positively correlated with well-being, Niklas Johannes, Matti Vuorre, and Andrew K Przybylski, Oxford Internet Institute.) It is not just in healthcare where 3D engines have had an impact. such Unreal Engine developed by Epic Games and which powers popular games like Fortnite and Unity, have now been applied to automotive manufacturing and design as well as other industries. Therefore, it is vital that Government invest in a more detailed and bespoke approach in order to capture these trends over the long term in order to identify and support emerging and developing sectors. It is also often the case that there is a paucity of data around employment dynamics and skills gaps in sub sectors – which has an impact in the development of policies and interventions to address skills shortages in highly technical areas. Government should invest in more granular data collection for high growth subsectors to develop targeted policy interventions over skills gaps spikes which can hamper further growth.



### Q3. How should the UK government incorporate foundational sectors and value chains into this analysis?

The Government needs to undertake a more extensive mapping exercise of how creative industry subsectors interact with each other and the wider economy for any analysis to be fully effective. A more complete analysis will lead to a greater understanding of the interdependencies between creative industry sub sectors – but a greater appreciation of the impact of sub sectors on the wider economy – as is the case with games in its spillover application to health, manufacturing and defence for example. A clear, long term research plan for the UK games industry conducted by UKRI, or a dedicated games institution with a remit for developing long term research into the sector is vital to fully realise its impact in the UK.

## Sectors

For each of the growth-driving sectors, we set out below how they link to the Industrial Strategy objectives, their strengths, and outline where Government can – in partnership with business and others – go further to support growth.

Please read p.21-26 of the PDF ([or here online](#)) before completing these questions.

## Q4. What are the most important subsectors and technologies that the UK government should focus on and why?

Identifying the most important subsectors should be done through a comprehensive approach which considers the economic growth and potential of each subsector, its impact on employment and productivity, but also its creative, cultural and societal impact across the breadth of the country. The UK video games industry has been a significant success story, with an economic contribution of £6bn GVA per annum – with the global industry estimated to be worth \$213.3bn by 2027 (Global Games Market Report, Newzoo. ) However the industry is uniquely at the intersection of growth, productivity, creativity and technology – with 41 million players in the UK , and an estimated 3.4 billion globally. (Ofcom, Online Nation 2023) (Population Estimates for the UK, ONS) Games are part of everyday life across all generations and the UK industry has a long successful record and cultural heritage in the development technology – but also original intellectual property, which has an impact in terms of the UKs global standing and soft power. Investing in the creative industries not only yields economic benefits but has impacts beyond those immediate economic benefits as well. Through dedicated research and a comprehensive mapping exercise across the sector, the Government will be able to determine the relative impact of each subsector as well as the overall impact of the creative industries both in economic, but also cultural and societal impact.

## Q5. What are the UK's strengths and capabilities in these sub sectors?

The UK is currently the 6th largest games market in world behind the United States, China, Japan, South Korea and Germany. We have an engaged player base of over 40 million people and, importantly, a long history in the video game sector, producing some of the most innovative, important and influential games and experiences across diverse genres. This existing pool of talent, experience and artistry makes the UK a country of highly skilled workers and of video game excellence, but we must ensure that legacy continues as the industry shifts and evolves. The UK video games industry has been the home of some of the most successful and iconic games and franchises in the world. The Grand Theft Auto Series developed by Rockstar Games has been one of the most successful games and entertainment products in the world, with GTA 5 selling over 200 million copies and generating over £6bn in revenue over the past 10 years. Lara Croft from the Tomb Raider series is one of the most iconic characters of all time and has been the subject of multiple games and movie crossovers. The UK is also home to studios at the forefront of innovation and artistry with studios such as Rare leading in innovative technology and artistry whilst nDreams specialise in VR technology and games. We are also home to incredible indie successes. No Man's Sky, a space exploration underpinned by an expanding, procedural AI driven universe, developed by Hello Games in Guildford has had exceptional success with over 10 million copies sold and annual updates. Hello Games are developing new IP with a new game likely to be released in 2025. Other successes PowerWash Simulator, developed by FuturLab has sold over 1.5 million copies and has been proven to have positive mental health benefits in academic studies (FuturLab, PowerWash Simulator x Oxford University). The success of these studios is underpinned by a variety of factors, notably access to talent through successful and relevant university courses. Abertay University in Dundee for example was the first ever University in the world to offer 'computer games' courses from 1997 – and is consistently ranked amongst the best in the world for undergraduate and postgraduate courses related to games development.

## Q6. What are the key enablers and barriers to growth in these sub sectors and how could the UK government address them?

The UK video games industry has grown at a strong rate through the combination of several factors – an open business environment with a system of tax reliefs which have helped lower the costs of development and de-risk investment; access to highly educated talent through world leading universities producing graduates with a range of technical expertise; a heritage of storytelling and creation across the industry and other adjacent sub sectors and a world leading and stable copyright regime which encourages and protects the development of new intellectual property. Several of these enablers apply and have supported the growth and development of other subsectors – however there are also several barriers that affect the video games industry and wider creative industries as well. The UK games industry constitutes up to 2,500 businesses, over 98% of which are SMEs. The most significant barrier to continued growth and development of these businesses is access to finance and structural barriers to scaling up because of a lack of tangible assets or predictable revenue streams – particularly in the case of brand-new IP or new games concepts. Because of the nature of the industry and the development process, games businesses are often hindered in seeking traditional debt finance. The Government needs to encourage funding bodies such as the British Business Bank and British Business Investments to look at games and the wider creative industries, as it has done with the digital and tech sectors, to provide medium sized companies with debt finance. We welcome the Government's recent announcements on pension fund reforms and the intention to encourage UK based pension funds to invest in a wider range of domestic assets and industries. These should include the UK games and creative sectors, which are ideally placed to offer long term returns on investment in line with the intention to develop a Value for Money framework and asset managers should be encouraged and supported to realise this intention and support the Government's growth mission. The current UK landscape has seen an influx of foreign investment and acquisitions – Ukie analysis shows that there has been at least £6.2bn of foreign investment by way of acquisitions of UK companies between 2020 and 2024, though over £5bn of this occurred in 2020 and 2021. Domestic investment in the games industry through acquisitions stands at less than £8m in the same period. More recently, the global video games industry, the UK included, has been hit with significant layoffs as this investment has waned and growth has levelled off following a boom driven by increased consumer interest in video games during global lockdowns. Whilst there have been a high number of new video games business registration and 'phoenix' companies that have been established following this period of layoffs, it is vital to develop the right framework and domestic investment conditions for these companies to get established and thrive. Historically UK companies are often left with the option of seeking equity investment from overseas or the sale of a company in order to grow. Whilst there are schemes such as the UK Games Fund, which offer start up grants to companies to help develop initial concepts or games to demonstrate, the value of grants in the range of £25-30k is low given the actual cost in developing a concept to be able to generate further funding. Whilst the recent development of a 'content fund' element to the UK games fund offering larger grants of £150,000 is welcome the Government must ensure that all elements of the fund are maintained and potentially increased in the coming years to ensure it continues to benefit new start-up companies, and those seeking to scale and make new original IP. A recent interim evaluation conducted by Alma Economics on behalf of the Department for Culture, Media and Sport found that the UK Games Fund prototype support activity includes a central benefit estimate of £5.40 for every £1 of public funds invested, generating around 430 jobs, with long-term productivity benefits cited as £42m (Alma Economics, 2024) The

Government should consider ways in which it can encourage UK based companies who are ready to go to market themselves – without making any funding contingent on validation from publishers or financiers that are often overseas. We welcome the Government's recent commitment to maintaining this fund, but the value of the fund must also increase to meet demand and catalyse the further development of British games and original IP and encourage structures that seek to keep the value created within the UK. A further consideration of Government should be the upcoming BBC charter renewal and the exploration of how a games commissioning stream in a renewed charter could give the overall games ecosystem a boost – potentially drawing in a wider array of perspectives and talent into the sector, particularly from underrepresented backgrounds. Access to talent is a key enabler of growth in UK studios – and corresponding shortages have been a brake on growth at times in the last decade. The industry sits at the intersection of creativity and technology and the transformation in the job market has seen an increasing demand for skills that go beyond traditional academic disciplines. Similarly, over the past few years, the industry has relied heavily on access to talent from the EU and the rest of the world – and several roles relevant to the games industry in areas such as technical art and design were previously on the shortage occupation list. Ukie's census in 2022 (UK Games Industry Census 2022, Dr Mark Taylor, Ukie) estimated that around 29% of the overall directly employed workforce originate from the EU or outside of the UK – and this continuing trend now sees the cost of visas for those workers as a significant expense for companies who make games in the UK. There is an opportunity, with the Government's curriculum review and a reshaping of the national curriculum, to placing digital and creative subjects at its core to ensure that young people in the UK develop a strong foundation in the use of technology and are better equipped to move into roles in the industry. The development of a Digital Creativity GCSE, as well as reforms more broadly to design-based subjects and Computer Science, as well as a greater emphasis on creative skills will leave students better placed for further and higher education and better equipped that for the dynamic nature of the modern workforce. Finally, a lack of financial literacy and business development skills can often be a barrier to start up games' businesses growing and being able to scale. The work of developing a game is not only technically difficult and requires multiple creative inputs – from concepts through to design, testing and delivery – but the process of seeking investment, developing a marketing strategy, negotiating publishing deals or seeking to self-publish, are all huge considerations in the genesis of a project. Developing games is difficult, but also highly competitive as a digital product with a potential global audience. It is vital that we can equip developers or studio leaders with the right skills, training and advice to make the best economic decisions in order to move their companies to the next level. This business training should be embedded into university courses, and accelerator programmes with the aim of bringing new and diverse voices into the games industry and helping their path to collective success. Ukie and organisations like Games London have developed a series of accelerator and scale up programmes which provide companies with tailored support, mentoring and network opportunities. The programme fosters a diverse community of creators spanning a variety of backgrounds, ethnicities and across multiple regions – but also supports the developing of ground breaking content and new IP across multiple formats of game, but also through VR/AR/XR technology. Ukie's accelerator was supported by a mixture of private funding, but also direct financial support from the Department for Business and Trade. Whilst it is too early to see the results of this year's programme, we believe a long-term programme of Government support, combined with private investment and industry knowledge can help develop a new generation of dynamic developers.

## **Business Environment**

The government will work in partnership with businesses, trade unions, mayors, devolved governments, experts, and other stakeholders to help address the biggest challenges to unlocking business investment, focusing on the 8 growth-driving sectors and clusters across the country.

Please read p.27-29 of the PDF ([or here online](#)) before completing this question.

Q7. What are the most significant barriers to investment? Do they vary across the growth-driving sectors? What evidence can you share to illustrate this?

Despite the creative industries contributing £126bn annually to the UK economy, with video games a significant sub sector, but also a global success story – the sector faces persistent challenges in accessing capital as traditional financial institutions and models often fail to recognise the value of IP, which is integral to games and the creative economy. This is despite the UK possessing the correct conditions for the development of more IP based finance models according to the World Intellectual Property Office (WIPO) (Unlocking IP-Backed Financing, The United Kingdom’s Journey, WIPO). Intangible assets are treated differently compared to physical assets like property or machinery, giving the impression that creative businesses are ‘riskier’. Another factor influencing investment is the perceived competitiveness of the UK’s creative industry reliefs. The games industry has benefited in the past decade from creative industry tax reliefs – specifically Video Games Tax Relief (VGTR) which was recently reformed to Video Games Expenditure Credit (VGEC). Whilst the reforms increased the headline rate of the relief, in practice as the rate of corporation tax is applied to expenditure credits at source, the effective rate of relief remains largely unchanged. Coupled with administrative changes to the relief and the eligibility criteria for VGEC, removing previously eligible expenditure from the European Union, the relief has been tightened over time and is no longer as competitive as it once was owing to increasing costs of production, higher labour costs and inflation. A competitive rate of relief is seen as a major attraction for companies seeking to invest or start up in the UK. Major international publishers and developers made significant investments or acquisitions in the UK based on a combination of having a competitive tax system which encourages development, access to highly skilled talent and a stable IP and copyright framework and regulatory environment. Investment in the creative industry tax reliefs is also a win for the UK economy – with investment in the reliefs seeing a significant return on investment. According to the most recent BFI screen business report, it found for every £1 invested in VGTR, there was a return of £1.72. (Screen Business Report 2021, BFI/Osberg SPI/Nordicity) However, as the rate of relief has been essentially static in the face of high labour and property costs, the UK’s leading position as the leading European development hub is at risk to competition from other countries seeking to invest in their own domestic games markets through more competitive tax reliefs in countries like Ireland, France and Canada, through specific games and content funding as in Germany, or lower cost jurisdictions where significant investment has been made in skills and education to grow the pool of development talent and where companies may benefit from visa free access across the European Union. There is an opportunity now to look again at the rates of tax relief, as well as the criteria against which developers can claim relief in order to reassert the UK’s pre-eminent position as the leading development hub in Europe. Analysis by Ukie and Nordicity in an upcoming report into the competitiveness of the UK video games tax reliefs and expenditure credits and potential for economic growth, compared the UK to other international regimes and found that VGEC is now significantly less competitive than comparative schemes in France, Ireland, Australia and some Canadian states on a typical mid-sized production. Whilst a more detailed analysis will be available at a later date we have analysed the impact of VGEC based on available public data, as well as detailed quantitative and qualitative analysis. . (Economic analysis of Video Games Expenditure Credit, Ukie/Nordicity – unreleased) The analysis shows that VGEC’s ‘effective rate’ of relief, compared to these other relief schemes covers around 14% of the total

production budget – whilst reliefs in Ireland (17.8%), France (20.2%), Australia (18.4%) and Canada (Quebec, 18.2%, Ontario 15.8%) are higher for a typical production. We believe there is merit in exploring how our system of reliefs – both through potentially increasing the rates available and looking at eligibility criteria, to make a more competitive rate and generate further growth from the industry. A more complete analysis and report is being developed currently and will be available in the coming weeks. Development processes for games have also changed significantly in the past decade from the original inception of VGTR – there are many more ‘live service’ games where following the original release of a game, its developer will continue to develop additional content for that game, perhaps on an annual basis to extend the life of the product and give consumers longer and more meaningful experiences. The reliefs as they were designed over 10 years ago also only apply to new intellectual property created, which is no longer entirely reflective of how the video games industry has developed – where games can be launched and worked on for over 10 years, creating growth and employment opportunities and in some cases bringing in development from abroad which may have been commenced in another territory. Similarly, companies often carry out development work across territories, generating employment and economic activity which is often not eligible for tax relief. Recognising this and the wider array of development costs which often include ongoing costs, or significant post release work as fundamental parts of development process would make the relief fit for the modern era. There is also a lack of available project financing, reducing the options available to start up and scaling companies. Government could encourage new sources of financing if tax credits that are available to equity investment could also be used for project investment under specific structures and requiring significant employment in the UK to be attached to those projects. Government should therefore commit to a further review of VGEC and its eligible criteria in order to maximise the economic benefits of the relief in pursuit of its growth mission, as well as clarifying the processes for companies. In addition to this Government should consider ways in which reliefs can be more applicable to co-development projects where British based developers work jointly on a project with close international partners, or across territories. Even where work is done on a ‘used or consumed’ basis in the UK, in line with new VGEC rules, it is hard for co-development projects to access tax relief if the ‘primary developer’ is in another country – despite the wider indirect benefits these projects bring to the UK. Government should begin to explore the processes by which co-development arrangements can be made with close international partners as they have been in the Film and High-End TV industry.



## **Business Environment - People and Skills**

The people that create and work in businesses will be central to the success of the growth-driving sectors and clusters, supporting the Government's Growth, Opportunity, and Clean Energy Missions in particular.

Please read p.29-31 of the PDF ([or here online](#)) before completing these questions.

Q8. Where you identified barriers in response to Question 7 which relate to people and skills (including issues such as delivery of employment support, careers, and skills provision), what UK government policy solutions could best address these?

There are several issues affecting both access to talent, but also the development of a diverse and creative workforce across the creative economy that are affecting the games industry's ability to grow as well as stave of high competition for highly skilled and technical roles from other sectors. There are also issues around course and teaching quality at University level which are affecting the ability of graduates to move directly into the workforce. The Government needs to take a broad approach encompassing long term actions such as the curriculum review and developing greater digital skills in early years, as well as targeted interventions which will maintain existing pathways and qualifications but also ensure that other routes to the workforce are better suited to available roles and the skills needs in the games sector and wider creative industries. We support the aims of the Curriculum and Assessment review and feel it represents a once in a generation opportunity to enhance creativity in education, expand digital skills provision, integrate arts and sciences and empower a new, diverse generation of digital creators. Access to the arts and culture have been severely restricted through previous curriculum reforms, notably the introduction of the Ebacc and the focus on core subjects - which have de-prioritised arts subjects and in turn reduced exposure to and the development of creative skills that are vital to future employment in both the creative and non-creative sectors. This shift has had significant consequences for the creative curriculum. Department for Education (DfE) figures from 2018 revealed that the number of hours dedicated to the broader category of 'arts' subjects dropped by 21% between 2010 and 2017, while the number of arts teachers declined by 20%. The Cultural Learning Alliance's Annual Report Card in May 2024 revealed even more concerning statistics, including that 27% of schools had cut creative courses directly due to the EBacc's implementation. This was particularly detrimental for subjects like Art & Design, Music, and Design & Technology, which became optional at Key Stage 4 (KS4). This shift towards optionality, especially for creative subjects, can act as a disincentive for schools to invest in these areas when they are still mandatory at earlier key stages. The introduction of Progress 8 in 2016, a measure to hold secondary schools accountable for their performance, further amplified this problem. Progress 8 places a heavy emphasis on EBacc subjects, meaning schools that prioritise these subjects tend to perform better in the league tables. This leaves little room for the creative subjects, which are perceived to be of lesser value in terms of the school's performance. A survey conducted by Escape Studios in 2024 revealed that 40% of the 2,008 UK adults surveyed, including 38% of parents and guardians, did not believe creative roles were "real jobs," highlighting a broader societal bias that undermines the value of creative education. Recent research by Kemp et al (2024) also highlights the steady decline of female students taking Computer Science GCSE – 17% compared to 39% of male students and suggests digital 'making' activities including digital art or game development are an essential missing ingredient from current GCSE offerings. (Subject choice, attainment and representation in computing (SCARI computing) Kings College London, Kemp et al.) Therefore, as part of the Curriculum Review, Ukie is recommending the introduction of a Digital Creativity GCSE which seeks to ensure that all students, regardless of background have the opportunity to develop essential creative and digital skills to prepare them for the future job market. The qualification which would sit alongside a reformed Computer

Science GCSE would focus on practical skills and integrate digital and creative technologies including production, visual and audio design and game development. Such a GCSE provision would dovetail with existing provision at Level 3 – feeding into offerings such as the AIM extended diploma in Games, Animation and Visual Effects Skills which is supported by employers through the NextGen Skills Academy network of FE colleges. We welcome the Government's pause and review of the defunding of BTECs and other Level 3 qualifications. We urge Government protect tried and tested vocational provision that aids progression in the creative industries particularly where T Level options are not available. We also welcome Government intentions with regards to the Growth and Skills Levy, in particular the moves to reform IfATE and commitment to work with employers in the development of relevant technical standards for apprenticeships which are not always immediately relevant to the needs of the games industry. We are however concerned over the proposals to de-fund Level 7-degree level apprenticeships, which have been successfully developed by games companies such as Sumo Digital. As with existing Level 3 provision we urge Government to review and protect tried and tested provision. To educate a modern workforce, educators themselves need to be equipped with the right knowledge and up to date techniques that new entrants to the workforce need to work across technical roles in the industry. Whilst some games companies have established relationships with, HE institutes in clusters across the UK, there is a role for Government, and regional or combined authorities, to co-ordinate local skills needs and the quality of education to ensure graduates are able to work in industry following the completion of their study. There are several examples, including the 'GameChangers' scheme in Liverpool City Region, where companies in conjunction with the Mayoral Combined Authority have co-ordinated on local skills needs. There are also examples of highly successful, remote digital bootcamps which have been effectively used for the games industry. These programmes have been successful with the right training providers and targeted industry support and can help fill acute skills gaps and generate further company growth. Finally, there is a lack of up-to-date research into the overall skills needs of subsectors such as games – largely because of the lack of a dedicated institution or skills body responsible to mapping and responding to skills needs. Whilst there is some regional coordination, this is largely employer led and responding to local needs – when in fact more detailed research and dedicated resource is needed to adequately map and respond to the needs of a sub sector which has undergone a recent convulsion. Targeted Government support for a UK Video Games Council, funded via grant-in-aid with a clear remit for research and skills mapping, would provide a vital link between employers, educators and training providers on order to adequately address skills gaps, raise the quality of training and education through possible accreditation schemes and develop future looking monitoring framework for skills needs.

## Q9. What more could be done to achieve a step change in employer investment in training in the growth-driving sectors?

Owing to the project-based nature of the games industry and the wider creative sector, as well as increasing competition between companies and from other sectors such as tech, digital, advanced manufacturing - games companies have often focused on prioritising immediate 'work ready' staff who have proven track records and who can fit into tight production timelines. At the same time, Government-backed schemes such as the apprenticeship levy have often been underutilised or highly expensive for games businesses to use, with apprenticeship quality and standards not being sufficient for entry level roles into the industry. This has led to a high reliance on workers from overseas – either from the EU or the rest of the world, and correspondingly increased costs through the use of skilled worker visas. Reforming the apprenticeship levy to better accommodate the project-based nature of the games industry and creative industries more broadly is essential – as is a need for Skills England to engage fully with SMEs in the games industry to drive up standards in order to make them relevant and more attractive for games businesses. Similarly allowing levy contributions which are often not utilised by SMEs, to be spent on continuous professional development, training and upskilling would benefit the games industry more broadly. Facilitating better collaboration and co-ordination between educational institutions and employers is crucial for aligning curricula with industry needs and technical changes. Examples such as 'GameChangers' in the Liverpool City Region, who have begun to co-ordinate training efforts, careers pathways and leadership courses via a series of strategic groups and partnerships with HE and FE institutions to better shape the needs of the businesses in that region (Game Changers, Year 1 Impact Report). Seeking to implement similar schemes on a wider regional basis across the games industries key clusters could address local needs and leverage existing local strengths. Skills England could work with Mayoral and Regional Combined Authorities to implement programmes, provided they have been shaped with industry input, however, a central co-ordinating body for the Games sector that is able to research and map industry needs is required to realise this best practice on a national basis.

# Business Environment - Innovation

Accelerating the rate of innovation and increasing the adoption and diffusion of those ideas, technologies, and processes is an essential step for growing the productivity of our growth-driving sectors.

Please read p.31-33 of the PDF ([or here online](#)) before completing these questions.

Q10. Where you identified barriers in response to Question 7 which relate to RDI and technology adoption and diffusion, what UK government policy solutions could best address these?

Q11. What are the barriers to R&D commercialisation that the UK government should be considering?

Whilst the video games industry benefits significantly from dedicated tax reliefs which can be claimed by developers, the industry more broadly is an incubator of technology and innovation that go beyond the development of games. The current focus of R&D tax relief on science and technology fails to fully recognise wider innovation in the creative industries. Games companies are at the forefront of developing immersive experiences and have been at the forefront of the development of AI for decades. Again, as the industry is largely made up of SMEs, the process by which they can access R&D funding can be restrictive and cumbersome. As with the development for content, games companies can lack the financial resources to take new projects to full maturity. Research from the Creative Industries Policy and Evidence Centre highlighted that R&D in creative technology is often overlooked (Creative Policy and Evidence Centre, The Art of R&D), whilst the Council for Science and Technology recommended in 2023 that R&D spending for the creative industries match its the size, contribution and potential future contribution to the UK economy. (UK Council for Science and Technology, Harnessing Research and Development in the UK Creative Industries) Ukie's report examining the spillover effects of technology and innovation developed by the UK games industry, saw an additional economic output of £1.3 billion to the UK economy, on top of the Games industry's own £6bn contribution – equivalent to the size of the UK forestry industry . (Games Technology Spillover report, Ukie/FTI Consulting)

## **Business Environment - Data**

Data fuels modern business, both as users and producers. There is a huge opportunity for the UK to use its data more strategically, driving innovation and economic growth, including in the growth-driving sectors.

Please read p.33-34 of the PDF ([or here online](#)) before completing these questions.

## Q12. How can the UK government best use data to support the delivery of the Industrial Strategy?

There is not enough up-to-date or longitudinal data on the games industry specifically or the creative industries more broadly. Whilst we welcome recent grants through the BFI Innovation Challenge Fund to establish a Games Insight Database, as well as fund a wider econometric analysis of the sector via Ukie and OKRE (Games Industry receives £510,000 in Lottery Funding, Games Industry Business) – there needs to be a long term developed research programme which looks at the overall impact of video games as a sub sector – including the societal and cultural impacts, impacts on wellbeing and catalysing effects of technological innovations developed by the sector. The industry has broadly been unable to fully analyse its skills needs or actions required to alleviate skills gaps owing to a lack of resource and the time limited nature of analysis which is often out of date as soon as it is delivered. Government should commit greater resource to allow sectors or subsectors to conduct recent up to date analysis into skills needs – and more broadly a greater degree of data for the games sector can be realised through the creation of a dedicated UK Video Games Council with responsibility for long term research into the sector. The UK government must be able to accurately measure the UK games industry within its own frameworks to guide policy, reliably measure the impact of the industrial strategy over time and make meaningful comparisons between subsectors. There are limitations in two key mechanisms – SIC codes for GVA and the Annual Population Survey for employment. The DCMS estimates for employment for the years 2020-2023 have diverged significantly from industry measurements and expectations. Our most recent measure of employment was 26,600 in 2021, compared with the 2021 DCMS estimate of 43,000. DCMS's estimates show year on year growth of between 20% and 30% for the years 2019-2021, which the industry did not see in its own measurements over this period. We encourage the government to consider if this employment data, derived from the Annual Population Survey and guided by SIC codes, accurately reflects the size of the industry such that we can understand how best to encourage its growth. On SIC codes specifically there are two SIC codes in the UK that relate to the video games sector:

- 58.21 – Publishing of computer games
- 62.01/1 – Ready-made interactive leisure and entertainment software development

These two codes do not meaningfully split the sector into publishers and developers as the name of the development code makes it hard for new businesses to identify themselves correctly. The development subsector is identified at the lowest level of the SIC hierarchy, which means it cannot be compared internationally. Having a 5-digit code within the DCMS definition of the “computer games” subsector also means reporting is less detailed than other subsectors defined by more typical 4-digit codes. Dedicated SIC codes for video games were introduced only in 2007 and some of the more established UK games businesses, who account for significant GVA and employment, remain within older software publishing SIC codes and are not counted within government statistics for “computer games”. ONS is currently considering how to advance following global revisions to both the NACE and ISIC international systems of SIC codes. Ukie encouraged the creation of two renamed 4-digit SIC codes (developed and agreed globally) to better define and measure the UK games industry, while warning against the danger of abolishing 5-digit codes completely, which would harm our ability to identify the sector. We renew these recommendations here and will work with Government within the new

SIC system when it is in place to encourage all video game businesses to correctly identify themselves within it to improve DCMS's reporting on the sector.

Q13. What challenges or barriers to sharing or accessing data could the UK government remove to help improve business operations and decision making?

See previous answer

## **Business Environment - Infrastructure**

An effective planning system is a fundamental enabler for business investment in our growth-driving sectors. Growth-driving sectors also require high quality infrastructure and transport connectivity.

Please read p.34-36 of the PDF ([or here online](#)) before completing these questions.

Q14. Where you identified barriers in response to Question 7 which relate to planning, infrastructure, and transport, what UK government policy solutions could best address these in addition to existing reforms? How can this best support regional growth?



Q15. How can investment into infrastructure support the Industrial Strategy? What can the UK government do to better support this and facilitate co-investment? How does this differ across infrastructure classes?

## **Business Environment - Energy**

Access to cheap and reliable energy is an influential determinant of business competitiveness and an important consideration for internationally mobile investment.

Please read p.36-38 of the PDF ([or here online](#)) before completing these questions.

Q16. What are the barriers to competitive industrial activity and increased electrification, beyond those set out in response to the UK government's recent Call for Evidence on industrial electrification?

Q17. What examples of international best practice to support businesses on energy, for example Purchase Power Agreements, would you recommend to increase investment and growth?

## **Business Environment - Competition**

Competition and consumer policy, including subsidy control, is an important lever across and beyond the growth-driving sectors.

Please read p.38-40 of the PDF ([or here online](#)) before completing these questions.

Q18. Where you identified barriers in response to Question 7 which relate to competition, what evidence can you share to illustrate their impact and what solutions could best address them?

Q19. How can regulatory and competition institutions best drive market dynamism to boost economic activity and growth?

## **Business Environment - Regulation**

Regulation can address market failures, create economic certainty, and drive innovation to stimulate growth while protecting consumers and businesses.

Please read p.40-41 of the PDF ([or here online](#)) before completing these questions.

Q20. Do you have suggestions on where regulation can be reformed or introduced to encourage growth and innovation, including addressing any barriers you identified in Question 7?

To foster growth and innovation within the UK's cultural and creative industries, the Government should examine existing financial regulations that hinder the development of innovative IP investment vehicles. Conventional lending practices often require tangible assets, such as property or equipment, as security for debt investment. This poses a significant challenge for creative enterprises, whose intangible assets, while valuable, are frequently undervalued or deemed unsuitable as collateral under existing financial regulations. The games industry has grown on the back of a stable regulatory framework which encourages and protects the development of new IP. The strategic priority should be to retain this stability. Significant changes to the legal environment with regards to intellectual property and consumer law should be avoided particularly at a time when new complex regulations like Online Safety Act are introduced and given time to be established. The video games industry has a successful history of self-regulation through the development of the PEGI age rating system which has helped, rather than hindered its growth. With the rapid advancement of new Generative AI technology, Ukie supports the responsible development of AI regulations which support innovation and the development of new technologies and processes which can cut development time and costs whilst at the same time protecting rightsholders, safeguarding intellectual property rights, allowing games developers the confidence to engage more fully with AI technology. Whilst clearer regulation or guidance is needed to clarify the law in relation to the proper use of new AI technologies – linked to this must be education and the development of skills in how to harness AI technology in the creative development process. Again, the curriculum review offers a generational opportunity to ensure students learn how to use and apply technology in a range of scenarios and develop fundamental skills which will benefit them in future roles which will likely interact heavily with new AI tools.

# Business Environment - Crowding in Investment

UK firms have access to one of the world's leading financial services sectors. Despite this, as outlined above, the UK has consistently invested less than its international peers, with levels varying depending on firm size, sector, and region.

Please read p.41 of the PDF ([or here online](#)) before completing this question.

Q21. What are the main factors that influence businesses' investment decisions? Do these differ for the growth-driving sectors and based on the nature of the investment (e.g. buildings, machinery & equipment, vehicles, software, RDI, workforce skills) and types of firms (large, small, domestic, international, across different regions)?

## **Business Environment - Mobilising Capital**

The UK has a complex landscape of public and private business finance providers and institutions. However, the Government knows from businesses that there is still much to do to improve ease of access to growth capital and scale-up finance in the UK.

Please read p.41-43 of the PDF ([or here online](#)) before completing these questions.

Q22. What are the main barriers faced by companies who are seeking finance to scale up in the UK or by investors who are seeking to deploy capital, and do those barriers vary for the growth-driving sectors? How can addressing these barriers enable more global players in the UK?

As detailed in previous questions, there are significantly fewer available options for investors seeking to make early-stage investment in games and the creative industries more broadly as well as more stringent rules and conditions on lending to IP based businesses with more intangible assets. There are a range of options available to early-stage investors in other countries which have not been adequately replicated in the UK. To fully realise the growth ambitions of the Government for the Creative Industries there needs to be a blend of financial options available to developers' comprising grants, loans, guarantees, equity and debt. In this mix the continuation and escalation of the UK Games Fund – both its prototype and content fund – are a vital component of this given its success to date and the return on investment that the Government has seen. A significant driver of growth in markets such as the United States for example has been the relative speed and flexibility of Simple Agreement for Future Equity (SAFE) agreements – whereas UK equivalent schemes such as Advanced Subscription Agreements (ASA), required to take advantage of SEIS & EIS opportunities, are more complex, lock down a business into disadvantageous business terms and do not offer the same flexibility to investors or founders. Whilst schemes such as EIS/SEIS have been extended to 2035 by the Government some of the restrictions placed in the approval of those schemes, adversely restrict the industry as a whole, e.g. the restriction on royalty-based businesses rules out publishing companies who are an essential part of the video games infrastructure and can facilitate the success of the whole industry. The relative lack of successful applications by games and the creative industries for other available funds, such as Innovate UK's Investor partnerships for the future economy programme which aims to stimulate research, development and innovation is another example of where current institutions have not adequately considered the creative industries as an incubator of technology and innovation. These rejections are often based on specific rules of such schemes or a perceived bias in the filtering process towards "less risky" businesses which results in the removal of those games applications based on opinion rather than evidence. We urge Government, Innovate UK and other institutions such as the British Business Bank to take input on their rules and terminology, to question their selection processes and the people making those selections and extend the eligibility criteria of these programmes. There is also an opportunity to increase the support of venture investment in UK video games. Options include extending and increasing the British Business Investments (BBI) intended match funding support of specialist early-stage investment groups. Consideration should also be given to supporting later stage venture investments to growing companies to reduce the focus on overseas funding and return value to the government investors, for example ring-fencing portions of worldwide VC funds with additional matched UK funds, to only be spent in the UK, or the establishment of a UK-focussed industry supported VC/ investment fund. As previously mentioned, there are generally few options for scale up funding, where a company has shown progress and potential. This leads to those companies needing to take overseas investment, therefore transferring the value created out of the UK economy. Where options for debt funding and scale up funding can be created and those funds

made applicable to games companies, there will be the potential for significant returns in growth.

Q23. The UK government currently seeks to support growth through a range of financial instruments including grants, loans, guarantees and equity. Are there additional instruments of which you have experience in other jurisdictions, which could encourage strategic investment?

## **Business Environment - Trade and International Partnerships**

The UK is a proud trading country and among the most open economies in the world. The UK holds strong and constructive partnerships all over the world, built on principles of openness and shared prosperity and a commitment to upholding the international rules-based system.

Please read p.44-47 of the PDF ([or here online](#)) before completing these questions.



## Q24. How can international partnerships (government-to-government or government-to-business) support the Industrial Strategy?

As in previous answers the Government should look to establish co-development arrangements, underpinned by treaties and trade agreements to allow companies to more easily enter co-development arrangements across territories, but be eligible for VGEC on the portion of development taking place in the UK.

## Q25. Which international markets do you see as the greatest opportunity for the growth-driving sectors and how does it differ by sector?

Games developers create digital content which can be distributed globally, through digital stores, with relative ease. A UK games company, with the right products, can sell to most of the World's nations. However, there is a substantial difference between listing a game on a digital store and proactively selling into that market. Trade missions to key markets to establish these relationships are therefore vital to this endeavour, benefit UK developers and need to be expanded. There are several opportunity markets for UK developers which, with the right support, can benefit UK developers in the in the short, medium and long term. Short to medium term (1-3 years)

- United States - is the largest market for games with 26% of overall global revenue. This is a well-trodden market by UK companies through major events such as Games Developer Conference (GDC) in San Francisco in March. However, this is a one-off annual visit. The UK Government needs consider adding additional trade missions to the market to further exploit opportunities. This is the largest market and UK independent developers are under-performing within it relative to the size of its domestic industry.
- China – the second largest market for games, accounting for 24% of global revenue. The UK was a pioneer for partnerships in China with Ukie-DBT trade missions helping UK companies enter the market ten years ago. The Chinese Government has subsequently been through a complete clamp down on games with no overseas-made games being released in China for four years. Now constraints have been lessened the UK Government should seek to re-engage in China to re-build these relationships. Any prospective trade deal with China should have digital products and games at the heart of negotiations.
- Japan – consumers in Japan account for 9% of all spending on games globally. UK games have had a negligible impact in this market as local giants of Nintendo and Sony have dominated this market. However, with the recent rise of independent game development in Japan there is now a real opportunity for international companies to break into Japan.

Medium to Long term (3-10 years)

- LATAM – This market's potential has been led by a surge in interest in games in Brazil, who recently announced legal changes to classify games developers in their own right and as a cultural industry – opening the industry up to tax deductions and grant in aid schemes. Brazil is the fastest growing games market in the region and likely to be very attractive to UK companies in the next 3-5 years.
- Africa - Although the market in Africa is inconsistent owing to the variety of socio-economic conditions and disparities across the continent – the consumption of content in games and media more generally is largely done via mobile devices which is where African developers are moving. We estimate this will be a dynamic market in 5-10 years' time and there is an opportunity to establish stronger trading relationships now. There are clearly opportunities for UK developers and businesses given the right level of Government support. To capitalise on these opportunities however there needs to be greater clarity on the aims of any Government support and clear metrics around the return on investment. Previous programmes such as the Trade Access Programme (TAP) largely failed because they were inconsistent, and resource was spread thinly by the Department. In some cases, bodies in receipt of funding used it to simply curate events – rather than support and enhance the quality of trade missions for the businesses involved. We would welcome the return of enhanced funding or support for these missions, perhaps on an initial pilot basis, to trade associations and other organisations with a

track record of delivering business wins for UK companies and who facilitate the sharing of wider business intelligence.

## **Place**

A core objective of the industrial strategy is unleashing the full potential of our cities and regions by attracting investment and creating the best environment for businesses in them to thrive.

Please read p.48-50 of the PDF ([or here online](#)) before completing these questions.

Q26. Do you agree with this characterisation of clusters? Are there any additional characteristics or dimensions of cluster definition and strength we should consider, such as the difference between services clusters and manufacturing clusters?

The games industry is already clustered, with 58% of development roles situated outside of London and the Southeast. There are significant concentrations of companies in London, Guildford and Brighton, but also in Leamington, Liverpool, Manchester, Sheffield, Leeds, Dundee, Edinburgh and Glasgow. The UK Games Map is an essential resource which maps the UK's games businesses and supporting educational institutions which offer video games courses – and are often fundamental to the development of clusters overall. Games clusters have developed over time owing to several factors which often include a strong local university or educational institution, access to commercial property with good digital infrastructure as well as good transport links. Principally, however clusters have developed organically around successful founders or collections of companies who have set up in one city or town, building up skills in the local workforce, as well as being able to reinvest their successful outcomes into the local community. Historically, smaller companies can spin out of more developed entities, either through new opportunities, or in some cases redundancies, acquisitions or insolvencies. We have seen the benefits of close working with Mayoral Combined Authorities in some games cluster areas such as Liverpool, where coordination on skills and careers education has been successful and has the potential to be replicated to other areas. However, Government should not restrict the potential for new local development plans or devolution deals to only these areas. Several games clusters fall into other types of local authority areas. Whilst there are opportunities in the devolution of skills funding, or greater discretionary funding which might encourage economic development in certain areas, the Government should ensure that all areas with high growth potential are afforded these opportunities.

Q27. What public and private sector interventions are needed to make strategic industrial sites 'investment-ready'? How should we determine which sites across the UK are most critical for unlocking this investment?

## Q28. How should the Industrial Strategy accelerate growth in city regions and clusters of growth sectors across the UK through Local Growth Plans and other policy mechanisms?

As in question 26, Whilst the games industry have seen the benefits of close working with Mayoral Combined Authorities in some games cluster areas such as Liverpool, where coordination on skills and careers education has been successful and has the potential to be replicated to other areas – Government should not restrict the potential for new local development or growth plans or devolution deals to be restricted to only these areas – as several games clusters fall into other types of local authority areas. Whilst there are opportunities in the devolution of skills funding, or greater discretionary funding which might encourage economic development in certain areas, the Government should ensure that all areas with high growth potential are afforded these opportunities. One of the causes for the current clustering in the UK, is the impetus generated by previously successful local companies and people, driving the growth of other companies in their locality, through improvement of skills, direct investment, but principally the mentoring and support that was freely given. Government can help this process by supporting industry accelerator programmes and new cross-industry mentoring schemes, based around improved mentor selection, mentor training and mentor matching with a 3-tiered approach to mentoring. These schemes can improve the chances for success of all companies in the video games sector, and in particular help those in regions that are more nascent and developing games clusters.

Q29. How should the Industrial Strategy align with Devolved Government economic strategies and support the sectoral strengths of Scotland, Wales, and Northern Ireland?

The games sector has particular strengths across the devolved nations, with a strong heritage of games development in Dundee, but also Edinburgh and Glasgow. The Games industry in Wales and Northern Ireland is growing, and there have been notable support programmes and policy interventions which have helped companies grow and develop, or to invest directly in those nations – notably through Northern Ireland Screen but also the Welsh Government providing support via its Economic Futures Fund to attract Rocket Science to build its European Headquarters in Cardiff. There is value in a pragmatic approach across the country which affords flexibility for devolved nations and regional authorities to be able to support developing clusters of games businesses in their area as well as attract inward investment. Importantly, however, is the need to develop the right blend of financial support on a UK-wide basis to support the overall development of the sector. The UK Games Fund, although based in Dundee, provides early-stage grants to companies across the UK, not just in Scotland. Similarly, whilst the UK Government is consulting on long term education reforms through the Curriculum review, which because of the nature of devolved powers will focus on England specifically – it should avoid where possible wide divergence with the developed curriculum in other UK nations or encourage reforms in digital skills provision and education to be adopted across the UK. This will ensure that all students in the UK, particularly those who are looking to move into more technical roles in FE/HE settings have the base technical knowledge which will help them more easily move into careers in the future.

## Partnerships and Institutions

The ambition set out across this paper can only be realised in partnership. Only by working with the network of businesses, investors, civil society, international partners, local leaders and devolved governments who play a critical role in the UK economy, can we shape and deliver an industrial strategy that can truly drive growth.

Please read p.51-53 of the PDF ([or here online](#)) before completing these questions.

Q30. How can the Industrial Strategy Council best support the UK government to deliver and monitor the Industrial Strategy?

The Industrial strategy council must strike the right balance in its approach to delivery of the industrial strategy in its representation of a creative industry wide approach, as well as representation of high growth sub sectors such as games and other creative technologies. A fully representative council can address sector specific challenges through the development of evidence-based recommendations, whilst recognising the unique nature of some of the high growth potential sub sectors such as games.

Q31. How should the Industrial Strategy Council interact with key non-government institutions and organisations?

Q32. How can the UK government improve the interface between the Industrial Strategy Council and government, business, local leaders and trade unions?

# Theory of Change

Economic growth is a complex issue with interrelated short-term and long-term drivers, many of which are structural in nature.

To effectively prioritise policies within the industrial strategy, targeted at the right sectors and types of economic activity, the government needs to rationalise this complexity into a series of potential causal pathways. This will also help to identify where to further develop the evidence and analysis.

Please read p.55-57 of the PDF ([or here online](#)) before completing these questions.

Q33. How could the analytical framework (e.g. identifying intermediate outcomes) for the Industrial Strategy be strengthened?

Q34. What are the key risks and assumptions we should embed in the logical model underpinning the Theory of Change?



Q35. How would you monitor and evaluate the Industrial Strategy, including metrics?

### **Additional Information**

## Q36. Is there any additional information you would like to provide?

The Video Games Industry Manifesto, Ukie, <https://ukie.org.uk/resources/video-games-industry-manifesto> The Economic Impacts of Video Game Technology Spillover, Ukie & FTI Consulting, <https://ukie.org.uk/resources/the-economic-impacts-of-video-game-technology-spillover> Video game play is positively correlated with well-being, Niklas Johannes, Matti Vuorre, and Andrew K Przybylski, Oxford Internet Institute, <https://osf.io/preprints/psyarxiv/qrjza> Global Games Market Report 2024, Newzoo, <https://newzoo.com/resources/trend-reports/newzoos-global-games-market-report-2024-free-version> Online Nation 2023, Ofcom, <https://www.ofcom.org.uk/media-use-and-attitudes/online-habits/online-nation/> Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2023, ONS, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2023> FuturLab, 'PowerWash Simulator x Oxford University research finds 72% of players have an uplift in their mood', <https://www.futurlab.co.uk/news/powerwash-simulator-x-oxford-university-research-finds-72-of-players-have-an-uplift-in-their-mood> UK Games Industry Census 2022, Dr Mark Taylor, Ukie, <https://ukie.org.uk/census2022> Unlocking UP-Backed Financing, The United Kingdom's Journey, WIPO <https://www.wipo.int/edocs/pubdocs/en/wipo-pub-rn2023-42-en-country-perspectives-the-united-kingdom-s-journey.pdf> Screen Business 2021, BFI, Olsberg|SPI with Nordicity, <https://core-cms.bfi.org.uk/media/15417/download> Subject choice, attainment and representation in computing (SCARI Computing) KCL, Kemp et al. <https://www.kcl.ac.uk/research/subject-choice-attainment-and-representation-in-computing> GameChangers, 1 Year Impact Report, [https://www.allaboutstem.co.uk/wp-content/uploads/2024/10/GC\\_Year1\\_Report\\_v5-1.pdf](https://www.allaboutstem.co.uk/wp-content/uploads/2024/10/GC_Year1_Report_v5-1.pdf) The Art of R&D, Creative Policy and Evidence Centre, <https://pec.ac.uk/wp-content/uploads/2023/12/PEC-The-Art-of-RD-v2.pdf> UK Council for Science and Technology, Harnessing Research and Development in the UK Creative Industries, [https://assets.publishing.service.gov.uk/media/652fc7ac92895c0010dcb980/Harnessing\\_Research\\_and\\_Development\\_in\\_the\\_UK\\_Creative\\_Industries.pdf](https://assets.publishing.service.gov.uk/media/652fc7ac92895c0010dcb980/Harnessing_Research_and_Development_in_the_UK_Creative_Industries.pdf) UK Indies to receive £510,000 in Lottery Funding, <https://www.gamesindustry.biz/uk-indies-to-receive-510000-in-lottery-funding> UK Games Map, <https://map.gamesmap.uk/>