response

Ukie response to the Migration Advisory Committee's call for evidence

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ukie

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Introduction

UK Interactive Entertainment (Ukie) welcomes the opportunity to respond to the Migration Advisory Committee (MAC)'s call for evidence. The Government has indicated that bringing an end to free movement of people and introducing controls on who enters the UK for settlement from the EU is a key priority in the upcoming exit negotiations from the bloc.[1] The most preferable solution for business would undoubtedly be to establish a system that supports the freedom of movement of EU workers, with a job offer in place, into the UK. However, if this is not possible to achieve during the negotiations, we believe that any revised immigration system must be based on the country's demands for economic success and strengthened productivity.

The success of the UK's games industry has significantly relied on global talent, and in order to remain competitive on a global stage the Government must ensure the UK remains open to top international talent. The fast-growing and highly productive UK games industry employs a significant proportion of non-UK staff, and our relevance to UK plc will only grow given the industry's marrying of technical and creative innovation that can be applied elsewhere in the economy, from advances in artificial intelligence to virtual and augmented reality.

Our departure from the EU provides the catalyst for reforming and future-proofing our immigration system. Reforms should aim at delivering a data-driven and agile system that keeps pace with high-value areas where the UK is lacking skills. We believe such a system would help rebuild public confidence and trust that immigration is being controlled and calibrated to the needs of the UK economy.

In our submission, we will firstly set out our industry's significance to the UK and in turn the importance of EEA and international workers to our sector. Secondly, we explain the recruitment practices employed in our sector and the impact the EU referendum result is already having. Thirdly, we explore the impact international talent has on skilling-up the UK workforce and the initiatives undertaken by our industry to help grow local talent. Finally, we describe where and how we believe our immigration system should be adapted in order to position the UK as an attractive destination for skilled talent; not only benefiting the games industry but the wider technology and creative industries too.

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[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633321/Commission_to_the_MAC.pdf

In accordance with the call for evidence guidelines, we've sought to make our response as evidence-based as possible and have thus included a number of case studies and examples from our members to support our answers. We remain at the MAC's disposal to provide further details on these case studies and elaborate on any of the points made in our response.

About Ukie

Ukie is the trade body for the UK's games and interactive entertainment industry. It represents games businesses of all sizes from small start-ups to large multinational developers, publishers and service companies, working across online, mobile apps, consoles, PC, eSports, Virtual Reality and Augmented Reality.

We aim to support, grow and promote member businesses and the wider UK games and interactive entertainment industry by optimising the economic, cultural, political and social environment needed for UK businesses to thrive.

The importance of the UK's games industry

With 95%[2] of UK games businesses exporting at least some of their products overseas, the UK games industry generates over £2bn[3] of global sales and is well placed to take a greater share of what is now $100bn[4] worldwide market and will have grown by a fifth by the time the UK leaves the EU.

Blending technological innovation with imagination and design, we are a growing part of the UK's creative industries sector; one of the six economic sectors noted by the Government to be of particular strategic importance in the negotiations as we leave the EU and in the post-Brexit environment. Whether it is in AI, data analytics or virtual reality, we put into practice and develop some of the innovations that can and will be increasingly applied elsewhere in the economy to boost productivity.

The UK games industry is a major generator of IP and a leading example of the UK's growing reputation as a home for creative, high-tech talent from across the world. By way of illustration, the globally successful Lego games series and Grand Theft Auto V, the biggest-selling entertainment product of all time (generating $1 billion in global revenues in just three days following its release), are both made in the UK.

The UK's over 2,000[5] and growing games companies are spread right across England, Scotland, Wales and Northern Ireland with economic clusters including Leamington, Sheffield, Dundee and Cardiff (Nesta research showed 12 established and 6 emerging games clusters around the

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[2] TIGA, 2012
[3] TIGA, 2014
[4] Newzoo, 2014
[5] Ukie UK Games Map0, 2016

UK in all). Two-thirds of these companies were founded after 2010. 12,100 people are directly employed by the industry, most as developers; with the industry in all supporting the jobs of 23,900 people. [6] While most games companies employ under 10 people, the UK is also host to a high number of international and European HQs, such as those of Microsoft, Sony and Nintendo.

68% of the industry's employees are under 35 years old; and the average wage is £33,900. [7] Our industry provides good jobs, right across the country.

Looking at the UK's own attitude towards games, we are the world's sixth largest market in terms of consumer revenues, estimated to be over £4bn annually; 20 million of the UK's 6-64 old population play games (or 42% of us) [8] and across Europe 44% of females play games. [9]

The importance of international talent to the UK video games industry

(This section relates to the questions posed by the MAC in the 'EEA Migration Trends' section)

According to our recent report "State of Play: The UK games industry's priorities for the EU negotiations", 61% of games businesses engage or employ non-UK nationals to make innovative new games and services.[10] Evidence suggest that the reliance on EU talent in particular is significant: on average EU employees make up 34% of these companies' headcount. In comparison, whilst 38% of games businesses employ workers from outside the EU, on average these international employees make up 17% of these companies' headcount.[11]

This difference, as the tables below illustrate, stems from the fact that EU employees primarily fill mid-tier roles where there is a shortage of qualified UK candidates, for instance in programming, whilst non-EU candidates are primarily sought to fill highly specific and more senior roles.[12] This is also reflected in the average salaries paid to EU and non-EU employees; the majority of EU nationals earn on average over £27,000 p.a., compared to the majority of non-EU nationals earning on average over £36,000 p.a.[13]

[6] BFI, 2015
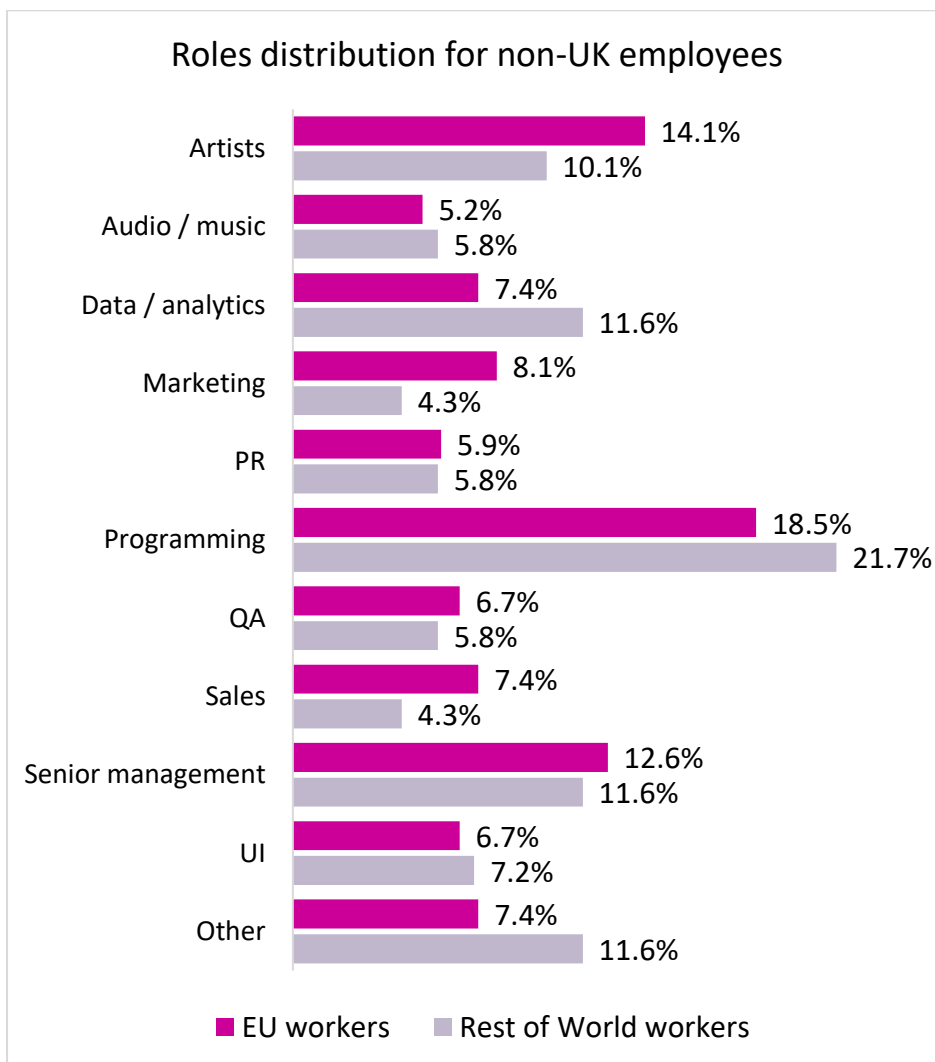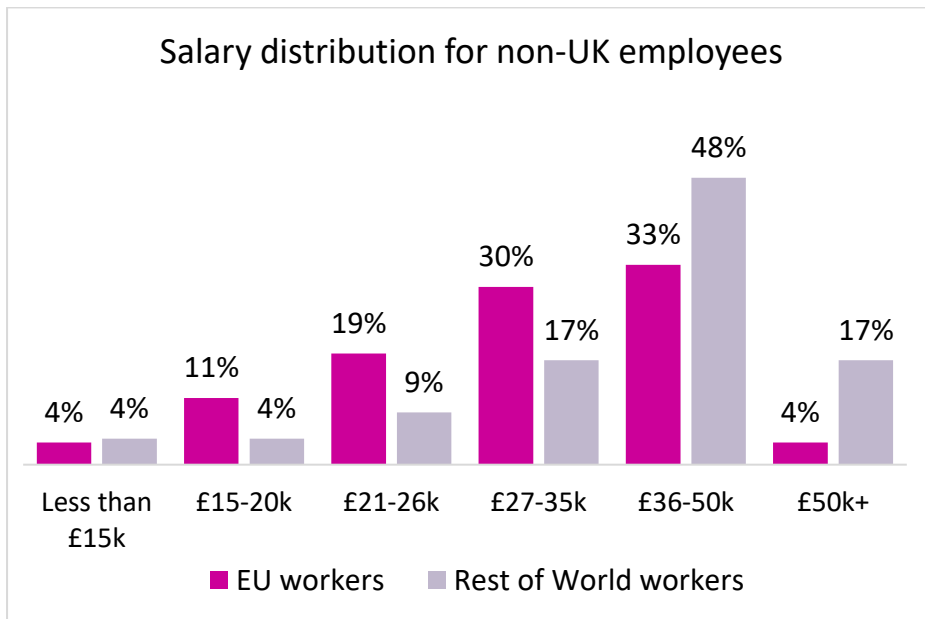[7] Creative Skillset, 2015
[8] GameTrack, 2015
[9] http://www.isfe.eu/sites/isfe.eu/files/attachments/ipsos_connect_gaming_feb_17.pdf
[10] http://ukie.org.uk/brexit
[11] http://ukie.org.uk/sites/default/files/cms/docs/Ukie%20State%20of%20Play%20-%20March%202017_0.pdf
[12] http://ukie.org.uk/sites/default/files/cms/docs/Ukie%20State%20of%20Play%20-%20March%202017_0.pdf
[13] http://ukie.org.uk/sites/default/files/cms/docs/Ukie%20State%20of%20Play%20-%20March%202017_0.pdf

Salary distribution for non-UK employees

Salary band	EU workers	Rest of World workers
Less than £15k	4%	4%
£15-20k	11%	4%
£21-26k	19%	9%
£27-35k	30%	17%
£36-50k	33%	48%
£50k+	4%	17%

■ EU workers   ■ Rest of World workers

Roles distribution for non-UK employees

Role	EU workers	Rest of World workers
Artists	14.1%	10.1%
Audio / music	5.2%	5.8%
Data / analytics	7.4%	11.6%
Marketing	8.1%	4.3%
PR	5.9%	5.8%
Programming	18.5%	21.7%
QA	6.7%	5.8%
Sales	7.4%	4.3%
Senior management	12.6%	11.6%
UI	6.7%	7.2%
Other	7.4%	11.6%

■ EU workers   ■ Rest of World workers

Source: "State of Play: The UK games industry's priorities for the EU negotiations"

Why is there such an international employee base, particularly when our industry is spread right across the UK? The answer is threefold:

1. Competing for talent globally

Firstly, producing products and services enjoyed by consumers around the world inherently requires a global workforce with the requisite skills to engage and communicate with an international audience.

An integral part of the UK's attractiveness to international games businesses with European headquarter in the UK, is the ability to access the global talent needed to service and grow international markets. In order for the UK to remain a competitive location for an inherently global industry, this access needs to be maintained.

Many games are now enjoyed online and are continuously serviced and updated by games developers and publishers in order to nurture long-term engagement with players. This involves employing teams of customer support representatives, community moderators and community managers, amongst other roles. To be successful in such roles employees not only need to be fluent in the language of their specific market, but they also need a firm understanding of its socio-cultural environment – both skills which are hard to find in candidates who are not nationals of their given market.

Therefore, if our economy is to be more export-driven, employers need to hire people who know how to successfully penetrate foreign markets, as well as community managers and customer support agents for these international markets.

Secondly, the games industry is one where there is fierce competition for specialist and newly emerging skills and for people who have worked on successful individual titles or franchises.

As a relatively young industry which relies on cutting-edge technical talent, games businesses often compete not only with themselves but with the wider technology industry – like the financial technologies sector who are often able to provide higher salaries - to secure top candidates with highly sought after skills in emerging fields like machine learning and artificial intelligence. By way of illustration a cross-disciplinary research and development team within EA Worldwide Studios, SEED, is currently looking to fill the following roles: "Virtual Human – Development Director", "Virtual Humans – Research Engineer", and "Deep Learning Engineer".[14] Such roles have only recently come into existence in our industry and accordingly there are few candidates globally with the skills needed to excel in them.

Moreover, when looking for candidates that have proven and replicable success working in a particular genre or category of game, there can also often only be a handful of people globally with the experience needed to valuably contribute to a project.

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[14] https://www.ea.com/seed

In order for UK games business to be able to continue to compete globally and continue to create successful and innovative products and services, they need to be able to continue to bring in this exceptional talent.

2. Filling the digital skills gap in the short to medium term

Due to the long-standing and widely documented[15] shortages in domestic digital skills, UK games businesses are unable to fill roles with domestic candidates, and inevitably recruit internationally for the talent they need to grow. The findings in our recent 'State of Play' report highlight the extent of this issue with 87% of respondent games businesses stating that they hire international talent as UK candidates do not have the right skills, leading to EU nationals predominantly being relied upon to fill mid-tier technical roles in the UK games industry.[16]

Whilst we fully support policy interventions to alleviate the UK's digital skills gap, such as those announced by the Government in this year's Digital Strategy[17], there remains a large number of roles to be filled in the games and wider technology industry but not enough domestic talent to fill them. Regardless of potential restrictions being placed on EEA nationals, in 2015 research by the European Commission suggested that the skills gap is larger in the UK than anywhere else in Europe, with 250,000 ICT job vacancies expected by 2020.[18]

Current initiatives being undertaken by both government and the games industry (as detailed on p.13) to bridge the digital skills gap will undoubtedly help equip young people for future jobs, but there nevertheless remain immediate skill shortages in roles which are vital to the growth of the UK games and wider technology industries. It is therefore crucial for businesses to continue to have access to EEA and international candidates able to fill roles where there are proven skill shortages.

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[15] Securing our Digital Future: the techUK Manifesto for Growth and Jobs 2015-2020.
[16] http://ukie.org.uk/sites/default/files/cms/docs/Ukie%20State%20of%20Play%20-%20March%202017_0.pdf
[17] UK Government (March 2017) UK Digital Strategy. Retrieved from https://www.gov.uk/government/publications/ukdigital-strategy
[18] http://www.coadec.com/news/life-after-brexit-from-the-coadec-community/

Case study: Sports Interactive

Location: London

Employees: 100+

"We currently have 11 open roles at the studio, mainly programming roles, and have seen applicants fall massively since the Brexit vote as we are no longer getting applicants from European countries. This hurts us badly as there is a huge shortage of programmers not just in the UK, but globally, which has been caused by the lack of programming on national curriculums.

In the UK, it is now being taught at schools, which is great – but it will be another 9 years until we see the effect of that (7 years of secondary school + 3 years of university – 1 year of it being on the curriculum).

Because of these open positions and a lack of people to fill them, both from the perspective of applicants and skills of people who apply whose courses aren't fit for purpose for making games as large as ours, we have had to cut back scope on all 3 of the games we are releasing each year. Features that we wanted to add had to be delayed till next year's release – and that has a knock on effect every year into the future, which is not ideal for an annual iterative franchise as ours is."

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3. Diversity drives innovation and creativity

Finally, the games sector fundamentally relies on bringing together top talent from across the world as it is precisely this fusion of diverse backgrounds and experiences which feeds the innovation and creativity that our industry needs to thrive and compete.

Since the EU Referendum result, the potential loss of diversity and the corresponding impact this would have on the quality of games being produced by UK games businesses, has been a central concern of many of our members. A diverse array of talent is fundamental to the continued growth of the games industry, and we urge the Government to take this into account when designing our future immigration policy.

Case study: Creative Assembly

Location: UK offices in West Sussex and Bulgarian offices in Sofia

Employees: 500 +

"As a global and diverse industry, games businesses and developers need a range of nationalities and viewpoints to encourage innovation and create products that are globally marketable and world-class.

Since the referendum, we have received a number of communications from EEA nationals who have changed their minds about working in the UK due to concerns about long term job security. Also, many of our EU staff have expressed concern for their job security and future careers. We want to be able to provide jobs to employees that deliver a good quality of life, a foundation to build a family and allow them to make meaningful cultural and creative contributions through their work, no matter their country of origin.

The talent that this has attracted has given us 34 different nationalities and 19% of our workforce is made up of EEA nationals who are in specialized skill areas such as Engine Optimization, Artificial Intelligence Programming and Design, Graphics Programming, Technical Art, Game Monetization and Live Operation to name but a few.

In order to continue to attract and retain this wealth of talent post-Brexit, any kind of re-vamped, modern migration system must enable business to have an environment of collaborative creative and intellectual sharing without being cost prohibitive. Should the tariff reflect the current Tier 2 system, for a family of two parents and two children to come and reside in the UK, with one of the parents being sponsored by an organization, the current costs are approximately £14,000 upfront. When studios are faced with the choice of hiring the best talent or a candidate that is more cost effective in the short term then this will naturally be a commercial decision which will likely affect smaller and medium businesses and be prohibitive to innovation and creativity."

Recruitment practices and the impact of Brexit

(This section relates to the questions posed by the MAC in the 'Recruitment Practices, Training & Skills' section)

Recruitment practices

Our industry takes on high-skilled workers predominantly trained to degree level and above. Whilst, the UK's higher education system does deliver technically and artistically skilled graduates in numbers that will likely increase with computing now on the national curriculum, to stay competitive now, the UK industry requires access to those with experience to consistently deliver successful global products.

As an inherently global industry, recruitment practices employed by the games sector do not differ for EEA, UK and non-EEA workers, nor by skill-type of the role. Roles are principally advertised by default to a global audience online and granted to the best applicant.

In a fast-moving industry like games where there is fierce competition for certain skill sets, a crucial factor in the recruitment process is being able to move quickly once a candidate has been offered a role. As such, games businesses have struggled with requirements in existing non-EEA migration policies. For example, the Tier 2 Resident Labour Market Test, where having to wait 28 days before making a job offer creates uncertainty and delays for businesses by causing potential candidates to seek jobs elsewhere, thereby sapping productivity. It is also overly prescriptive about what constitutes a "valid advertisement" and does not reflect how many digital companies operate. Additionally, the Shortage of Occupation List entries for the video games industry do not reflect the various specialist roles in games development today, let alone factor in any evolution in technology and expertise.

In order for the UK business environment to be responsive and remain competitive, particularly against EU countries, our future immigration system must keep pace with the rapidly evolving skills needs of high-growth industries and be as friction-free as possible.

Case study: Polystream

Location: Guilford

Employees: 14

"Successful growth environments rely on either access to a broad range of talent, or they focus on a very small subset of industries in which their local market can fulfil the skills and talent. The UK rightly considers itself a technology leader in everything from fintech, cloud, streaming, video, voice, media, games, robotics, medical, and on and on. We couldn't do that if we reduced our hiring pool to just those in our own country. We must be open in discussing and acknowledging that, for the UK games industry as a whole, there are too many specialist skills required that are currently not on our own doorstep."

Impact of Brexit on recruitment

The result of the EU referendum is perceived by games businesses as weakening the UK's attractiveness as a destination for EEA and international candidates. When surveyed for our State of Play report in February 2017, 38% of respondent games businesses stated that they were already seeing a negative impact on their ability to attract and retain talent, with this increasing to 60% of games businesses with more than 50 employees.[19] Importantly, the negative impact the EU referendum result is already having on games businesses' ability to

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[19] http://ukie.org.uk/sites/default/files/cms/docs/Ukie%20State%20of%20Play%20-%20March%202017_0.pdf

access global talent is reported to be larger than the negative impact it's having on attracting investment.[20]

This has largely remained constant over the last six months as our recent Membership Survey,[21] conducted in July and August 2017, demonstrates: 39% of respondent games businesses stated that the EU referendum is having a negative impact on their ability to retain or attract talent from the EU (excluding the UK) and 27% reported that it is having a negative impact on their ability to retain or attract talent from outside the EU. Similarly, the impact on the ability to attract talent is ranked higher than the impact on attracting investment.

From consultation with our members it's evident that the largest impact of Brexit, so far, has been rendering the UK a less attractive destination to live and work for both EU nationals currently employed in the industry and those being offered roles by UK games businesses.

Games businesses report that decisions about whether to accept a position in the UK are being influenced by the international media's negative portrayal of Brexit and the perception that EU nationals are not welcome in the UK.

Businesses are also incurring new costs due to the uncertainty caused by Brexit. A number of our members have had to alleviate their EU employees' fears by offering independent legal advice on questions of citizenship and the permanent residence application process. Additionally, a games industry recruitment firm has explained that the salaries and relocation packages being offered to EEA candidates have been increased in order to mitigate for the uncertainty of the candidates' futures in the UK. One of our members reported that in 2017 the cost of recruiting EU talent into the UK rose to £15,000 per individual employee, due to relocation fees and language lessons amongst other factors. An additional £5,000 of costs were incurred for recruiting each non-EU employee into the UK, due to the visa process.

Crucially the anxiety and concerns currently experienced by EU employees are believed to be harming their capacity to be creative and hampering the productivity of certain games businesses. To maintain our ability to compete globally, it is thus vital that our immigration system does not deter top European talent from wanting to live and work in the UK.

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[20] http://ukie.org.uk/sites/default/files/cms/docs/Ukie State of Play - March 2017_0.pdf

Case study: Bossa Studios

Location: London

Employees: 40

"Bossa's award-winning games are played in every corner of the planet, generating 80% of our revenues from exports. We don't export just games: we spread British values and humour to audiences far and wide. Due to the international nature of what we create, we fundamentally rely on global talent capable of crafting international products: 40% of our team comes from the EU and 10% from the rest of the world.

The damaging uncertainty caused by Brexit to our EU employees, and not having open access to the brightest and best European talent, some of whom are now refusing to resettle in the UK, is forcing us have to assess whether it will be at all possible to produce our future games in this country."

Case study: Sports Interactive

Location: London

Employees: 100+

"Around a third of our current technical staff (programmers) are from outside of the UK. We've already seen members of our team leave to go "back home", although luckily our parent company has another studio in France so we were able to keep them as part of the team, working from their office.

We are aware that we are in danger of losing others depending on the outcome of the Brexit deal – a restrictive Brexit for programming talent will likely see us open an office in another country not just for our current talent, but to be able to hire new talent too. We would then be training those people up to ensure that the work is to our standard, leaving fully trained talent outside of the UK tech eco-system, outside of the UK tax system, and of much smaller benefit to UK PLC.

We've already seen a big drop of applicants from EU countries for open roles at the studio and that will become even worse if we can't hire people easily from inside the EU – not just established talent, but younger talent too."

Assessment of the impact of possible reduction in the availability of EEA workers

Due to our industry's reliance on high-skilled international talent, many games businesses are familiar with the current UK migration policies for non-EEA migrants. It is very clear that if the financial and administrative costs of obtaining visas for workers through this system were imposed on EEA workers, the majority of games businesses would be unable to afford to bring in the talent they need to operate and grow.

Further, if similarly significant restrictions were placed on EEA workers it's possible that smaller games businesses – that are highly-mobile in nature, needing little more than a computer and internet access to operate - would look to establish themselves in other markets where they can afford to access the talent they need. By way of illustration of this risk, our State of Play report found that 40% of surveyed games companies are considering relocating part or all of their business outside the UK, and that 23% of those businesses had already been approached by other locations, including Germany and Canada.[22]

Case study: Blazing Griffin

Location: Edinburgh and Glasgow

Employees: 25

As an individual having recently been through the Tier 2 UK Visa process, I can say that the current system is unnecessarily difficult and will no doubt be hindering efforts of recruiting talented individuals to the UK.

As a project manager for many years and a graduate with three higher degrees, I'd consider myself well-versed at the art of paperwork. However, the Tier 2 process was so cumbersome and complicated that I felt the need to hire an immigration lawyer to help me correctly navigate the many steps for completing the application, and to ensure a smooth transition from my previous visa onto the work visa. To add to the complexity of an already impossible to understand situation, I can't imagine how much more burdensome the process must be for someone who isn't a native English speaker.

Any new immigration system must be made more efficient and easy for games businesses of all sizes - as well as possible employees - to access. Otherwise, the UK risks losing talented, intelligent individuals to other countries with fewer barriers to entry.

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[22] http://ukie.org.uk/sites/default/files/cms/docs/Ukie State of Play - March 2017_0.pdf

Case study: Space Ape Games

Location: London

Employees: 110

The success of the UK's game sector has relied on being able to access global talent - at times, especially in mobile gaming, there are only a handful of people in the world who have had the experience we need.

With **22% of our employees coming from the EU**, we're seriously concerned about the uncertainty around their rights to remain and work in the UK. Considering the administrative expenses and time spent obtaining the right to work for our employees from outside the EU, **we estimate that the cost would be well over £100,000 if we had to get similar visas for all of our existing EU staff**. This does not take into account any lost productivity - clearly if there was any requirement for them to apply out of country or similar this would decimate our teams whilst the process played out, which in some cases can take up to six months.

In that case **replacing these staff, permanently or temporarily, could cost six or seven times that number.** This would clearly be a huge new burden for businesses, one which many smaller games companies would be unlikely to be able to bear.

Of course it's not just existing staff that would cause issues - going forward, the UK will need a competitive migration system, that recognises the need to fill skills shortages, ensuring we are able to draw from the European and global talent pools, in order to ensure both global competitiveness and drive our success, that in turn will create investment and more jobs here.

In a global industry, where the calibre and diversity of talent a games business employs is directly correlated to the quality of the games they're able to produce, games businesses are unwilling to compromise on having access to the talent they need to remain competitive. A reduction in EEA workers would lead to less diversity and thus less creative potential, fewer global viewpoints, and ultimately a lack of the skills needed to create a product that is globally marketable and world-class. Simply put, the impact of a reduction in the availability of EEA workers in our sector would be to make the UK a less viable destination for games businesses to develop their products and services.

Whilst, this could lead to smaller games businesses choosing to start up elsewhere – taking jobs and economic opportunities with them- larger games businesses with global operations would seek to develop their products in other territories if they were unable to access the talent they needed in the UK. A recent illustration of this is provided by way of the award winning UK games company Bossa Studios which was founded and based in London. This September, they announced that they would be opening a second studio in Seattle in order to hire "top talent" and "define its strategic focus on A.I."[23]

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[23] http://www.mcvuk.com/articles/development/bossa-studios-to-open-new-seattle-studio-headed-by-valves-chet-faliszek

Additionally, introducing higher costs to accessing EEA workers could lead games businesses to outsource more projects to workers in other territories. According to our recent Membership Survey, 63% of respondent games businesses' outsource work and an average of 22.5% of their work is outsourced, predominantly to workers based in India, Poland, China and Bulgaria. If the cost of employing EEA national to do the work in the UK became prohibitive, this could lead to an increase in businesses outsourcing work outside the UK, and a corresponding loss to the UK economy.

Training and skills

(This section relates to the questions posed by the MAC in the 'Recruitment Practices, Training & Skills' section)

Knowledge exchange between UK and international employees

EEA and non-EEA migration into the UK games industry has played a crucial role in enhancing the diversity, innovation, and creative potential of games businesses in the UK. When working alongside one another there is inevitably a knowledge exchange occurring between international employees and UK nationals. Through collaborating together, UK workers naturally develop an understanding of new markets and customs, new perspectives and approaches, and new skills and techniques.

This knowledge exchange is particularly notable in the context of non-EEA employees who are often recruited into the UK to fill senior management and leadership roles, and therefore have the opportunity to mentor more junior employees.

The recent introduction of the Immigration Skills Charge to the non-EEA migration system and the Conservative Party Manifesto's pledge to double it,[24] both fundamentally fail to recognise the value – particularly in terms of this knowledge exchange- of international workforces to the games and wider creative and technology industries. An immigration system fit for a truly "Global Britain" must acknowledge this value and be built to ensure that we remain a top global hub for diverse international talent.

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[24] https://s3.eu-west-2.amazonaws.com/manifesto2017/Manifesto2017.pdf

Case study: Creative Assembly

Location: UK offices in West Sussex and Bulgarian offices in Sofia

Employees: 500 +

"Knowledge sharing is a very important and much valued element of our multi-national team. Currently 31 of our 87 EEA employees in our UK studio are actively involved in mentoring and tutoring in the studio, with many more taking part in talks, skills-based conferences and going into schools and universities, to engage with the wider community. As well as building international relationships, these kinds of projects are pivotal in reducing the digital skills gap in the UK as they educate and inspire future generations of British workers to hone the skills that we are currently forced to find abroad. The diversity of the UK games industry brings in so much more than revenue and we want to celebrate that."

Training and skills initiatives

The future of the games industry depends on maintaining a strong talent pipeline, but games businesses report that our current education system is not performing as well or as quickly as we need it to. UK nationals with games degrees are often not found to be ready for a role in industry upon graduation, and the games degrees themselves are considered to be hugely variable in quality.

Whilst the industry does engage with universities and training providers by offering industry placements and curriculum advise, the rapidly-evolving nature of the sector and the roles available in it can often prove challenging to reconcile with universities' planning frameworks and timelines.

Nevertheless, the games industry is taking steps to ensure that future domestic skills provision more closely matches the needs of businesses. Ukie, with the support of our members and the wider industry host and deliver a range of resources and opportunities to support the skills agenda, both regionally and nationally.

Our 4 key initiatives enable us to support a growing and diverse talent pipeline are:

1. Digital Schoolhouse – (delivered by Ukie and powered by PlayStation) is a not-for-profit teacher training programme which enables secondary schools (Digital Schoolhouses) to deliver creative computing workshops to visiting primary school pupils. The programme is designed to inspire and engage teachers and students with creative computing education using play-based learning techniques. Our national programme has established 29 Digital Schoolhouses across the UK, which collectively supports almost 2000 teachers and over 15,000 students each year.

2. Video Games Ambassadors – we manage a network of over 360 video games ambassadors who volunteer their time to provide tangible and accessible advice to promote the STEAM agenda and encourage students to consider a career in the games industry. The network is designed to be diverse and representative of the industry.

3. Student Membership – an initiative designed to bridge the gap between academia and games industry. Supporting higher education students by providing the opportunity and means to connect and network with professionals from their sector. Resources are available to students to give them up to date advice and information directly from industry and designed to support effective career progression.

4. Professional Training - comprehensive training programme with courses run in partnership with CIPD and CIPR which have been tailored in consultation with the sector to suit the needs of the games industry. Courses have been designed to suit games businesses of all levels from start-ups to multinational level.

As set out in detail above, whilst these initiatives will help equip UK nationals for future jobs in our industry, there nevertheless remain immediate skills shortages in vital roles and a need for a diverse global workforce in order to compete globally. It is therefore crucial for businesses to continue to have access to the European and international talent they need to operate and grow.

Aligning the UK's immigration system with a modern industrial strategy

We welcome the Government's desire to ensure our future immigration system is fully aligned with a modern industrial strategy, and call on them to establish an ongoing dialogue on how to achieve this with key sectors, particularly those identified in the Industrial Strategy Green Paper which includes the creative industries. [25]

Our forthcoming departure from the EU presents Government the opportunity to deliver an immigration system that supports the UK's most dynamic sectors, including our world-class games and interactive entertainment industry. In order to remain globally competitive, the UK must:

i)   remain open to top international talent with specialised skills and past experiences
ii)   ensure businesses are able to recruit internationally for roles where there are proven domestic skills shortages
iii)   ensure employers can hire people with the territory specific skills needed to reach global markets and audiences
iv)   develop a future-proof immigration policy which keeps pace with rapidly evolving industries and skills needs

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[25]https://beisgovuk.citizenspace.com/strategy/industrialstrategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf

In the **short term**, the "implementation period" proposed by Government[26] following our departure from the EU in March 2019, must be long enough to ensure businesses are ready for a new migration system and have time to adjust their workforce management accordingly. Further, it should seek to closely replicate our existing free movement arrangements with the EU so that company hires can continue to take place smoothly following our point of departure.

In the **medium term**, Government should seek to establish an open, friction-free and flexible immigration system for EEA nationals. Given our industry's significant reliance on workers from the EEA, we urge Government to allow EEA nationals with a clear job offer the chance to take up that role and reside in this country, along with their immediate family.

Additionally, due to the impact Brexit is already having on recruitment in the games and wider technology industries, Government should consider making some key changes to the non-EEA migration system to alleviate increasing talent shortages. Including:

- Increasing the monthly cap on the Tier 2 skilled worker route, which would send a clear and positive message that the UK is open to top global talent.
- Establishing yearly reviews, with industry input, to the Tier 2 Shortage Occupation List, in order for it to keep pace with fast moving industries and an evolving skills base.
- Shortening the Tier 2 Resident Labour Market Test waiting time from 28 days to 14 days, and bringing the requirement to advertise locally in keeping with industry standards.
- Expanding the Tier 5 visa for temporary workers to include short-term, highly skilled contractors/temporary staff needed in the creative industries before product launches and during large short-term projects. This is particularly important to our sector as it is often not possible to do long term planning in games development and games businesses rely on having teams that expand and contract regularly.
- Scrapping the annual £1,000 Immigration Skills Charge due to the fact that it was designed prior to our departure from the EU and imposes significant burdens on small businesses.

In the **long term**, Government should capitalise on the opportunity presented by our forthcoming departure from the EU to create a new streamlined immigration system that utilises technology to be data-driven, agile, and responsive to economic demand.

The Government will face an unprecedented administrative task in processing the volume of right to remain applications of EU nationals in the UK. This could be a starting point for reviewing how to harness digital technologies to build a friction-less migration system. Such a system could provide data on the real time skills needs of the economy, allowing it to be responsive to economic demand and providing the public with clearer data on economic needs and migration trends. This in turn could help rebuild pubic confidence that immigration is being controlled and calibrated to the needs of the UK economy.[27]

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[26] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633321/Commission_to_the_MAC.pdf
[27] http://www.techuk.org/images/Global_Tech_Talent_Powering_Global_Britain_March_2017.pdf

Conclusion

To conclude, we hope this response has highlighted to the Migration Advisory Committee why the ability to access top and diverse EEA and international talent is absolutely vital for the UK to remain globally competitive. For UK games and technology businesses to secure work which would otherwise be invested elsewhere, our future immigration system must not restrict access to the talent businesses need to grow.

The MAC's report provides an opportunity to prove that the Government's commitment to grow "strategically important sectors"[28] is sincere. The Government must work with industry to grow those parts of the economy in which it has a current and future competitive advantage. Central to this, will be establishing a flexible EEA immigration system following our departure from the EU.

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[28] https://s3.eu-west-2.amazonaws.com/manifesto2017/Manifesto2017.pdf