
SCREEN UNIT COLLABORATIVE PROPOSAL



Front cover images

Top Row (from left to right)

- *Bannan* Director Tony Kearney at work
- Emily Beecham starring in *Daphne*, directed by Peter Mackie Burns. Courtesy of The Bureau Films
- Josh O'Connor, Ian Hart and Alec Secareanu stars of *God's Own Country*, Opening Gala EIFF 2017

Second Row (from left to right)

- Paul Murton in *Grand Tour of Scotland's Lochs*, Tern TV
- Scarlett Johansson starring in *Under the Skin*
- Explorer Alice Morrison in *Morocco to Timbuktu: An Arabian Adventure*, Tern TV

Third Row (from left to right)

- Moyo Akandé and Morayo Akandé starring in *1745*, short film directed by Gordon Napier
- *Shaun of the Dead* screening, EIFF. Courtesy of Chris Scott
- *Spindrift*, animated short film. Written and directed by Selina Wagner

Bottom Row (from left to right)

- Jack O'Connell in *Starred Up*, directed by David Mackenzie
- *T2 Trainspotting*, starring Ewen Bremner, Ewan McGregor, Jonny Lee Miller and Robert Carlyle. Directed by Danny Boyle
- Crew from *The Railway Man*

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FOREWORD

In their 2017 Programme for Government, Scottish Ministers made a commitment:

"We will strengthen and coordinate support for our film and television sector to drive its growth by creating a dedicated screen unit within Creative Scotland, to coordinate existing and new public sector investment and resources more effectively.

We will provide an additional £10m of funding in 2018/19 to bring screen development, production and growth funding to £20m next year. This is in addition to the existing £12.8m commitment to BBC Alba/MG Alba.

As part of this work, we will support the world-renowned National Film and Television School with £475k to establish a new base in Scotland. We will also maintain the investment in the Production Growth Fund"

The commitment builds on the 2016 ambition to set up a dedicated Screen Unit within Creative Scotland, and responds to industry views that there should be a more coherent inter-agency approach to public sector support for screen, with services that are better aligned and simpler to access.

All five Partner Agencies have come together to strengthen partnerships, increase understanding and communication and agree a shared vision for the screen sector in Scotland, building on the recent successes of the industry and harnessing the sector's strong growth potential. In this report Partners set out their collaborative proposal for how the Screen Unit ambition should best be energetically delivered.

The new Screen Unit combines expertise from creative, skills and enterprise partners to deliver our ambitious vision for cultural, social and economic development of the sector. Our shared strategy will increase production and inward investment, and boost audience, company and skills development. The Screen Unit will be led by Creative Scotland, with support and governance oversight from Skills Development Scotland, Scottish Funding Council, Highlands and Islands Enterprise, Scottish Enterprise and Scottish Government. It will prioritise advice and input from the sector itself.

Signed:



Janet Archer

Linda Hanna

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Scotland

Chief Executive, Creative Scotland

Managing Director, Strategy and Sectors, Scottish Enterprise

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EXECUTIVE SUMMARY

Vision and Ambition

Partners have agreed their shared vision for a Scottish screen sector which:

- is more vibrant, strong and resilient, supporting sustainable creative enterprises, and grows its contribution to Scotland's social, cultural and economic success
- is globally competitive, recognised internationally as a centre of excellence and innovation for content development and production, talent, skilled craft and technical crews, infrastructure, facilities companies, exhibition and film education
- develops, attracts and retains talent through inclusive, accessible and progressive education and skills development pathways which are responsive to industry, business and practitioner needs
- supports growth of audience size, diversity and reach, at home and abroad with engaging and acclaimed content and a strong, distinctive cultural voice
- promotes equality, diversity and inclusion, in front and behind the camera and in audience appeal and access.

Partners will help the sector achieve 100% increase in production spend by 2022/23, and increase Scottish company growth to boost the number from two to six reaching the UK top 50 (turnover ≥ £10m).

This is subject to a number of key dependencies. Partners will measure the "Triple Bottom Line" success of the impact of public services in enabling cultural, social and economic development.

The Screen Unit will act as a champion, partner and advocate for the screen sector and will deliver a step-up in support to meet partners' ambition and vision, providing:

- visible leadership of Scotland-wide public sector strategy and delivery
- focus on impact of investment, delivering clear outputs and outcomes
- wider-ranging support for the screen sector
- cultural, social *and* economic development to create a stronger, more resilient, sustainable, networked sector
- agile, flexible, collaborative and aligned agency services
- stronger horizon-scanning and regular data gathering and analysis.

Strategic Approach and New Screen Unit Actions

Partners have agreed to use support for increased production and infrastructure, responding to key new global opportunities, to drive company scale and sector growth. The Screen Unit will balance support to enable growth of the existing Scottish production sector, maximise new opportunities and increase inward investment. The Screen Unit will build appropriate partnerships; develop the right incentives to operate alongside UK tax credits; and support infrastructure,

increased skilled crew and enhanced business development. Scaling the opportunities and key constraints underpins our ambition target.

In future the Screen Unit will seek to secure additional permanent as well as new purpose-built studio facilities in order to drive further growth in the sector through private sector-led and public/private partnerships. Wardpark Studios, Cumbernauld is a permanent, converted, fully-integrated studio facility with four sound stages, which has been the home of Sony/Starz *Outlander* since 2012. In 2016/17 Scotland hosted, amongst others, *Avengers: Infinity War*, which established its production base at The Pelamis Building in Leith, *T2 Trainspotting* at The Pyramids, Bathgate and *Churchill*, at Film Services Livingstone – all of which demonstrates Scotland’s ability to attract and support large-scale, high-profile productions.

Opportunities	Constraints
<ul style="list-style-type: none"> • Content (scripted/unscripted Development and Production in Scotland) • Strategic Partnerships with Content Commissioners (scripted/ unscripted) • Inward Investment in both film and High End TV Production • Boosting VFX and Post-Production companies 	<ul style="list-style-type: none"> • Limited reliable, available sector data • Small company size, need for growth • Increased demand for qualified and experienced Scottish crew • Equalities, diversity and inclusion • Interim or permanent studio capacity • Superfast broadband availability • Film exhibition capacity pan-Scotland

The Screen Unit will deliver 12 new specific Actions to deliver a step-up in impact. Unless otherwise stated, these will be Creative Scotland-led. The Screen Unit will take specific, costed action to boost production, skills and business development.

Operational Delivery

The Screen Unit will act as a champion, partner and advocate for the Scottish screen sector and will deliver a step-up in support to meet partners’ ambition and vision. It will provide a single ‘front door’ or first port of call for those seeking public sector support, whether related to content development and production; audiences and exhibition; skills and talent development; business or infrastructure development. This framework details the Screen Unit remit, and partner roles in supporting delivery.

In creating a dedicated Screen Unit, Creative Scotland will boost its role in:

- cross-partner leadership; advocacy and influence
- skills development: industry continuous professional development

- enterprise support: sector-specific business development; and infrastructure
- data and evaluation.

All agencies will build on their current roles and strengths. In addition, the enterprise agencies (Scottish Enterprise, Highlands and Islands Enterprise and Business Gateway) will work with the new Screen Unit to ensure joined-up business development support and to encourage private sector-led investment in studio infrastructure. Highlands and Islands Enterprise will shape Screen Unit work by drawing on its experience to help identify and support a pipeline of growth ambition companies. The Scottish Funding Council (SFC) have agreed to support a single network of colleges and universities across the creative industries to respond to the current and emerging sector needs and opportunities (Creative Media Network for Excellence). Skills Development Scotland will work with SFC, tertiary education and the industry to develop work-based learning and frameworks in priority demand areas.

The Screen Unit will be supported through new governance arrangements, using an enhanced Screen Committee, or sub-committee of the main Creative Scotland Board. This currently comprises three Creative Scotland non-Executive Directors, and two specialist industry representatives. Membership will be refreshed with representatives from each of the enterprise and skills agencies and new industry members. The committee will meet every four months from the start of 2018/19, being joined by the new South of Scotland enterprise body once established¹.

The role of the enhanced Screen Committee will be to:

- advise on Screen Unit strategy, and report on its performance
- agree, scrutinise and monitor management plans
- oversee the effectiveness of partnership working against agreed outputs and outcomes, and report to other Agency Boards as appropriate, through the Screen Unit leadership.

Written Service Level Agreements between the Screen Unit and each partner will support their contributions and accountabilities.

In headline terms, current investment across partners breaks down as follows:

- Creative Scotland – just over £10m p.a.
- Scottish Funding Council – over £25m p.a.
- Skills Development Scotland – over £1m p.a.
- Scottish Enterprise, Highlands and Islands Enterprise, and Scottish Development International – around £1m p.a.

The Scottish Government has committed to increase screen spending by £10m in 2018/19. The Proposal sets out how Creative Scotland baselines will be enhanced to deliver the 12 new actions. A further investment of £1.2m may additionally be

¹ [See Enterprise and Skills Review Report on Phase 2: South of Scotland Enterprise Agency](#)

unlocked from other sources. Broadly, £20m will see nearly £12m invested in different types of content development and production support; £3.85m to support audiences and exhibition; £1m for skills and talent development; and £2m in the first year on business development and infrastructure. Some figures include one-off investments to boost early impact. Creative Scotland estimates around £1m p.a. extra investment is needed in additional staffing and around £250k to support the new data capacity.

Appropriate staffing of the Screen Unit will be developed as industry demand develops. Expertise will be drawn from a wide range of areas to ensure an innovative approach to business support. It is envisaged that up to 10 new Creative Scotland posts will initially be created to support the Screen Unit including roles particularly relating to data and advocacy, TV and digital content, skills, business and infrastructure development and include a new Executive Director focusing on Creative Enterprise.

Creative Scotland proposes to undertake a review of existing relevant skills and experience to establish where there are skills gaps, and where and when additional capacity is required. This will then inform the recruitment process within the implementation plan to be developed by Creative Scotland and approved by the partners. Implementation will begin before the end of the calendar year (2017) with the new Screen Unit up and running by the end of the 2017/18 financial year. In implementing the Screen Unit Creative Scotland will need to consider sensitivities relating to the Regular Funding for Organisations (RFO) process currently underway, the outcome of which will be announced early in the next calendar year after budgets are set.

A single Screen Unit Action Plan defines partners' screen-specific inputs, services, outcomes and impacts in one place. Services in the first two years will follow proposal priorities, with a review thereafter to learn from progress and shape the right interventions to ensure delivery of the growth ambition by year five.

CHAPTER 1 – VISION AND NEW APPROACH TO SCREEN

Screen Sector Vision and Ambition

Vision:

Partners have agreed their shared vision for a Scottish Screen Sector² which:

- is more vibrant, strong and resilient, supporting sustainable creative enterprises, and grows its contribution to Scotland’s social, cultural and economic success
- is globally competitive, recognised internationally as a centre of excellence and innovation for content development and production, talent, skilled craft and technical crews, infrastructure, facilities companies, exhibition and film education
- develops, attracts and retains talent through inclusive, accessible and progressive education and skills development pathways which are responsive to industry, business and practitioner needs
- supports growth of audience size, diversity and reach, at home and abroad with engaging and acclaimed content and a strong, distinctive cultural voice
- promotes equality, diversity and inclusion, in front and behind the camera and in audience appeal and access

Ambition:

Partners will help the sector double production spend by 2022-23; and increase Scottish company growth to boost the number from two to six reaching the UK top 50 (turnover ≥ £10m).

Key dependencies include internationally-competitive UK tax credits; ongoing Scottish Government support; continued Ofcom focus on ‘Out of London’ targets; sufficient studio and skills capacity; and sector commitment to growth and change.

“Triple Bottom Line” Success

Partners will be ambitious and newly monitor and evaluate the impact of services across the “Triple Bottom Line” of cultural, social and economic development. The Screen Unit will finalise baselines and indicators in key areas by end-March 2018:

² ‘Screen Sector’ includes the following industries producing traditional, digital and interactive content: **film** - development, production, distribution and exhibition of short and feature-length films, including documentaries; **TV**- as film, but related to drama series and other genres, including factual series and children’s programmes; **animation** - creation of animated content for film and TV, including feature-length; **facilities/post-production and VFX** - all activities

Factor	Impact	How evidenced/measured
Cultural	<ul style="list-style-type: none"> - Increase in audience size, diversity, reach - increased viewings of culturally significant or relevant content made in Scotland - increase in number of countries buying content made in Scotland - increase in international critical acclaim 	<ul style="list-style-type: none"> - Scottish Household Survey - Broadcaster surveys and Ofcom data - Cinema attendance - Creative Scotland surveys - Number of international awards - NPF international reputation indicator
Economic	<ul style="list-style-type: none"> - increased company turnover and scale - increased production spend - increased total FTE direct employment - increased wider GVA - increase in screen tourism 	<ul style="list-style-type: none"> - New regular economic assessment - Annual Production Spend Figures - Employment data - VisitScotland visitor data
Social	<ul style="list-style-type: none"> - increased workforce and trainee diversity - increase in value/income of roles - improved inclusive growth across regions - increase in social and community benefits 	<ul style="list-style-type: none"> - New skills audit - Diversity survey update

Why Invest in Screen?

Screen is a global, and highly mobile, industry with Scottish talent, production and post-production companies already needing to be internationally competitive. Whilst the sector in Scotland is small, investing in screen matters because it brings:

- **Scaleability** – as this proposal highlights the sector is experiencing a period of considerable opportunity and growth potential
- **Direct benefits** - whilst TV production and related activities are predominantly Glasgow-based, film production, facilities and post-production are distributed around the country. These give a distribution of high value, skilled roles, both directly and in the supply chain, boosting inclusive growth
- **Enhanced cultural expression** - High quality and diverse film and TV programming drawing on Scottish culture, history and experiences
- **International influence** - A ready world stage for promoting Scotland's culture and international image
- **Indirect benefits** – Scottish Government report a direct correlation between participation³ in culture and improved health³
- **Wider benefits** - Increased tourism and visitor numbers to attractions featured in productions⁴⁵

A 2016 economic assessment and analysis of Scottish companies shows a screen sector of 487 separate businesses, responsible for £294m in total turnover, and 2,333 in direct employment (for further information see Appendix A). This

³ (2013) Scottish Government, '[Healthy Attendance? The Impact of Cultural Engagement and Sports Participation on Health and Satisfaction with Life](#)'

⁴ (2017) [Visit Scotland](#), '[Outlander Is New Braveheart of Tourism](#)'

⁵ (2017) [Historic Environment Scotland](#), '[Historic Sites Celebrate Outlander Effect](#)'

suggests screen sector companies represent around 4% of total creative industry turnover and that screen is the 62nd largest industry by GVA of the 98 industries in Scotland.

The Screen Unit will build on the success of Scottish Government, Creative Scotland and Partners, and the legacy of Scottish Screen. Recent achievements include:

- Production spend from film and TV in 2016 reached a record £69.4m
- The Production Growth Fund has invested £1.75m since October 2015 to achieve a £17.5m spend in the screen sector and wider economy.
- The Edinburgh International Film Festival and Glasgow Film Festival remain the 2nd and 3rd most attended film festivals in the UK (respectively).
- The Scottish Funding Council has promoted the availability and quality of work placements through its Outcome Agreements and Creative Media Network
- New Foundation and Modern Apprenticeships have promoted work-based learning and access to the industry with 130 places now available. The *Outlander* Trainee Scheme, is one of the biggest 'on the job' training programmes for craft and technical talent ever delivered in Scotland.

The New Screen Unit – how agencies will work differently

The new Screen Unit is a collaboration between Scotland's culture, skills and enterprise agencies and will be based within Creative Scotland. The Screen Unit will act as a champion, partner and advocate for the Scottish screen sector and will deliver a step-up in support to meet partners' ambition and vision. Implementation will begin before the end of the calendar year with the new Unit in place by the end of the 2017/18 financial year. In implementing the Screen Unit Creative Scotland will consider sensitivities relating to the process currently underway for Regularly Funded Organisations, which is due to be announced after the Scottish Government draft budget is published in December 2017.

To deliver the step-up in support, the existing momentum created through the work of the Screen Unit Sponsor and Project Boards will need to be maintained. Widening membership of the Creative Scotland Screen Unit Committee to incorporate the Sponsor Board and continuation of the Project Board, alongside strong ownership of the implementation phase by Creative Scotland will continue the forward momentum and the remit to ensure that contributions of partners grow.

To achieve this in terms of leadership and coordinated partner support for the Screen Unit:

- Creative Scotland will lead engagement of all partners and increase its own activities in key new areas - including business development support for companies outside those with 'high-growth potential'
- Skills Development Scotland will continue to lead on apprenticeships, working with the Screen Unit and the industry to ensure that these are

available in areas of priority demand and support the screen sector's growth ambitions

- In line with the ambition to boost the number of production companies with a turnover greater than £10m, Scottish Enterprise will focus support on companies identified as having 'high growth potential'. In addition, they, among others, will support the development of new enterprise support capacity within Creative Scotland, with contributions towards the design of new programmes and potential secondment of staff
- Highlands and Islands Enterprise will continue to support screen businesses with growth potential, working in partnership to ensure new programmes enable smaller industry members in rural areas to scale-up
- Scottish Development International will work with partners to ensure its products and services are strategically aligned to partners' ambition and vision for the screen sector in Scotland
- Scottish Funding Council will newly fund work to increase links between FE/HE provision and industry to improve transition of work-ready students into the sector.

This Collaborative Framework for the Screen Unit is founded and dependent upon the agreement secured from each of the partner agencies to exercise their roles and undertake their responsibilities in three key ways:

- collectively at high level through involvement in the Screen Unit Board Committee and operationally through the Project Board which may be rolled into SCIP (the [Scottish Creative Industries Partnership](#));
- through complementary partnerships (i.e. working collaboratively in the same part of the sector but without overlap or duplication). For example, in skills development, Scottish Funding Council, Skills Development Scotland and Creative Scotland each have agreed, clear remits and roles in the Screen Sector but, as described above and in Action Points 5, 6 and 7 of the Screen Unit Actions (see Chapter 2), the collective Screen Unit Vision can only be achieved if the agencies work together as well as with the sector and other providers to deliver their respective elements of support in line with an agreed over-arching public sector strategy/approach. The same is true with screen sector-specific business development support for those companies outside the 'high-growth potential' space, studio infrastructure, and data-gathering, but each with Screen Unit Creative Scotland lead; and
- in certain cases, individually, for example, the Screen Unit and its role in funding for drama development and production and the Production Growth Fund. See also the individual roles of each agency as listed on page 27.

All of this will also require information/data-gathering and sharing processes to be agreed in order for the Screen Unit to lead in this area. Further detail on all of this above will be provided in the implementation phase and formally reflected in the Service Level Agreements.

Formed to deliver on the Scottish Government’s commitment to inclusive economic growth, and skills and cultural policies, the development of the Screen Unit comes at a crucial time for the sector aiming to up-skill, upscale and internationalise Scottish screen delivery.

Partners have already worked differently in the development of this proposal, bringing fresh energy and engagement to the shared way forward. The nature of the difference in the new Screen Unit approach and services is summarised below:

From	To	How Evidenced
Creative Scotland-only leadership of internal Screen Team	Visible leadership of broader, Scotland-wide public sector strategy and delivery	<ul style="list-style-type: none"> - Single inter-agency Screen Unit proposal - Shared Vision - Shared ambition and target - New, collaborative Screen Unit governance
Reporting of grant funding levels and inputs	Renewed focus on impact of investment and how this delivers clear, demonstrable outputs and outcomes	<ul style="list-style-type: none"> - “Triple Bottom Line” impact indicators - Evidence-led strategy
Focus on film, documentaries and animation	Provide wider-ranging support for the Screen Sector	<ul style="list-style-type: none"> - New TV content support (scripted and unscripted) through Strategic Partnerships - New support for drama development and production
Cultural development imperative of a diffuse, fragile sector	Cultural, social <i>and</i> economic development to create a stronger, more resilient, sustainable, networked sector	<ul style="list-style-type: none"> - Economic opportunities identified and scaled - New Screen Unit business development role in Creative Scotland
Services provided by a numbers of agencies	Agile, flexible, collaborative and aligned agency services	<ul style="list-style-type: none"> - Clear roles and funding - Single Action Plan
Economic cases made when needed	Stronger horizon-scanning and regular data gathering and analysis	<ul style="list-style-type: none"> - New investment in data, insight and evaluation

CHAPTER 2 - OUR STRATEGIC APPROACH FOR SCREEN

High Level Strategic Approach

Seizing the new emerging opportunities facing the sector means that the Screen Unit needs to understand the changing context and nature of the global market and design the right approach to make most impact.

Partners have agreed to use support for increased production, responding to key new global opportunities, to drive company scale and sector growth. The Screen Unit will build appropriate partnerships; develop the right incentives to operate alongside UK tax credits; and support infrastructure, increased skilled crew and enhanced business development to deliver the collaborative strategy.

Changing Markets and New Opportunities

The Partners commissioned an economic assessment of the Scottish market, global trends, and the top opportunities for Scotland from Olsberg consultants (see Appendix A for summary of key findings). They considered and reviewed this against other data and information to verify the best approach for Scotland to realise the sector vision and growth ambition. Partners agree key opportunity areas as:

- Content (beyond Film) Development and Production in Scotland
- Strategic Partnerships with Content Commissioners
- Inward Investment of both film and High End TV Production
- Boosting VFX and Post-Production companies

Increasing Drama Development and Production in Scotland

Drama has been one of the largest global growth markets, driven by audience demand for high-quality episodic content. Olsberg consultants looked at drama and High End TV (HETV) – defined for UK tax relief as that produced for more than £1m per broadcast hour. Cultural Test final certifications for HETV from 2014 to 2017 show there has been a huge year on year increase in the number (13 in 2015 to 40 in 2017), associated UK spend (£91.9m in 2014 to £680.7m in 2017⁶) and total budget (£82.3m in 2014 to £319.8m in 2017) of programmes accessing HETV tax relief. Returning drama series, whether HETV or not, offer sustainable revenues, with all the consequent employment and service industry benefits that accrue.

Previously Creative Scotland Screen funding was used to support development and production of Scotland-based TV drama (including *Bannan*, *Katie Morag*, *Tea Cup Travels*, and *Stonemouth*), but film development and production was

⁶ British film, high-end television programmes, animation television programmes, children's television programmes and video games certification January-June (H1) 2017, BFI RSU (3rd August 2017)

prioritised for cultural reasons relating to the use of National Lottery funding. The [Screen Sector Leadership Group](#) identified a strong TV drama sector as underpinning the development of a strong film industry, with the overlapping demands for skills and experience. There is an immediate opportunity to grow drama production by Scotland-based companies, rather than purely inward investment drama. That would mean high-value content creation, with IP rights developed in Scotland and the benefit of their resulting downstream revenues.

To encourage better portrayal of all parts of the UK, and fulfil 'Out of London' investment quotas, UK broadcasters are looking for increased drama series from Scotland and the BBC have already committed an additional £20m per year of network investment in Scotland over the three years to March 2019. This is anticipated to be targeted at drama and would represent approximately three series each year. The demand for international drama series from digital platforms has also grown, suggesting that an ambition for four new series in total from 2018/19 might not be unreasonable. Olsberg consultants created growth scenarios which suggested Scotland might aim to achieve between £35m and £50m of production spend on drama by year five, suggesting around five to eight drama series by the end of 2022/23, whether commissioned by broadcasters or digital platforms.

Broadcaster financing models have changed recently meaning that TV drama is more difficult to finance and often requires public sector support for production in addition to commercial funding and distribution advances. Since Scotland has not had a recent history of developing a significant volume of drama series, more support is anticipated to be required to scale up our writing, developing and producing skills and boost Scottish TV drama company business development in the initial 18 month to two year development phase alongside co-investment in drama production itself.

To scale the investment need partners considered the Northern Ireland experience as well as the business model for TV drama is set out in Appendix D. Drawing on these benchmarks suggests that an ambition for new series requires support initially for content development of around £0.5m, followed by production co-investment of up to £2.5m each year after 18 months. Overall drama development and production funding which might need to increase over the five year period to reach the full ambition in the Olsberg growth scenarios, and partners' ambitious production growth target, although some funds would be expected to be recycled from returns on earlier successful productions.

Strategic Partnerships with Content Commissioners

The Scottish screen industry seeks ways of strengthening relationships between independent producers and local and network content commissioners. The new Screen Unit will take a leadership role in facilitating this, through developing strategic partnerships which support content commissioning growth from across the wider independent Scottish producer base, building on its strengths and

boosting the skills and scale of the industry in Scotland to ensure long-term, sustainable capacity building.

There is a need to enable higher commissioner visibility of Scottish talent, and to leverage higher production spend and a more strategic consideration, by broadcasters in particular, of the genre mix they require from independent companies in Scotland. The Screen Unit will build commissioner confidence and investment across all aspects of Scotland's production strengths including feature and documentary film projects, factual programmes and series, factual entertainment, comedy, animation and entertainment formats.

The Screen Unit will focus on increased content development and production, particularly encouraging series commissions, and those programmes with potential outside their home market. Returning series help build Scottish companies of scale, encourage investment and provide training opportunities and pathways to progression. The Screen Unit will seek to support increased skills development, for example through BBC Studios.

Partners have learned from the Northern Ireland Screen Partnership agreement with the BBC, which saw the BBC invest almost £40m and NI Screen invest just over £5m, leveraging a further £20m of additional investment. That agreement is structured around creative collaboration, increasing commissions and funding of drama, comedy, animation, factual entertainment and documentary. There is also a focus on collaboration across talent and skills development and education and language provision.

The Screen Unit will therefore seek to develop Partnership Agreements for Scotland, initially with public service broadcasters, to ensure a clear baseline for production spend and that these leverage additional content commissions and help boost company scale in Scotland, supported by a new allocation of Strategic Partnership funding. Where Partnerships also include drama, they will access support from the drama fund, rather than the allocation for Strategic Partnerships. Potential wider partnerships with content commissioners will also be explored in the early Screen Unit years (e.g. Netflix, Amazon, Sky, HBO and ABC).

Scotland's share of production spend from public service broadcasters has been growing, from 8% of UK original commissioning spend (2014 data) to 9% in the most recent dataset (PACT census). Broadcasters are also increasingly aware of the value of wider content with diverse voices from across the UK. The new BBC Scottish channel has already identified up to £20m additional Scottish investment (including £1m for digital and £1.2m for BBC Alba). Ofcom recently made a statement accompanying the new BBC Operating Licence:

"...For the first time, the BBC must spend broadly the same amount on programmes, per head, and make broadly the same volume of commissions, per head, in each of the UK's four nations. By doing this, we are seeking to ensure that the UK's nations receive a fair share of the

BBC's investment in network programmes. We are also requiring at least half of the BBC's production spend on qualifying network programmes to be outside London"

Channel 4 has additionally committed to "*building a critical mass of higher volume suppliers in each Nation*". PACT consider a sustainable ambition might be for Scotland to move from 5.2% of Channel 4 content to 8%. PACT also welcomed the Screen Sector Leadership Group recommendation that a Nations quota should apply to both ITV/STV and Channel 5.

The major US digital streaming providers, in particular, have been spending increasing amounts on production of original content, with Netflix spending \$6bn this year and Apple announcing it will spend \$1bn per year.^{7 8} Anecdotal evidence suggests companies attracting production spend from Video-on-Demand platforms will get more immediate revenues, but will not have the ability to share downstream benefits because platforms prefer to buy all global primary and downstream rights.

Screen Sector Leadership Group members, [in their 2017 report](#), similarly highlighted Video-on-Demand, and partnerships with public service broadcasters, as a way to unlock opportunities.

Inward Investment Production

Olsberg identified that UK film and TV production spend has grown at a compound annual rate of around 12% since 2012. Scotland has also experienced significant growth in such production spend, boosted by the targeted Production Growth Fund investment which has already delivered leverage of £12 spend on TV for every £1 invested and 1:10 leverage on film production. These incentives build on the UK tax credit environment to increase Scotland's international competitiveness.

The opportunity exists, subject to sufficient suitable studio capacity and growth in crew depth to significantly increase the quantity of inward productions. Olsberg estimate the potential to increase inward investment production spend by an additional £35m - £50m by year five. The Screen Unit will kick-start this growth by doubling Production Growth Fund-supported inward investment productions from 2018/19, which will also require increased internal staffing capacity in the Screen Commission.

⁷ [Michelle Castillo, Netflix CEO \(May, 2017\)](#)

⁸ [Bloomberg Technology \(August 2017\)](#)

Production Growth Ambition and Target

Production spend from film and TV in Scotland in 2016 reached [a record £69.4m](#). This includes spend on opportunity areas, such as inward investment, and just over £22m of production spend on films made in Scotland, which is not foreseen by the economists as offering similar growing global market opportunities. Public service broadcasters also spend on production in Scotland, including with independent companies.

Work by Olsberg consultants has proposed low and high growth scenarios for production spend across each of the opportunity areas in which Partners propose the Screen Unit should take action. These are as below and have been used as the basis for the **shared ambition that the Screen Unit should achieve 100% increase in production spend in Scotland by the end of year five.**

	Low Scenario Extra spend by year five	High Scenario Extra spend by year 5
	Production Spend (£m)	Production Spend (£m)
Drama Development and Production in Scotland	35	50
Strategic Partnerships with Content Commissioners (PSBs)	60	60
Inward Investment	35	50
Total	130	160

Post-Production and VFX

Although currently a small sub-sector, Scottish post-production companies stand to benefit from increased production spend in Scotland. Such companies behave more conventionally in business model and growth terms and Olsberg used a multiplier assumption to calculate the potential for increased company turnover and employment from boosted production. The Screen Unit ambition for increased production spend offers the potential for significantly increased post-production company turnover and direct employment over the five year period.

Constraints and Challenges

Screen Unit Actions will need to address the following constraints and challenges:

- **Data** - there is very limited reliable and consistent data on the sector, its value and trends in Scotland. The continuing absence of credible and current evidence on the demographics and skills levels of the workforce has presented particular challenges. The Screen Unit should invest in the technology, skills and capacities to create a 'Big Data' approach
- **Company scale** – the main market feature, not only in Scotland but also elsewhere in the UK, is that the sector is characterised by many small supply companies. Olsberg economic analysis reinforces this, and PACT's 2017 Census report⁹ shows how 80% of UK produced primary commissions went to companies with a turnover of more than £10m; a percentage level that has been consistent since 2008. Scotland, according to the respected Televisual Production 100 report¹⁰, has just two companies of this scale of the 53 across the UK as a whole. To realise the ambitious production growth targets set in this proposal, a major transition is required in business capacity and market capture capability within companies located in Scotland. This will require the support of all agencies for the targeted Screen Unit actions set out below. The proposed Partnerships with public service broadcasters will be particularly important in supporting this aim (see Appendix D)
- **Skills** - the production increases foreseen here will significantly increase demand for qualified and experienced crew. Employers wish learners to be better-prepared for entry to the workplace. The new Scottish tax code should make it easier to identify where productions and companies draw on talent that is genuinely based in Scotland, reducing use of 'lift and shift' crew.
- **Equalities, Diversity and Inclusion (EDI)** – Scotland's [Equality Matters](#) in-depth study of the sector showed the need for increased action. The [EDI Working Group](#) recommend the Screen Unit should prioritise preparation of tools to help employers and employees e.g. address unconscious bias; and tighten conditions for public funding to promote take-up of EDI best practice.
- **Infrastructure** - An initial doubling in inward investment productions is manageable, although to meet even the low end five-year production growth scenarios requires new interim or permanent studio capacity.
- **Infrastructure** - To the extent that superfast broadband is not able to be sufficient broadly or quickly available, both the digital needs of production companies, and of audiences for streamed content, will be constrained.
- **Infrastructure** - the report [Mapping Film Exhibition in Scotland](#) showed that film exhibition provision is uneven across the country, with rural areas and large peri-urban areas having infrequent access to film and/or a lack of programme diversity, constraining our ambition for audience growth at home.

⁹ (2013) PACT, '[International Revenues Continue to Drive Growth in the UK TV Production Sector](#)'

¹⁰ (2017) [Televisual Production 100 Report](#)

International Learning

Partners examined the approach taken in key competitor nations and regions: Ireland, Denmark, Australia, Canada, Northern Ireland and Wales. These were selected because they offer wider supports than fiscal incentives alone. The work, undertaken by EKOS consultants and summarised in Appendix E:

- reviewed the approaches and strategies deployed to support screen
- considered potential application and learning within a Screen Unit context, supporting Agencies to choose the best strategic approach for Scotland.

There are many gaps in the international evidence base, particularly around availability of published impact evaluations. However, at a high level, there was a degree of consistency in terms of screen support activities, which typically include:

- support for content development, either as grant or debt finance
- support for production, usually as some form of recoupable investment (equity or debt) but on varying terms
- support for distribution, again on varying terms
- company support, although it is less clear what this comprises or how it relates to support from other agencies
- skills and talent development via training schemes
- incentives to attract mobile production activity, usually in addition to, but interacting with, fiscal measures from governments.

Some also operate more cultural programmes for example those focussed on indigenous language content, as well as educational initiatives. Many also support inward productions in finding suitable locations and crew, and 'cultural' eligibility tests are common whereby to qualify for support productions must demonstrate contribution through direct spend, employment and/or on-screen representation. EKOS reached the view that screen agency structure is less important than the capacity to deliver against a clearly defined strategy.

Partners prioritised two particular areas from which the Screen Unit will learn and do further work in coming months as it develops its approach:

- The Northern Ireland Screen Partnership agreement with the BBC
- Screen Australia's Enterprise Programme

A review of Australia's programme was carried out in 2013. The review looked at the positive impact of AUD\$19.5m investment over five years in developing 29 companies, which were prioritised followed a triage assessment of the business base.¹¹

¹¹ (2013) Screen Australia, [Screen Australia Enterprise Discussion Paper](#)

Strategic Principles and Objectives

Services provided by the Screen Unit will:

- balance support to enable growth of the existing Scottish production sector; maximise new opportunities; and increase inward investment
- promote innovation and cultural dynamism across the sector and supply chain
- develop a high-performing and responsive skills system which meets the changing needs of employers and learners, ensuring an efficient learner journey and progression and opportunity at every level
- be user-focused, with simple and quick access through 'one front door' backed by a more joined-up approach by delivery partners.

New Screen Unit Actions

The Screen Unit will deliver 12 new Actions to deliver a step-up in impact. Unless otherwise stated, these will be Creative Scotland-led. The Screen Unit will work in partnership with other agencies and look to engage closely with other relevant interests, including local government to ensure alignment of services.

The Screen Unit will:

Boost Production and Audiences

Action A1

Establish a Content (scripted/unscripted) Development and Production Fund from 2018/19, with the potential to increase to £3m p.a. over 2 years, to invest in the breadth and depth of writing and other talent, and business development required to support new and increased drama development and production in Scotland.

Action A2

Negotiate new Strategic Partnerships with Content Commissioners, starting with public service broadcasters, supported by a new Strategic Partnerships allocation of £2.4m to boost commissioner visibility of Scottish talent, leverage higher production spend, support Scottish production strengths and boost company growth across all genres.

Action A3

Double Production Growth Fund and Screen Commission investment from 2018/19. This will be accompanied by a review of the overall inward investment offering, and the applicable criteria, to ensure maximum positive impact, particularly for Scottish skills and employment.

Action A4

Use the implementation period to develop a business case, together with Scottish Government digital colleagues, for a virtual, digitally connected and fully accessible national film theatre, across the whole country and including rural areas. This can benefit from one-off investment in 2018-19 and boost audiences.

Develop Skills and Talent

Action A5

Establish an action plan to mainstream Film Education, work with Skills Development Scotland to promote screen roles, career pathways and increase and diversify take up of Foundation Apprenticeships. This will require initial funding of £100k but existing funding and delivery arrangements will support progression of up to 1000 young people over five years.

Action A6

Work with Skills Development Scotland (SDS), Scottish Funding Council, tertiary education and the industry to enhance the transition from education to work through work-based learning programmes in priority demand areas of production, craft, technical, VFX, distribution and exhibition. Production and in-company training will require additional funding: 120 FTEs over 2018-20 will cost £1.2m. BFI Future Film Skills Funds and SDS funds could be unlocked to address this need if the right frameworks are developed.

Action A7

Enhance continuous professional development with new national standards and short course provision to support development and progression of the existing workforce. Alongside the second year of funding for the National Film and Television School in Glasgow, additional funding of £600k could secure delivery of bespoke courses to meet industry skills priorities over 2018-21.

Boost Business Development

Action A8

Build new enterprise support capacity within Creative Scotland to ensure 'one front door' access to services, taking into account regional requirements and variations; boost infrastructure; and increase business development support. This will require new investment in staffing capacity, and related systems (e.g. Customer Relationship Management).

Action A9

Finalise the business case for studio capacity and secure new space within 12 months.

Action A10

Develop specialist business development support for the wide base of screen companies, ensuring advice and support around better rights management and exploitation; and strengthening connections to commissioners and investors.

Action A11

Scope and develop, in 2018/19, with Highlands and Islands Enterprise, Scottish Enterprise, Business Gateway and public service broadcasters, a business analysis and triage process, possibly similar to Screen Australia's, for all screen sector companies. This will identify 40-50 companies with growth potential, and 10-15 who are ready to scale-up their operations. The aim is to achieve Scotland's goal of having six companies in the UK top 50 by turnover. Taking into account regional arrangements Creative Scotland will lead on supporting the smaller businesses with growth potential, and Scotland's enterprise agencies will lead support for those larger businesses scaling up. Work will take account of the upcoming interim evaluation of the FOCUS programme (see Appendix D).

Action A12

Build on success in international film markets by developing the understanding, markets and access for TV and new digital streaming markets.

The Rationale for Public Sector Support

Public sector intervention is to ensure that positive impact occurs that the private sector would not, or could not do without public support. The public services chosen need to map onto the rationale for investment if the step-up in impact we seek is to be achieved. Justifications for intervention fall into a number of areas:

- **Market features** that are not inherently inefficient but where the public sector involvement can bring about greater economic impacts
- **Market failures** or sub-optimal operation where public sector intervention can bring about greater efficiency - this includes public good
- **Equity or redistribution** grounds, whereby the market may be efficient but the outcomes are not acceptable societally. The spatial concentration of deprivation is one example which justifies intervention.

Overall a case can be made for public sector support for the screen industry. For some interventions there is evidence of market failures. For others public sector support will bring additional economic benefits that would otherwise not occur, even though there may not strictly be a direct market failure. There is also a wider public good justification in so far as the screen industries have a strong cultural role which public sector support would reinforce.

Screen content is also a public good, in that it can influence the identity of a nation. From a cultural perspective, the limited range of Scottish focused content, including drama and factual content could be seen to inhibit public welfare. This

supply side challenge also generates problems throughout the sector which impacts on the sustainability of facilities and supply companies, many of whom may not be able to grow or become sustainable without reliable production spend.

The main market feature (not just in Scotland but also elsewhere in the UK) is that the sector is characterised by many small supply companies. A related feature is that the majority of TV work is still commissioned from London: the centre of gravity for the industry. The impact of these is:

- An equity issue in how the economic value of commissioning is distributed across the UK. Ofcom's 'Out of London' requirements on broadcasters aims to tackle some of this issue
- An imbalance in negotiating power between the content producing companies and the buyers, with lower visibility to buyers of the pipeline of promising Scottish talent and increased travel costs for Scottish companies to access their market, gain insight, and establish trust and credibility with commissioners
- Creative content is not homogenous and creative projects are inherently prototypes – spreading the risk of this requires production of "slates" as well as companies with sufficient capital to generate their IP to allow them to benefit from the production of their content

Public sector intervention can assist these factors through use of influence around effective regulatory requirements, leveraging the scale of the public sector to support partnerships with broadcasters and other commissioners, and the right content and business development support to ensure rights are protected with additional net economic benefits for Scotland.

The sector is seen across the world as being a source of economic benefits and many countries and regional jurisdictions setting up funds and fiscal incentives to attract inward investment. The UK is perceived as having an advantageous fiscal environment, and the 2004 Broadcasting Act confers IP advantages on independent producers which are not replicated globally and which have boosted investment and UK exports. Scotland already supports its global competitiveness as an international destination for production of film and high end TV through the Production Growth Fund and the Screen Commission to address:

- Information asymmetries, so producers are aware of Scottish advantages in terms of skills, facilities and locations
- The equity issue that if the market is left to its own devices major productions will be concentrated in only a few global centres.

The work done to prepare this proposal has highlighted the gaps in data and information about the industry, particularly in Scotland. The nature of the film industry is that production companies are themselves small, and establish Special Purpose Vehicles for each film project. The hiring of hundreds of often freelance production staff and spend of tens of millions of pounds of production funding is therefore within the Special Purpose Vehicle rather than the company. This activity

is less visible than the records of companies. Additionally a number of data sets exist at UK level, particularly around skills, for which a Scottish cut does not exist.

These give rise to information failures for public services, and for commissioners and investors. There is a need for new public investment in the collection, analysis and wider availability of data around companies, productions, audiences and skills. This will help tackle both the information failures and information asymmetries.

If the Scottish screen industry is to be able to capitalise on the ambition for increased production and growth in this blueprint then the soft (skills) and hard (funding) infrastructure needs to be in place. There is a public good justification for intervention in the provision of training opportunities in so far as without public support the private sector may be unable or unwilling to train sufficient staff as they may not be able to benefit from the investment. Public sector provision of training also brings positive externalities in that a well-trained and skilled workforce brings wider societal and community benefit.

CHAPTER 3 – SCREEN UNIT OPERATIONAL DELIVERY

Screen Unit Purpose and Functions

Partners have agreed the right leadership role and remit for Screen Unit success. The Screen Unit will act as a champion, partner and advocate for the Scottish screen sector and will deliver a step-up in support to meet partners' ambition and vision. It will provide a single 'front door' or first port of call for those seeking public sector support, whether related to content development and production; audiences and exhibition; skills and talent development; business or infrastructure development.

Screen Unit Leadership Role

Provide strong, visible leadership of broader, collaborative Scotland-wide public-sector strategy and delivery.

Screen Unit Remit

- Provide wider-ranging support for the screen sector
- Work with key stakeholders in agreeing the strategy for public sector interventions to support the industry
- Support cultural and economic development to deliver 'triple bottom line' impact, and a globally competitive screen sector
- Provide sector and opportunity insight supported by regular, robust data and trend gathering and analysis.
- Influence effectively on behalf of the industry, workforce and audience
- Provide focus on the cultural, social and economic impact investment delivers on outputs and outcomes, supported by evaluation and analysis
- Build capacity and capability to enable a resilient, sustainable, networked sector, through skills and enterprise development
- Ensure agile, sector-facing aligned services
- Support growth of audience size, diversity and reach, at home and abroad
- Promote diversity and inclusion, in front of and behind the camera and in audience appeal and access
- Build positive partnerships with agencies, content commissioners and other key stakeholders
- Develop the sector through funding, advice and support

Partner Roles

Screen Unit partners will make a contribution specific to their role (see Appendices B and F for more information):

Creative Scotland (CS) - is the public body that supports the arts, screen and creative industries across all parts of Scotland. CS distributes funding from the Scottish Government and the National Lottery to support content development and production; film education; and boost exhibition and audience development. In creating a dedicated Screen Unit, Creative Scotland will boost its role in:

- cross-partner leadership; advocacy and influence
- skills development: industry continuous professional development
- enterprise support: sector-specific business development; and infrastructure
- data and evaluation

Scottish Enterprise (SE) – benefits the Scottish economy by identifying and exploiting opportunities for growth, with a focus on account management for high-growth potential companies and, within creative industries, a particular emphasis on digital media. SE will work with the new Screen Unit to ensure joined-up business support and to encourage private sector-led investment in film studio infrastructure.

Highlands and Islands Enterprise (HIE) – develops the conditions for a globally competitive region by supporting both businesses and communities, using an account-management approach for high-growth potential companies and a sector-specific flexible offering to others. HIE will shape Screen Unit work by drawing on its experience to help identify and support a pipeline of growth ambition companies.

Scottish Development International (SDI) – is the international arm of Scottish Enterprise and Highlands and Islands Enterprise, and aims to achieve export growth, attract overseas investment and promote Scotland as an ideal place to live and work.

Scottish Funding Council (SFC) – directly funds the infrastructure of Further and Higher Education in Scotland. SFC's £1.6bn funding enables colleges and universities to educate, research and innovate. To boost the Screen Unit, SFC seeks to support a single network of colleges and universities across the Creative Industries to respond to the current and emerging sector needs and opportunities.

Skills Development Scotland (SDS) - helps individuals achieve career success and supports businesses with their company workforce goals and growth. SDS offers careers services in schools and online for all, supports work-based learning in businesses and helps industry with skills development planning.

In addition to the partners, local authorities play a key role and provide important services to the screen sector.

Local Authorities support screen through direct funding of independent cinemas, film festivals, arts venues, film education and screen commission services. Councils are also responsible for the delivery of **Business Gateway** services, providing access to free assistance and general business advice and support.

New Collaborative Governance of the Screen Unit

The Screen Unit will be led by Creative Scotland with support from Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and The Scottish Funding Council. This will enable the Unit to draw on the knowledge and expertise across partners at both Executive and Non-Executive levels. This approach sits within the broader Enterprise and Skills Review context, which already focuses on a collaborative approach to providing enterprise and skills services.

Partners agree an effective Screen Unit needs a governance arrangement which:

- is properly rooted in the lead agency
- provides clear lines of accountability
- affords the leadership role that the industry seeks
- provides continuity to build on existing services

To assist with the development of the Screen Unit proposal, the Board of Creative Scotland established a specialist Screen Committee, comprising three Creative Scotland non-Executive Directors, and two specialist industry representatives. Agencies agree that the Screen Unit should be incorporated into Creative Scotland's governance by refreshing this Committee to include representation from each of the enterprise and skills agencies, alongside new industry members. The committee should meet every four months from the start of 2018/19. Other successful examples of this type of governance model include VisitScotland and EventScotland; Scottish Enterprise and Scottish Development International.

The role of the enhanced Screen Committee would be to:

- advise Creative Scotland's Board on Screen Unit strategy, and report on its performance
- agree, scrutinise and monitor management plans
- oversee the effectiveness of partnership working against agreed outputs and outcomes, and report to other Agency Boards as appropriate, through the Screen Unit leadership.

Written Service Level Agreements between the Screen Unit and each partner will support their contributions and accountabilities. The governance structure will adjust, for example to include the new South of Scotland enterprise body. Creative Scotland will also seek to influence the Scottish Government to strengthen the agency's main Board by appointing screen sector expertise.

Senior representatives of each agency met as a 'Sponsor Board' to provide

leadership and steer development of the Screen Unit proposal. For the remainder of 2017/18, Sponsor Board members will join the existing Screen Committee to help all agencies prepare for successful Screen Unit implementation.

The Sponsor Board was assisted at working level by experts from each agency and Scottish Government, meeting monthly as a Project Board. To prepare for implementation this group will continue for at least six months. Thereafter, the Scottish Creative Industries Partnership (SCIP) group, on which the Project Board members are already represented, will have screen as a dedicated agenda item. This approach will allow focus on monitoring key joint projects, support delivery of shared outputs and outcomes, and streamline partners' efforts.

Current and Proposed Investment

In headline terms, current investment across partners breaks down as follows:

- Creative Scotland (CS) – just over £10m p.a.
- Scottish Funding Council (SFC) – over £25m p.a.
- Skills Development Scotland (SDS) – over £1m p.a.
- Scottish Enterprise (SE) Highlands and Islands Enterprise (HIE) and Scottish Development International (SDI) – around £1m p.a.

The table details investment across partners by theme:

Content, Production, Exhibition, Audiences	Skills and Talent Development	Enterprise Support and Infrastructure
<p>All funding from CS</p> <p>Film Development and Production £3.64m</p> <p>Drama Development and Production £800k</p> <p>Inward Investment £1m Production Growth Fund</p> <p>Inward Investment Support – Screen Commission £225k</p> <p>Distribution, Exhibition, Audience Development £2.58m</p>	<p>CS £550k:</p> <ul style="list-style-type: none"> • Film Access Network • Outlander and other training programmes • BFI Film Academy • Age 5-19 Film Education programme <p>SFC supports around 3,000 students in Higher and Further Education provision – c. £25m¹²</p> <p>SFC - Creative Media Network for Excellence (including Screen Academy) and Scottish Drama Training Network -</p>	<p>CS and SE co-fund FOCUS-£250k</p> <p>CS further specialist business development support - £375k</p> <p>SE further investment - £150k:</p> <ul style="list-style-type: none"> • Film Studio support • entrepreneurial leadership • innovation (SMART, R&D awards). <p>SDI and SE jointly support international connections, market development and screen company Trade</p>

¹² Includes all student FTEs in the creative, media and performing arts. Included in this broad figure are students in creative media, some of whom are on journalism or architecture courses. These graduates have a high destination rate into other industries, while many working in screen do so by holding other qualifications.

Smaller Festivals funding £700k	£430k over period 2017/18 to 2019/20 SDS Screen Sector Modern Apprenticeships - £200k SDS Screen Foundation Apprenticeships - £900k	Mission attendance with around £150k HIE - £450k, including support for XpoNorth annual flagship B2B creative industries event
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The Strategy set out 12 new Screen Unit Actions to meet opportunities and to overcome constraints. These are costed where figures are available. One-off, capital and pump-priming investment has been prioritised to increase early impact. In some areas business cases remain to be developed in the implementation period. The table below summarises the new investments proposed in relation to Creative Scotland baseline and within the increased £10m resource. Skills actions show how a further investment of £1.2m may additionally be unlocked from other sources.

DRAFT Proposal for investment for 2018/19:			
	Current	Boost	Total 2018/19
Film Development and Production	3,640,000	360,000	4,000,000
Content Development and Production	800,000	2,200,000	3,000,000
Strategic Partnerships	0	2,400,000	2,400,000
Inward Investment (Production Growth Fund)	1,000,000	1,000,000	2,000,000
Inward Investment (Screen Commission)	225,000	275,000	500,000
Skills, Talent Development, Workforce and Professional Development	555,000	445,000**	1,000,000**
Distribution, Exhibition and Audience Development	2,580,000	570,000**	3,150,000**
Smaller Festivals	700,000		700,000
Specialist Sector Business Development and Enterprise Support	500,000	500,000**	1,000,000**
Infrastructure (estimate)	0	1,000,000**	1,000,000**
Staffing and overhead	1,300,000	1,000,000	2,300,000
Data/Analytics	0	250,000	250,000
Totals	11,300,000*	10,000,000	21,300,000
* £10m baseline figures + £1.3 staffing and overhead, the additional £0.9m from 16/17 baseline figures is due to cross year reporting of some awards			
** Includes some one-off, capital and pump-priming investment			

Single Screen Unit Action Plan

Partners have developed a single Screen Unit Action Plan which defines their screen-specific inputs and services in one place, with shared outcomes and impacts from their combined work, as set out in the vision and triple bottom line indicators.

This integrated approach can better support joint planning, governance, performance management and service impact evaluation. The Action Plan includes the five year targets and direction of work to 2022/23. The aim is for 2018/19 and 2019/20 services to follow the priorities set out in this strategy and funding approach, with a review at the end of the second year to learn from progress and shape the right interventions to ensure delivery of the growth ambition and vision by year five.

Inputs	Activities	Outputs	Outcomes	Impact
<p>Partner's direct financial inputs CS - £20m SE and HIE - £1m SDS - £1.1m SFC - over £25m</p> <p>Finance Leveraged investment from external Partners e.g. BBC; from Production Growth Fund and private sector investment in companies.</p> <p>Staff time Advice and support, advocacy and influence</p> <p>Intelligence and Insights Data gathering and analysis</p> <p>Customer Relationship Management Co-ordinated user interface and access to services</p>	<p>Content Development / Production (CS) - support across TV and Film in Scotland - Production Growth Fund and Screen Commission for inward investment - Strategic Partnerships with content commissioners New Actions: A1, A2, A3</p> <p>Distribution, Exhibition and Audiences (CS) - Open and Regular Funding, inc. festivals - Digital national film theatre New Action: A4</p> <p>Business Development (CS/SE/HIE) - Specialist sector-wide business development support (CS) - Analysis of all companies to identify those with growth ambition (CS/HIE/SE) - support for companies with growth ambition (CS) - support for companies to scale (SE, HIE) - studio infrastructure (CS/SE) - build new presence in international TV and digital streaming markets (CS/SDI) New Actions: A8, A9, A10, A11, A12</p> <p>Skills and Talent (CS/SDS/SFC) - FE/HE support. Connect education providers to employers (SFC) - work based learning support: Apprenticeships and CPD (CS/SDS) - film education and careers advice linked to the national careers service (CS/SDS) - tools to boost diversity and inclusion (CS) - improved workforce data (CS) New Actions: A5, A6, A7</p>	<p>Production - increase in scale and range of productions from Scottish companies - increased levels of inward investment - reduction in 'lift and shift' - increased leverage of external investment using Scottish funding Target – production spend to increase by 100% by year five. Scottish public funding for production to leverage external investment at least 1:10</p> <p>Business - increased pipeline of businesses with ambition for growth - increase in no of Scottish businesses in UK top 50 by scale - increase in external investment Target – Six Scottish companies in UK top 50 by year five.</p> <p>Skills and Talent - a clear skills plan for the sector - increased numbers leaving education who successfully access the sector - increased number and range of opportunities, including year-round employment - increased EDI participation</p>	<p>Screen sector - increased strength and depth of the Scottish screen sector: sustainable; networked; vibrant; strong; resilient</p> <p>Production - recognised internationally as a centre of excellence and innovation for content development and production - supports growth of audience size, diversity and reach, at home and abroad, with engaging and acclaimed content and a strong, distinctive cultural voice</p> <p>Business - improved access to infrastructure (digital and studio infrastructure) - increase in presence in international TV and new digital markets - increase in turnover and sustainability of Scottish companies</p> <p>Skills and Talent - improved reputation of the industry in Scotland as a sustainable career choice e.g. high value roles with year-round work - recognised internationally as a centre of excellence for talent and skilled crew - increased attraction and retention of talent in Scotland - greater equality, diversity and inclusion in front of and behind the camera</p>	<p>Building a Globally competitive Scottish screen sector "Triple Bottom Line" success and increased impact across cultural, social and economic development.</p> <p>Cultural - increase in audience size, diversity and geographic reach - increased viewings of culturally significant or relevant content from Scotland - increase in number of countries buying content made in Scotland - increase in credible international acclaim</p> <p>Economic -increased company turnover and scale - increased production spend - increased total FTE direct employment - increased wider GVA - increase in screen tourism</p> <p>Social - increased workforce and trainee diversity - increase in value/income of roles - improved inclusive growth across regions - increase in social, and community benefits</p>

New Screen Unit Staffing and Structure

The Screen Unit will be led by Creative Scotland with accountability sitting with their Chief Executive. Creative Scotland will appoint a team of up to 10 new staff in early 2018 to build capacity and add to its current screen resource. New posts will include a new Executive Director post focusing on Creative Enterprise, and roles to support new aspects of the Screen Unit actions outlined in this report.

- **Data** – to provide data and expertise to ensure regular insights and trend analysis; underpin strategy, performance management and impact evaluation
- **Advocacy and Influence** – increased capacity to help champion the sector

Additional staffing, skills and investment to support new user-facing areas:

- **Screen Executive** – TV and digital content development and production
- **new Strategic Partnerships with Content Commissioners** - to underpin negotiation of the best partnership approaches, and build a pipeline of TV content and production of the right breadth, depth and quality
- **business development support, developing industry capacity and capability** – to enable the right infrastructure support, business modelling, access to investment, business and market development, and entrepreneurial leadership and workforce support. Further scoping work can establish what should be delivered directly, and what support frameworks to put in place for specialist services through others
- **enhanced Screen Commission capacity** – to support the intended doubling of inward investment production activity
- an effective **Customer Relationship Management** function across agencies.

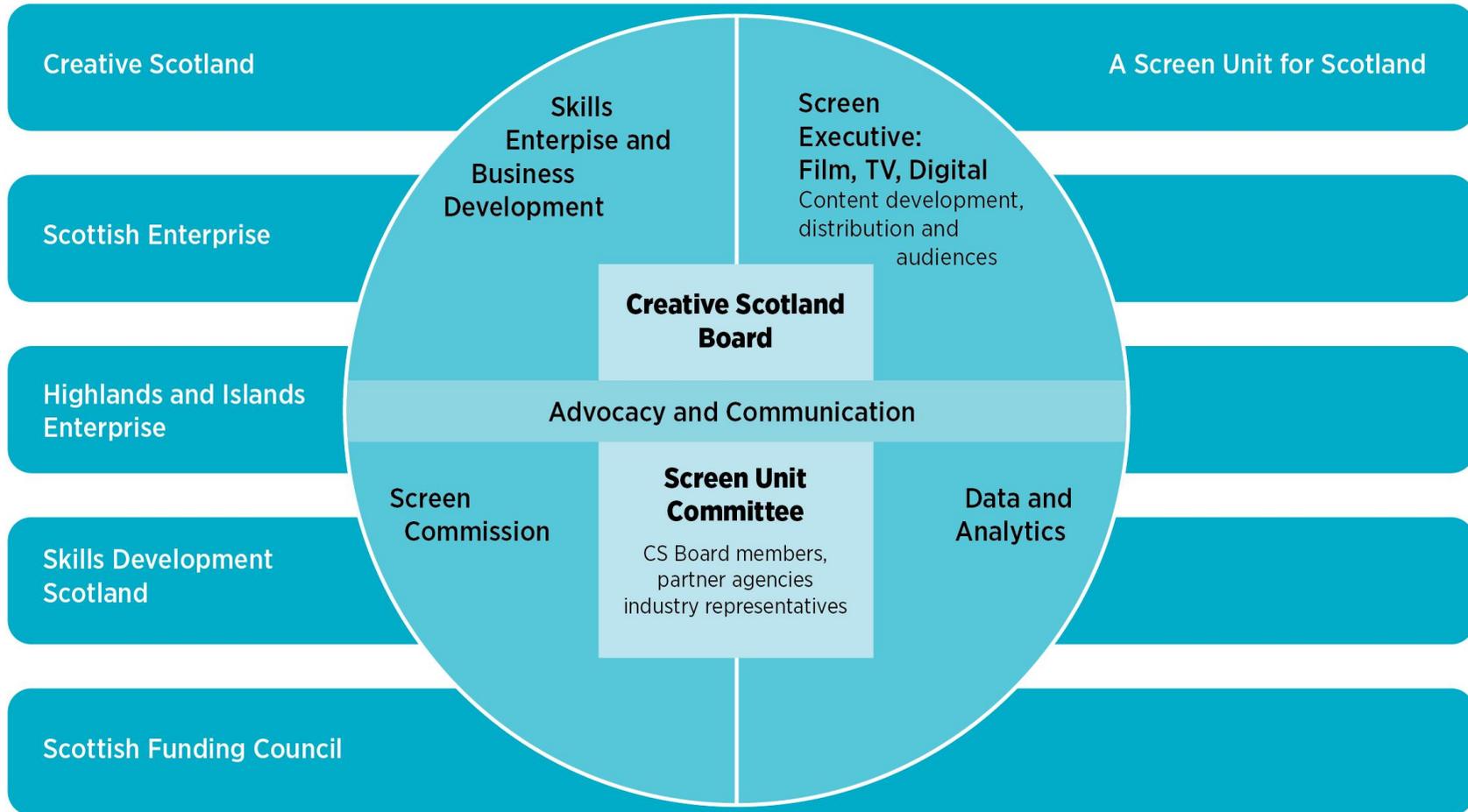
Creative Scotland's screen staffing costs currently represent around 13% of its budget. More work is needed to scope the additional capacities in full. Around 10% of the increased investment might be assumed to support these new areas. The chart illustrates Screen Unit functions, rather than structure, and does not show line management.

Implementation Period

Screen Unit implementation will begin before the end of 2017. The period to end-March 2018 will be used to develop:

- **Governance** – New Service Level Agreements with each partner agency
- **Data**– requirements, reporting and data-sharing, workforce skills assessment
- **Structure** – role scoping for each new part of the Screen Unit, and a sufficiently timeous plan to attract required new staff
- **Organisational Development Scheme** – to support the Screen Unit step-up
- **Strategy** – finalisation of proposals with stakeholders
- **Business Cases and Service Development** – e.g. for studio infrastructure; and to identify companies with growth ambition.

Screen Unit Governance



APPENDIX A

KEY SECTOR DATA

The following summarises some of the key data uncovered by Olsberg.SPI in their report *Scotland's Screen Sectors – Economic Baseline*.

The analysis of Scottish-registered companies operating in 2016 is based on a sample of 487 separate businesses, who were responsible for £189m in turnover, and 1,503 in direct employment. When the estimated impact of Scottish cinema exhibition from non-Scottish domiciled cinema chains is included, the total impact is estimated at £294m turnover, with 2,333 FTEs of direct employment.

TV production was the largest part of the sector, by company count, turnover, and employment.

	Business Count	Turnover	GVA	Employment
TV Production	214	£130,748,198	£54,222,913	918
Film Production	204	£40,359,286	£23,685,000	384
Exhibition	7 ¹³	£112,626,374	£36,228,740	923
Post-Production	49	£8,443,881	£5,590,000	82
Distribution¹⁴	13	£2,174,683	£1,381,986	26
Total	487	£294,352,421	£121,108,639	2,333

Source: Olsberg.SPI analysis of data from Companies House, D&B, BFI, and BBC

Olsberg consultants estimated FTE freelancers in the sector, using production spend data from the Creative Scotland Screen Commission and PACT. This suggested between 508 and 1645 FTEs of freelance employment operated in Scotland during 2016, generating an additional turnover of £45-140m, and GVA of £26-80m.¹⁵ The implication is a total value of £340-435m for 2016 (including both production spend and turnover), generating £147-202m of GVA, and employing 2,850-3,980 total FTEs.

Television Production

The Television Production sector is the largest sub-sector in Scotland, reflective of the presence of several large broadcasters, including STV and BBC Scotland.¹⁶

¹³ Total does not include film exhibitors with Scottish screens, but which are not domiciled in Scotland

¹⁴ Due to small sample size, Film and TV Distribution is treated as a single sector

¹⁵ As it has not been possible to establish the degree to which some of this production and employment is counted in our analysis of company data, a wide range has to be drawn to account for any double-counting

¹⁶ STV were identified in our original sample, but the BBC were not – a separate analysis of BBC accounts has been undertaken to add both BBC Scotland and BBC Alba to our Companies House/D&B sample

The largest cluster of these firms is in Glasgow, which is responsible for just over 80% of Scotland’s TV turnover, and 76% of direct employment; and these figures would be larger were the BBC data included. The average TV production company in Scotland turned over £509,190 in 2016, employing an average 3.75 people in the process. These figures are skewed significantly by STV however – discounting the broadcaster, average turnover falls to £328,868, with 2.75 employees per firm.

Freelancers are a key part of the television production market, and have been estimated using PACT’s 2017 Census, the Creative Scotland Screen Commission, and Companies House data. In 2016 it is estimated there were between 450-1,525 FTEs in employment in Scotland, representing £35.5-121n in Turnover, and £20.5-70m in GVA.¹⁷

Postcode Area	Business Count	Turnover	GVA	Employment
Glasgow	124	£100,931,817	£37,173,913	701
Inverness	8	£10,100,814	£4,659,000	36
Edinburgh	25	£6,708,307	£4,140,000	61
Outer Hebrides	7	£2,999,255	£2,001,000	29
Aberdeen	4	£2,068,451	£1,380,000	20
Kilmarnock	12	£1,928,195	£1,242,000	18
Dundee	4	£1,877,193	£897,000	13
Paisley	10	£1,532,265	£1,035,000	15
Motherwell	6	£723,960	£483,000	7
Falkirk	4	£583,701	£315,000	5
Perth	4	£466,858	£345,000	5
Dumfries and Galloway	3	£413,691	£276,000	4
Kirkcaldy	2	£310,268	£207,000	3
Lerwick	1	£103,423	£69,000	1
Total	214	£130,748,198	£54,222,913	918

Source: Olsberg.SPI analysis of data from Companies House, D&B, and BBC

Film Production

Film production is a large element of the Scottish industry, and is relatively well spread around the country. The average film business is small with a relatively low turnover. In 2016, the average turnover was £197,840. The largest business in the sample had 30 permanent employees, and a turnover of £2m.

As film production is a highly cyclical business, in another year, the numbers presented could be very different, as many smaller film production companies will not be able to put a new project into production on an annual basis, and will likely

¹⁷ FTE numbers are different to the Pact/O&O figures due to the use of different multipliers

be doing work to either prepare for a new production or sell one which has already been made.

Postcode Area	Business Count	Turnover	GVA	Employment
Glasgow	80	£17,325,816	£10,015,000	167
Edinburgh	58	£10,760,542	£6,533,000	105
Motherwell	12	£1,861,609	£1,167,000	18
Paisley	11	£2,458,406	£1,068,000	17
Aberdeen	10	£2,378,721	£1,467,000	23
Kilmarnock	5	£827,381	£522,000	8
Perth	5	£713,327	£453,000	7
Dundee	4	£413,692	£261,000	4
Falkirk	4	£620,536	£369,000	6
Kirkcaldy	4	£827,382	£483,000	8
Dumfries and Galloway	3	£517,113	£315,000	5
Galashiels	3	£620,535	£354,000	6
Inverness	2	£413,690	£276,000	4
Wick	2	£517,113	£348,000	5
Outer Hebrides	1	£103,423	£54,000	1
Total	204	£40,359,286	£23,685,000	384

Source: Olsberg.SPI analysis of data from Companies House and D&B

Freelancers play a critical role in the production process. An estimate of their number was drawn from data provided by the Creative Scotland Screen Commission, and using production multipliers Olsberg established during work on the wider UK film sector. This implies that between 60-122 FTEs were employed on film production in Scotland during 2016, with production spend generating £9.7-19.4m in turnover, and £5.3-10.6m in GVA.¹⁸

Exhibition Sector

Postcode Area	Business Count	Turnover	GVA	Employment
Edinburgh	5	£7,152,536	£2,070,000	86
Glasgow	1	£103,423	£69,000	1
Aberdeen	1	£620,535	£414,000	6
Total	7*	£7,876,494	£2,553,000	93

Source: Olsberg.SPI analysis of data from Companies House, D&B, and the BFI

*Only Scottish-domiciled businesses counted; many of these will include multiple cinemas within a single business

Companies based in Scotland, operating in the exhibition sector represent a small percentage of the total, so Olsberg estimated the value of exhibition in cinemas

¹⁸ As it is likely that some of this will have been counted in the company sample, a 50% weighting is applied to the bottom range of the calculated data

owned by companies based outside of Scotland. Their report gives their methodology which concluded that total turnover for cinemas in Scotland in 2016 was £112m, generating £36.2m GVA, and 9239 total FTE employees.

Distribution

Postcode Area	Business Count	Turnover	GVA	Employment
Glasgow	4	£1,064,176	£691,986	11
Edinburgh	2	£206,846	£138,000	2
Paisley	2	£206,846	£123,000	2
Dundee	2	£386,546	£222,000	8
Kilmarnock	1	£103,423	£69,000	1
Aberdeen	1	£103,423	£69,000	1
Perth	1	£103,423	£69,000	1
Total	13	£2,174,683	£1,381,986	26

Source: Olsberg•SPI analysis of data from Companies House and D&B

Given the small sample size both film and TV activities were merged for this sub-sector. This understates activity, as larger Scottish productions are likely to be distributed by London-based companies. The average Scottish company in the distribution market is very small, with £167,283 in turnover in 2016, and 2 FTEs.

Facilities, Post-Production, and VFX¹⁹

Postcode Area	Business Count	Turnover	GVA	Employment
Edinburgh	15	£2,999,259	£1,968,000	29
Glasgow	19	£2,792,413	£1,865,000	27
Paisley	5	£930,804	£621,000	9
Dundee	2	£517,113	£338,000	5
Inverness	1	£206,845	£108,000	2
Perth	1	£206,845	£138,000	2
Falkirk	1	£206,845	£138,000	2
Wick	1	£206,845	£138,000	2
Kirkcaldy	2	£170,066	£138,000	2
Kilmarnock	1	£103,423	£69,000	1
Motherwell	1	£103,423	£69,000	1
Total	49	£8,443,881	£5,590,000	82

Source: Olsberg•SPI analysis of data from Companies House and D&B

Glasgow is responsible for the most businesses in the wider facilities sector, though Edinburgh has the highest turnover in the Scottish facilities sector.²⁰

¹⁹ These sectors are all represented by Screen Facilities Scotland, and in reflection of this division within the Scottish market, have been grouped together for the purposes of this report

²⁰ A single large business was also identified in Inverness (Cairnstar), but as this could not be verified as a SIC mis-coding, it was manually removed from the sample

This sub-sector has a significantly lower than average turnover (£172,325) than the rest of the Scottish sector, which is unusual when compared to the rest of the industry in the UK. Consultees noted that much of the industry in Scotland is under-capitalised, with frequent resulting churn in companies and workers.

APPENDIX B

PRODUCTION FIGURES, INTERNATIONALISATION PARTNERSHIPS AND STRUCTURES

Creative Scotland Screen Fund supports indigenous companies, whilst Production Growth Fund supports inward investment productions.

Screen Funding - Production 2015/16	Genre/Type	Awards
<i>Sunset Song</i>	Film	£150,000
<i>Dirt Road to Lafayette</i>	Film	£150,000
<i>Stockholm My Love</i>	Film	£90,000
<i>ATOMIC</i>	Feature Doc	£65,000
<i>Blackbird</i>	Film	£300,000
<i>Tommy's Honour</i>	Film	£400,000
<i>The Greatest Story Ever Told (aka Lost In France)</i>	Feature Doc	£75,000
<i>Big Gold Dream</i>	Feature Doc	£44,225
<i>Bird: The Woman Who Kicked Down Doors</i>	Feature Doc	£60,000
<i>Bannan Series 3 (Episodes 14-18)</i>	TV Drama	£161,250
<i>AQUARELA</i>	Feature Doc	£125,000
<i>ALIAS MCALIAS</i>	Feature Doc	£57,000
<i>DAPHNE</i>	Film	£300,000
<i>A REYKJAVIK PORNO</i>	Film	£20,000
<i>The Pullars</i>	Feature Doc	£25,000
<i>West Skerra Light</i>	TV Drama	£50,000
<i>Seat In Shadow</i>	Film	£30,000
<i>HUSH</i>	Film	£53,966
<i>The Islands and the Whales</i>	Feature Doc	£24,113
Total Film and Feature Doc		£1,969,304
Total TV		£211,250
Approximate Total of Budgets*		£19,949,179

*Note not all of the budgets will have been spent in Scotland

Screen Funding - Production 2016-17	Genre/Type	Awards
<i>Dirt Road to Lafayette</i>	Film	£125,000
<i>The Accidental Anarchist</i>	Feature Doc	£90,000
<i>Calibre</i>	Film	£453,966
<i>Some Time Did Me Seek</i>	Film	£355,000
<i>Only You</i>	Film	£400,000
<i>The Hippies: Punk Rocked My Cradle</i>	Film	£95,000
<i>David Millar Project</i>	Film	£150,000
<i>Princess Emmy</i>	Film	£220,000

<i>PRESIDENT TRUMP</i>	Film	£60,000
<i>THE WIFE</i>	Film	£200,000
<i>Anna and the Apocalypse</i>	Film	£250,000
<i>Arcadia</i>	Film	£90,000
<i>Orson Welles: A Portrait of the Artist</i>	Feature Doc	£75,000
<i>Beats</i>	Film	£450,000
Total Film and Feature Doc		£3,013,966
Total TV		£0
Approximate Total of Budgets*		£22,104,828

*Note not all of the budgets will have been spent in Scotland

Screen - Production Growth Fund 2015/16	Genre/Type	Awards	Spend*
<i>Untitled Trainspotting 2</i>	Film	£500,000	£6,730,062
<i>HUSH</i>	Film	£303,966	£1,200,000

Screen - Production Growth Fund 2016/17			
<i>Muncie (AKA In Plain Sight)</i>	TV Drama	£250,000	£1,435,349
<i>CHURCHILL</i>	Film	£250,000	£1,576,707
<i>THE ETRUSCAN SMILE</i>	Film	£100,000	£2,500,000
<i>Loch Ness</i>	TV Drama	£200,000	£3,800,000
<i>Calibre (Production Growth)</i>	Film	£146,034	£850,000
<i>Keepers</i>	Film	£125,000	£1,015,000
Total Film 2016/17	Film	£1,425,000	£5,941,707
Total TV 2016/17	TV	£450,000	£5,235,349
Approximate Total of 16-17 Budgets**			£33,281,884

*Spend - combination of estimated spend and achieved

**Not all of the budgets will have been spent in Scotland

Additionally, the following films and high end TV have recently shot in Scotland without Screen Funding but with the support of the Screen Commission:

- 2017: *Avengers Infinity War, The Parties Just Beginning*
- 2016: *Rillington Place, Outlander, The Replacement, One of Us, Clique*

Non-drama TV made or shot in Scotland, independently in 2016 includes:

- *Robot Wars, Still Game, Mrs Brown's Boys, Scotland's Wild Heart, Winnie-The-Pooh: The World's Most Famous Bear (Finestripe), Location Location Location (IWC Media) and Fill Your House for Free with Gok (Raise the Roof), and Documentaries – The Mart; The River; Eden*

INTERNATIONALISATION – PARTNERSHIPS AND STRUCTURES

Within Creative Scotland, internationalisation work is focused on selling Scottish content and attracting inward investment:

- The core Screen Team supports sale of worldwide distribution rights of indigenous producers by ensuring each supported project has an international sales agent
- The Screen Commission attracts productions to Scotland, highlighting its incentives, funding, locations, crews and talent, and also supports productions that are based in Scotland.

There are a small number of key markets and festivals in the film calendar to both sell and promote new films and attract new productions:

- February - Berlin
- May - Cannes
- September - Toronto/TIFF
- Annual – British Film Commission hosts UK Film and TV week (USA)

Creative Scotland maintains a base within the UK Film Centre alongside the British Film Institute (BFI) and other national and regional agencies under the banner *We Are UK Film* and using the distinct *Film in Scotland* branding. UK Film represents the UK Film industry national and regional agencies at key international festivals. Additional partners include the British Film Institute (BFI), the British Film Commission (BFC), and British Council.

Support at festivals and markets involves:

- Building the range and strength of international contacts and relationships, from other screen agencies to sales agents and financiers. The aim is to increase knowledge and understanding of others' strategies and funding requirements as well as facilitating connections between producers
- Screen Commission presence in the UK Film Centre, promoting Scotland's locations, crews, funding and tax incentives.
- Promoting Scotland's own festivals (EIFF and GFF in particular) and achievements such as a key Scottish film premiere
- Raising Scotland's profile through managing media interest or representation on industry-focused panels
- Attending co-production events and supporting Scottish producers e.g. those attending the Market Leaders programme
- Funding attendance by Scottish talent at recognised and strategically important markets and festivals to promote their screen projects. These can be live action or animated short or feature films, feature documentaries or television projects.

Creative Scotland's key partner is the [British Film Commission](#) which is the national agency with a remit to maximise and support the production of international feature film and television in the UK. Creative Scotland sits on the British Film Commission National Advisory Board. International production enquiries often come through the BFC as a first port of call and are then feed out to the Nations and Regions.

The BFI is also a key partner in the context of internationalisation. The [BFI's 2022 Strategy](#) includes an international element:

- Ensuring a globally competitive UK film industry
- Ensuring inward investment remains a huge success story for the UK economy
- Increasing international promotion and export of UK film, talent, skills and culture

There are other markets and festivals, particularly TV-focussed, to which Creative Scotland has not previously directed resource or presence.

Scottish Development International

Aligned to the priorities of Scottish Enterprise and Highlands and Islands Enterprise, SDI trade support takes three forms: access to a programme of trade missions; access to SDI's networks of GlobalScots and [overseas offices](#); and tailored individual company support combining information, advice and finance.

An International Senior Management Team comprising SE, HIE and SDI staff in Scotland and around the globe inform forward planning and priorities for Technology and Advanced Engineering which includes the Screen and TV sub-sector of Creative Industries. The team regularly refreshes both sector and geographic priorities

APPENDIX C

SKILLS AND TALENT DEVELOPMENT

Introduction

The UK screen industries are widely recognised as being of huge economic and cultural benefit to the economy, from film and television to animation and visual effects. The film industry contributed £2bn in export revenues in 2015, making UK film one of the most export oriented parts of the UK economy, and the film and wider industry grew by three times the rate of the UK economy in 2013/14. Yet, rapid growth, fiscal incentives, limitations on available physical infrastructure and technological change are contributing to skills challenges and shortages, impacting upon the continued prosperity of the sector.

Scotland has historically been reliant on a vibrant, focussed screen production sector which has had real depth and strengths in television production, particularly in factual formats and daytime programming, and perhaps a more irregular success over the past decade across drama and feature film production. However, in recent years, inward investment feature film and drama production from US majors and in co-production with UK broadcasters and independents has shown that Scotland is facing new challenges in sourcing domestic resident skills in a range of grades and across the screen value chain.

Scotland has a very rich mix of Further Education Colleges and Universities offering a very broad range of provision up to Masters Level. Scottish Funding Council estimates that they invest £25m across 3,000 FTE learners annually undertaking screen industries related learning each year.

The Scottish Government Growth Sector Database shows that there has been an approximately 10% decline in total screen workforce over 2014 to 2015 from 6,400 to 5,800. The reasons for this are not fully understood, given the increasing volume of production, the reported skills shortages and the sector buoyancy at recent announcements of significant commissioning opportunities via BBC Scotland and uplifts on Regional Production targets in general.

The absence of an authoritative Scottish screen industry dataset across the screen value chain - and the freelance workforce on which it relies - has been identified as a barrier to understanding and strategically responding to the issues facing the sector.²¹ This has been a particular challenge to this workstream, resulting in us developing a sector intelligence methodology drawing on the available sector

²¹ [Screen Sector Leadership Group Report](#), Jan 2017

reports for Scotland and at UK level²², amplified by meeting experts from Creative Skillset, Scotland's Colleges and Universities, Screen Facilities Scotland and the broadcasters and independent production companies.

The workstream's recommendations are informed by the expert insight we gathered and are presented as interventions with the potential to achieve structural change in how the screen sector considers and responds to skills in future. Furthermore, it provides at best an indication of scale, phasing and required resource to achieve the change necessary and who and how this will be achieved across the agencies. However, for these impacts to result, Scotland's screen sector must address the question of its skills evidence base immediately.

To this end, Skills Development Scotland and Creative Scotland will commission a workforce skills assessment alongside a skills demand and skills supply survey across the screen value chain and the identified growth opportunities established by the Olsberg economic analysis. This aims to be delivered by March 2018.

Skills Priorities and New Demands

The BFI Future Film Skills Action Plan identifies shortages across the UK screen value chain, with significant issues in crewing across art department, costume, hair and make-up, construction, production, post-production, distribution and exhibition.

Creative Scotland commissioned Kaye Sheridan to undertake a Scottish Feature Film and High-End TV Industry consultation to establish current skills gaps priorities. The Report dated March 2017 supported the general pattern of the BFI findings, but highlighted a range of variants – mainly, but not all, arising from the lack of continuity of feature film and television drama production of scale and complexity in recent years in Scotland.

These immediate priorities include:

- Production Accountants and Assistant Accountants
- Production Co-ordinators
- Grips and Assistant Grips
- 1st Assistant Camera, including women in all camera roles
- Location Scouts, Unit Managers and Assistant Location Managers
- Art Directors with build experience, Prop Buyers, Plasterers, Draughters
- Assistant Directors - 1st, 2nd and 3rds

There are a number of key skills areas across studio-based features or drama production which will be pressing and need a Scottish response if there is to be an

²² Screen Sector Review 2014-2017 (Creative Scotland, 2014), Creative Industries Skills Investment Plan (2015), BFI2022 – Supporting UK Film (BFI 2017), A Skills Audit of the UK Film & Screen Industries (Work Foundation, 2017) and Future Film Skills An Action Plan (BFOI 2017)

upturn in production levels, especially large-scale incoming productions. These include Construction, Drapes, Greens Technicians, Stunts and Horse Stunts, VFX, Physical SFX, Crane and Remote Head Technicians, Marine Specialists, Transport Captains, Studio Managers and Green Screen Captains.

Additionally, there has been a growing demand for specific and specialised roles in the broadcast sector such as Cross-Platform Producers, Editors, Show Runners, Production Accountants, and on. This is paralleled by a need to refresh and sustain the creative talent pool of content creators, Scotland's Producers, writers and directors.

Skills Supply and New Provision

The [BFI and Work Foundation Skills Audit of UK Film and Screen Industries](#) (June 2017) emphasises the following patterns in the UK education system:

- The film and screen industries are highly attractive for learners; large numbers undertake learning in aligned subject areas in both Higher Education (HE) and Further Education (FE) courses every year;
- Whilst there are significant numbers studying in areas which are more vocational such as film production, computer games and motion picture directing/producing, a substantial proportion of learning is concentrated in general areas such as media and communication studies which may not be delivering enough of the technical skills required to meet skills shortages;
- The pool of learners in HE and FE is considerably more diverse than the population as a whole on a range of metrics – gender, ethnicity, and disability – and more geographically dispersed than the film and screen industries;
- However, a number of subject areas are less diverse in terms of their learner populations. In particular, gender diversity is low in computer games and high-end computing

These broad patterns are supported by Skills Development Scotland work on the skills supply system on behalf of Scottish Government in the [Creative Industries and Digital Technologies Skills Investment Plans](#). Creative Scotland's report on [Equalities, Diversity and Inclusion in Screen](#) (May 2016) also demonstrated that the industry workforce was less representative of the Scottish population across a number of metrics.

In addition to Scotland's tertiary education system there are a range of industry providers or production-based training initiatives such as *Outlander*, *Bannan* and the NETS Screen Academy Scotland at Edinburgh Napier University which are high quality and intensive, contributing to the development of long-term screen careers. The National Film and Television School in Scotland is also already

seeking to create a new collaborative partnership with Scotland's colleges and universities.

Current and Future Investment

Alongside partner agency investment identified earlier, we estimate that Creative Skillset has invested some £400k annually in the Scottish sector across a number of skills initiatives. There are further aspects of BFI investment with a Scottish component such as Into Film, BFI Film Academy and Film Hub Scotland where there are skills costs, which require further consideration. This is in addition to the annual screen skills and education investment currently around £26.75m by Scottish Government's agencies. BFI Film Futures Skills Funding will be available from 2018 and we would expect Scotland's Screen Unit to secure, as a minimum, 10% of total funds available (i.e. £400k per annum).

Scotland's Screen Sector Strategic Priorities And The Actions

The BFI/Work Foundation A Skills Audit of Film and Screen Industries (May 2017) identifies five strategic priorities for the United Kingdom, which were heavily foregrounded by Scottish Government's Skills Investment Plans for Digital Technologies (2013) and Creative Industries (2015). We anticipate that the Scottish Skills Survey will directly support:

- **Enhancing provision** - it is vital to simplify and build a more coherent, responsive skills infrastructure building on a wide-range of work-based learning activities and interventions
- **Attracting and cultivating talent** - young people lack a true understanding of the screen industries, the breadth of roles available and the career paths that exist. The sector must enhance awareness and understanding of education, training, employment and progression opportunities to draw new and diverse talent to the industry
- **Driving diversity** - it is essential the industry improves the recruitment, retention and advancement of women, those from minority ethnic groups, disabled people and those from less advantaged backgrounds to remain economically and creatively competitive
- **Building bridges** - the sector must build on and strengthen linkages between initiatives that support learners transition from education to work and maximise reforms to apprenticeships to 'open the door' to screen industries
- **Professional development** - strengthening the skills of workers and business leaders in the screen industries will be central to improving absorptive capacity and supporting growth of indigenous businesses

APPENDIX D

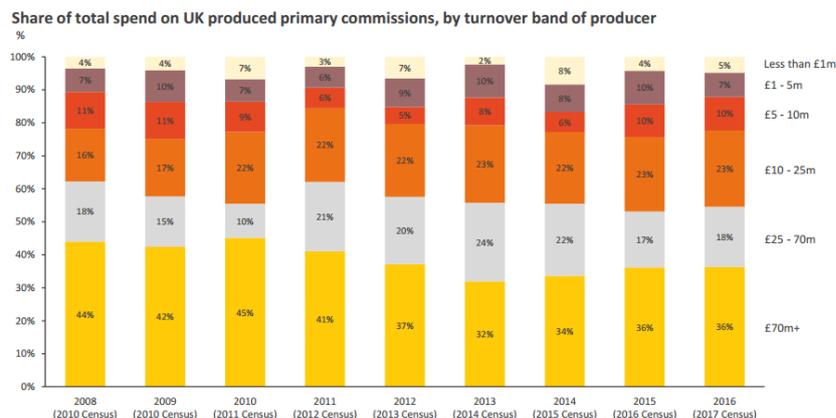
ENTERPRISE SUPPORT – SE and HIE joint paper

Introduction

The key economic challenge for the screen industries in Scotland can be readily identified from PACT's [2017 Census](#) report and is reinforced in the Olsberg evidence paper. The PACT report shows how 80% of UK produced primary commissions went to companies with a turnover of more than £10m; a percentage level that has been consistent since 2008 as shown below.

Share of UK commissioning across the market has remained stable

The share of commissioning spend across producers of different sizes has remained broadly the same over the last decade



Scotland, according to the respected [Televisual Production 100](#) report has just two company of this scale of the 53 across the UK as a whole.

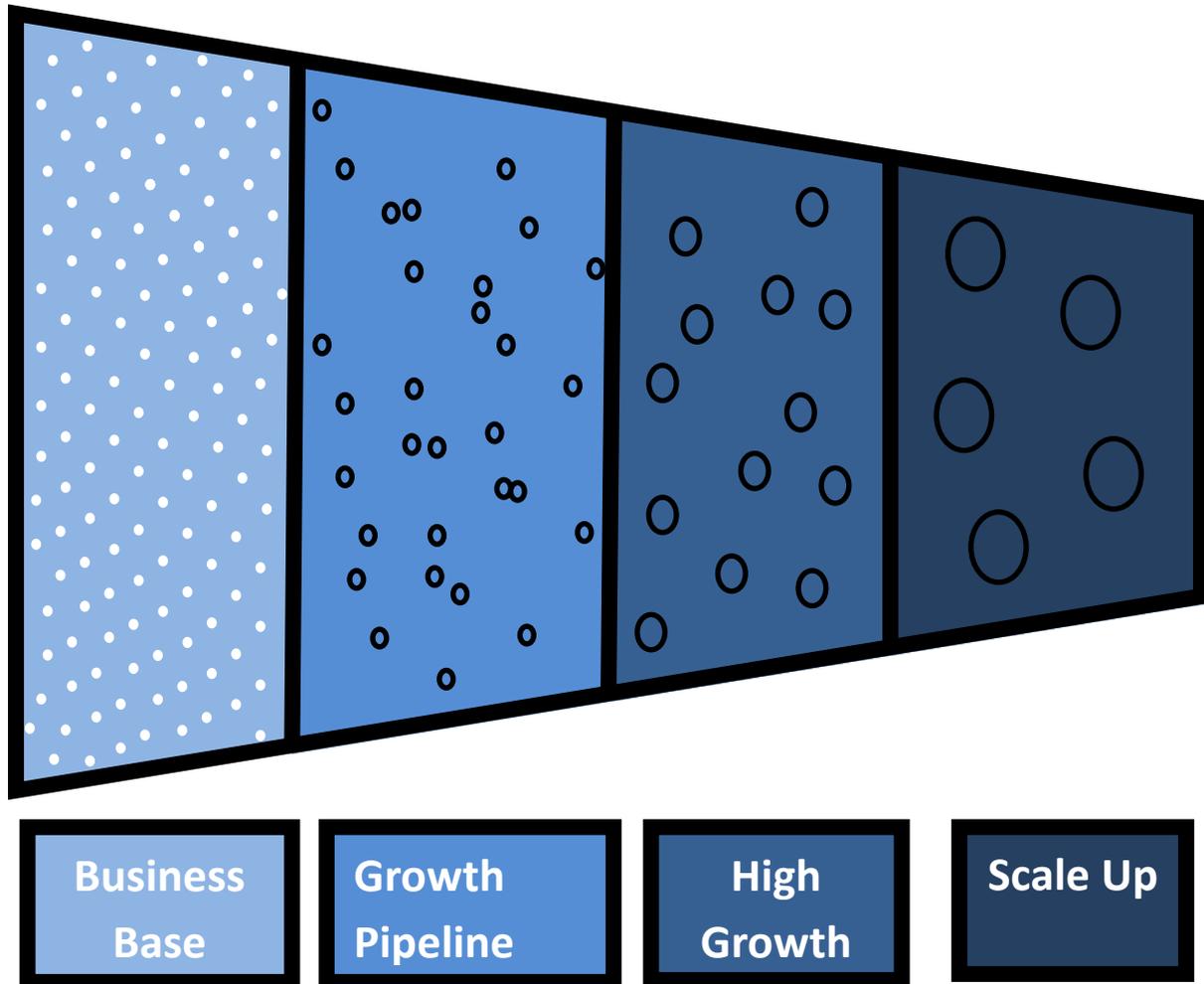
The Olsberg Scottish Economic Baseline report further highlights this challenge for the Scottish industry and offers the following as evidence of market failure

"The data we have identified demonstrates the small, weakly-capitalised nature of many of the companies operating in the Scottish sector. The average company in the sample had a 2016 turnover of £369,299, and 3 permanent employees; this is a figure skewed by a small number of large companies. In the film production segment, this falls to £197,840 turnover and less than 2 permanent employees, while in TV (excluding STV), this is only marginally healthier at £328,868 and 2.75 permanent employees.

Within the market, this creates a challenge, as such firms tend to supply a small oligopoly of buyers, whether in the film or television industry. As an example, for episodic content, there are probably six major UK-wide content-buyers – BBC, Sky, Channel 4, ITV/STV, Netflix, and Amazon – and much the same can be said for film. In such a market, smaller firms are at a substantial disadvantage to the purchasers, and can struggle to have sufficient capital to generate the original IP which will allow them to benefit from the production of their content....."

A key challenge for Scotland therefore is how best to address the absence of companies of scale in the screen sector, combined with a substantial level of freelance employment, which is difficult to track. Creating scale in Scotland's indigenous industry was identified as a critical need for long term sustainability in Building the Platform Success in 2009; a critical need that continues today.

Addressing the Challenge



This challenge is, in essence, a common challenge many industries face and can usefully be considered using the conventional industry terms used in the funnel diagram above. Scotland has a busy, populous Business Base but struggles to populate the funnel as it proceeds towards Scale Up.

While the specific interventions will, by their nature, contain actions very specific to the screen industries (but not exclusively), the purpose of interventions, from an economic perspective, must be with the intention of capturing greater market share which leads to sustainable business growth. This industry is fairly unique in having a small number of very large customers, and a mature supply chain of established companies servicing demand. This calls for a co-ordinated industry led response to enable businesses to "break through" and secure market share.

In the Highlands and Islands, the importance of Gaelic as an asset, combined with the challenges created by distance, leads to specific interventions which enable individual small companies and content creators to benefit from enterprise agency support. This ensures equality of access to public sector support across Scotland for industry practitioners.

Considering each growth stage separately we can describe the nature and number of companies, what type interventions would be appropriate, and which of the public sector organisation play the most significant roles. We also suggest potential new projects that could be considered to build competitive advantage for the industry in Scotland.

Business Base

This represents the vast majority of 400+ companies in the sector. These are typically companies whose main ambition is to produce content. While many of these companies are an important part of the overall screen ecosystem only a relatively small number have the potential and ambition to become a large business with high levels of industry credibility. The most appropriate support for this wider ecosystem is to nurture regional innovation networks enabling companies to benefit from experience and insights from industry experts, to showcase new productions, and to encourage more collaborative working across the sector. There are also other important reasons, primarily cultural and inclusivity that support the case for public support.

Creative Scotland is likely to be the most significant Screen Unit partner active in this area. HIE also plays an active part in supporting the ecosystem through specialised interventions to share knowledge, encourage the development of industry talent in the Highlands and Islands, and to improve business capability.

Growth Pipeline

These are companies who have the potential to grow which is likely to be based on a combination of outstanding creative ability, technical competence and business ambition, with the former points likely to be the most influential. This is therefore probably best considered as an area of talent development and an engine of innovative content, however, business skills and industry knowledge are essential. The outcome of activity in this area is an increased number of people and companies with enhanced reputations and demonstrated capability in screen production that will provide the foundation basis of a company that can innovate and grow sustainably.

Existing projects like FOCUS (recently launched) and DEEP are of particular relevance to these companies. In addition there is evidence, and support from the industry, for a revised and updated **Tartan Shorts initiative** which could help accelerate growth through providing these companies with more opportunities to showcase their work to potential buyers. This would provide funding for innovative

content by ambitious high quality companies to be produced and platforms for the content to be viewed - possibly on the new BBC Scotland channel, STV's local channel STV2 or on a digital provide like Amazon.

Creative Scotland will be the major Screen Unit partner with SDS, Business Gateway and Enterprise Agencies also active. The public sector broadcasters, and potentially new digital distributors, will also play a significant role.

Working with public sector partners, the Screen Unit should be aiming to support around 40-50 companies with these interventions.

High Growth

These are companies that achieved a level of success and scale that are actively looking to grow the size of their business to successfully compete with the c50 companies for 80% of UK commission spend. They will likely have turnover up to £10m. They will be highly ambitious in terms of international sales. We should be aiming to see 10-15 companies with this level of capability and resource located in Scotland.

Critical to realising the growth of ambitions of these companies are the Public Sector Broadcasters (PSBs). It is an area where the enterprise agencies have a significant role particularly by drawing these companies into account management to provide deep support for business growth. However, market scanning, networking, knowledge sharing and talent development will be important elements in building and retaining industry advantage in Scotland.

A **new Supply Chain Development initiative** is required. This should be led by the PSBs and other broadcasters either individually or collectively, to build relationships with indigenous Scottish production companies and to provide security which enables these companies to plan for the longer term (at least two years). This is essential for sector development as well as retention of critical talent.

Scottish Enterprise and HIE resources will feature here to advise the PSBs and others in approaches to opening up and effectively broadening their supply chains. Scottish Investment Bank (SIB) is likely to feature as in some cases funding mergers and acquisitions or other forms of growth finance are likely to be one of the needs of companies to achieve growth of £10m turnover and secure greater market share. Existing programmes like DEEP will also play a significant role in these companies development.

Scale Up

These are production companies with a turnover greater than £10m that we would want to see grow to more than £25m and become one of the top 20 production companies or £50m and join the top 10. International sales and connections will

be critical for these businesses and Scottish Development International (SDI) will have a role to play alongside the Screen Unit in supporting internationalisation.

Again the principle public organisations will be the PSBs and the enterprise agencies with SIB likely to be of particular importance as mergers and acquisitions will be a major component of the companies' growth. Involvement in projects like Engage Invest Exploit (EIE) could become appropriate if private investment is sought as the scale of growth ambition becomes more significant. Particularly if that growth is linked to emerging technology developments.

Underpinning Infrastructure

A critical part of the economic picture directly linked to the burgeoning indigenous production sector is the provision of appropriate studio facilities which is also, of course, a major factor in attracting inward investment and the added economic value that brings.

The future approach for studio provision in Scotland needs to ensure suitable facilities for both inward film investment, particularly film and high end television, as well as local needs of high growth and scale up companies to maximise screen production activity in Scotland.

This infrastructure development will also provide a critical drive to the expansion of the post production industry including digital special effects studios which will make a substantial contribution to the value of the screen economy.

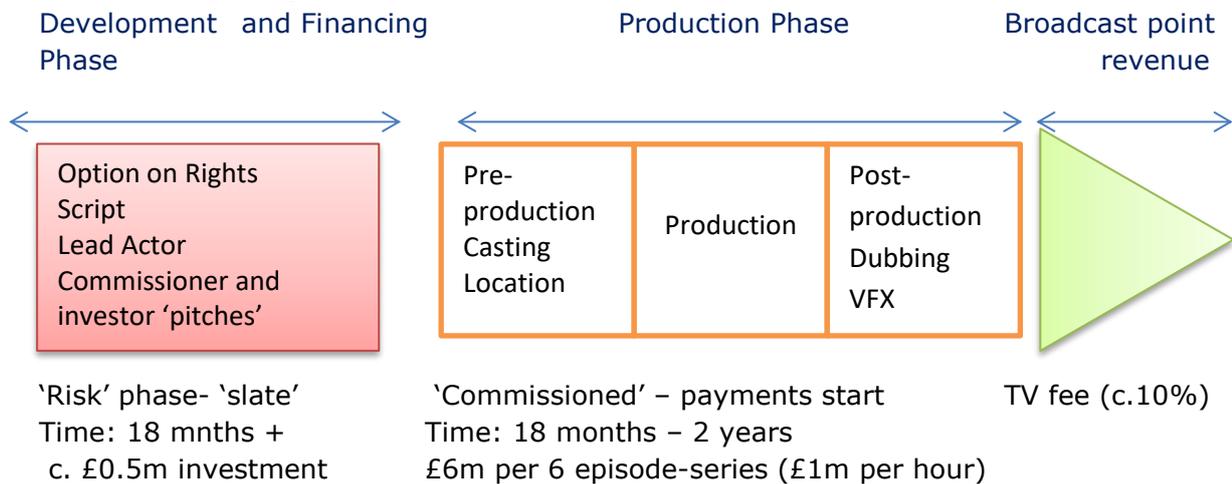
The Screen Unit plays a vital role in this area determining appropriate needs and identifying appropriate approaches which could include:

- Establish a studio infrastructure fund
 - Support provision of temporary studio space
 - Provide De Minimis grants to private companies to enhance facilities for location shooting
- Grow the number of skilled crews
 - Further skills fund investment to support additional 3-4 inward investment productions

TV AND FILM DEVELOPMENT AND INVESTMENT CYCLE

Below summarises the film and TV business models, and related industry support requirements. Revenues occur much earlier in the TV development cycle than for film producers.

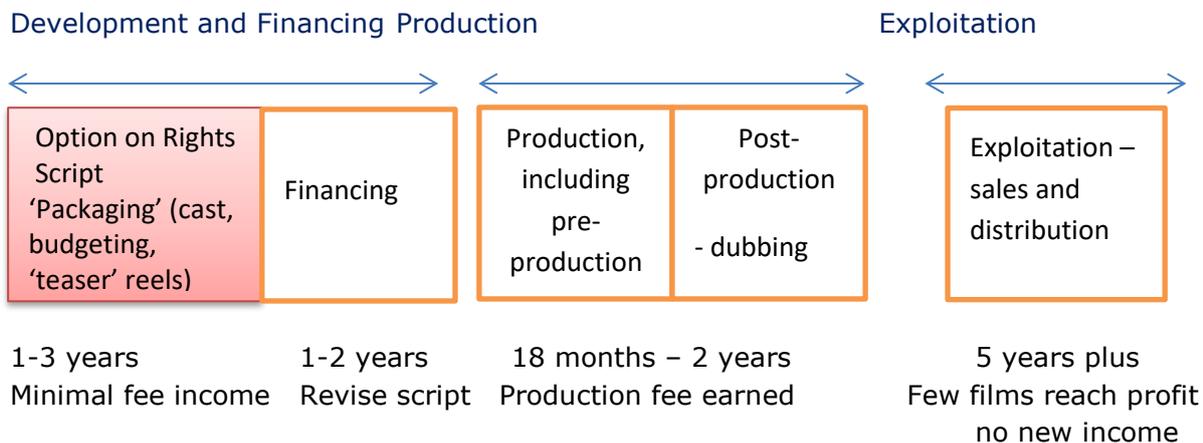
TV Broadcast cycle – animation, drama, series.



These estimated timelines and investment are for drama, and can be lower for other genres.

Film Development Cycle

In film-making there is less certainty around revenue over a more protracted period. This makes it riskier, and rewards larger studios with a portfolio of offerings.



Specialist Advice/ support Screen Sector businesses may need:



APPENDIX E

Questions	Scotland	N. Ireland	Rep. of Ireland	Wales	Australia	Denmark	Vancouver
How does that territory structure its approach to Screen e.g. one body or more, how governed and reporting to which part of its Government?	CS, Enterprise Agencies x 2, SDS, SFC and Business Gateway. Reporting to Culture, Economy, Education	NI Screen reporting to Economy, Communities and Arts, Culture & Leisure	Irish film Board (IFB) reporting to Department of Arts, Heritage and the Gaeltacht	Film Cymru Wales (FCW) lottery delegate of ACW and BFI Wales Screen a team within the Creative Industries section of Welsh Government	Screen Australia and 10 screen agencies Screen Australia is the Australian Federal Government's key funding body for the Australian screen industry	The Danish Film Institute (DFI) is Denmark's national agency for film and cinema culture, operating under the Ministry of Culture	The Film & Media Centre (FMC) and the Vancouver Film Commission (VFC) are both part of The Vancouver Economic Commission (VEC) Creative BC was formed by the provincial government of British Columbia and focuses on the growth and development of the province's creative industries.
What Screen Agency remit(s)?	Development, funding, Advocacy, influencing across Arts, Screen & Creative Industries	To maximise the economic, cultural and educational value of the screen industry in the region	Development agency supporting filmmakers and production companies across the film, television and animation sectors in Ireland	FCW supports strategic development of the film sector in Wales Wales Screen works across domestic and international projects inc TV drama, provides commercial investment in film and TV productions filming in Wales and incurring Welsh spend	Screen Australia aims to support and develop a spotlight for home-grown talent and indigenous talent, encourage innovation within the industry and build audience bases	Production and development of all types of films. Distribution and communication of films and film culture. Archives and museum activities.	FMC and VFC work together to deliver Vancouver's Film and TV industry. Creative BC promotes the development of creative industries (motion picture, interactive digital, music and publishing sectors)

APPENDIX E

Questions	Scotland	N. Ireland	Rep. of Ireland	Wales	Australia	Denmark	Vancouver
How funded, with what balance of public/ non-public or leveraged funds?	2015/16: SG: £46.6m £30m National Lottery (@£10m on Screen, @90% Lottery)	2016 @£18m From NI Invest, NI Govt Depts, Arts Council NI	IFB is determined by the Irish Government, and was €16.5m in 2015	FCW: DCMS via ACW Wales Screen: Welsh Govt Media Investment Budget (MIB) £30m over 5 years from June 2014. Pinewood Pictures advises on the MIB	Screen Australia, is funded from Govt's federal budget and received Aus\$84m in 2016	Ministry of Culture within the Danish Government Film Funding: €75m p/a New Talent: €4.3m Video Games: €1.3m	FMC and VFC are funded by Vancouver City Council. Creative BC is funded entirely by the Province of BC Columbia
Does the Territory have a strategy for the Screen Sector as a whole?	Yes	Yes	Yes	No. FCW works to a Business Plan	Each state has its own strategy for the screen industry. Screen Australia has a Corporate Plan setting out its own priorities and planned investments	No. There is a Danish Film Agreement which sets out sector plans for 2015-2018 and provides the overall economic and film-policy framework for the work of the DFI	No
If so what is it, e.g. across TV and film, and how does it link its strategy to success e.g. growth, employment etc.?	Film Education, talent & skills development, content development & production, inward investment, exhibition, distribution & audience development	Animation, Large-Scale Production, Television Drama, Irish Language, Factual/ Entertainment Television, Independent Film, and Gaming, Mobile, E-Learning and Web Content	IFB will promote an overall vision for the industry, focusing on leadership, gender and diversity, and building audiences for film, television and animation	FCW aims to support growth of the Welsh Film Sector through job and wealth creation, supporting talent, companies and sector infrastructure, through project, company and individual funding and training opportunities	Screen Australia's functions are set by the Screen Australia Act 2008 to: Support and promote the development of a highly creative, innovative and commercially sustainable screen production industry. Development, production, promotion and distribution of and access to Australian programs. Support and promote culture	The Film Agreement sets out objectives: More Film Doubled Support for Video Games Strengthening the Economy of Danish Film New Opportunities for Talent Media Studies for Children and young people Film in the Classroom	VFC's mandate is to support the growth and success of the Vancouver Film, TV & Digital Entertainment industry, via three key activities: Investment Marketing, promotion and business development Advocacy

APPENDIX E

Questions	Scotland	N. Ireland	Rep. of Ireland	Wales	Australia	Denmark	Vancouver
Which other public agencies are drawn into that strategy and how do they each contribute to its delivery?	Strategy supports partnership working across SE, HIE and more widely through SCIP	Strategy requires the support and leadership of Invest NI and DCAL	Strategy relies on partnerships with Govt Depts, IDA Ireland, Enterprise Ireland, the Gaeltacht, other public film funding agencies	ACW is a key partner for FCW through funding relationship	Not apparent other than government connections and support, and the regional film commissions	The Agreement relies on DFI's relationship with the Ministry of Culture and Danish Govt as well new partnership with other government departments, such as the Ministry of Education	None
Where does public sector/territory support across all needs of the Screen Sector sit? One public body or more than one with specific remits? What is the support for development, production etc	<p>CS, SE, HIE, SDS, SFC, BG</p> <p>Film Education Programmes</p> <p>Screen Funding</p> <p>Production Growth Funding</p> <p>Screen Commission</p> <p>Talent/Skills Development Programmes</p> <p>Regular Funding (exhibition/ key festivals and audience development)</p> <p>Open Project Funding (Smaller Festivals)</p>	<p>NI Screen with support of Invest NI and DCAL</p> <p>Content Production & Development Funds</p> <p>Cultural Funds</p> <p>Film Education</p> <p>Digital Film Archive</p> <p>Cultural Cinema</p> <p>Film Festivals Skills and Training funding programmes</p>	<p>IFB relying on partnerships with enterprise agencies</p> <p>Content production & development Funds</p> <p>Distribution</p> <p>Industry Support</p> <p>Audiences</p> <p>Locations</p>	<p>FCW and Wales Screen</p> <p>FCW supports Welsh or Wales-based writers, directors and producers with development and production funding, industry assistance and mentoring opportunities</p> <p>Wales Screen funding for film and television production is available through the MIB for commercial investment in film and TV productions filming in Wales and incurring Welsh spend</p>	<p>Screen Australia and 10 screen agencies</p> <p>Screen Australia supports:</p> <p>Film, TV and Online, documentaries, Indigenous, Industry and Audience Development, Producer Offset and Co-Productions</p>	<p>DFI</p> <p>DFI is the national agency for film and cinema culture, operating under the Ministry of Culture. It supports the development, production and distribution of films and runs the national archives</p>	<p>FMC, VFC, Creative BC</p> <p>VFC's mandate is to support the growth and success of the Vancouver Film, TV & Digital Entertainment industry, via three key activities:</p> <p>Investment</p> <p>Marketing, promotion and business development</p> <p>Advocacy</p> <p>Creative BC promotes the development of creative industries (motion picture, interactive digital, music and publishing sectors)</p>

APPENDIX E

Questions	Scotland	N. Ireland	Rep. of Ireland	Wales	Australia	Denmark	Vancouver
How is funded and what is the source of the funding?	CS: Annual funding budget from SG and National Lottery Enterprise support: SG	Government Depts, National Lottery funding, Invest NI and the BFI	Irish Government	ACW (DCMS) and Welsh Government	Australian Federal Budget	Danish Government	Province of BC and Vancouver City Council
Does the agency impose conditions on access to funding and if so, what sort of conditions?	CS sets eligibility criteria and conditions for Screen Funding and PGF eg re spend, benefits to local talent/crew, sales and distribution structure	NI Screen sets eligibility criteria and conditions for eg re spend, benefits to local talent/crew, sales and distribution structure	IFB sets eligibility criteria and conditions for eg re spend, benefits to local talent/crew, sales and distribution structure	FCW and Wales Screen set eligibility criteria and conditions for eg re spend, benefits to local talent/crew, sales and distribution structure	Screen Australia sets eligibility criteria re incorporation, experience in the screen industry, commitment to contribute financially to the project	DFI can only award subsidies to the production of Danish feature films. It will also perform a production and financial assessment of the project as well as an assessment of the film's target groups and distribution potential	Not evident from available information
How do relationships work with broadcasters and do they have formal partnership agreements? If not, what sort of arrangements do they have?	No formal partnerships Projects are co-developed and co-funded with PSBs	Formal partnership agreements with BBC, STV and Irish Language Broadcast Fund	No formal partnerships	No publicly available information	No publicly available information	No publicly available information	No publicly available information

APPENDIX E

How do they work with new commissioners like Netflix/Amazon?	Projects have been co-funded (2 projects with Netflix)	No publicly available information on this	No publicly available information on this	No publicly available information	No publicly available information	With a focus primarily on independent Danish features, DFI does not make clear its position on relationships with larger commissioners	No publicly available information
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APPENDIX F

PARTNER ROLES

Each of the Screen Unit partner agencies makes a contribution specific to its **role**:

Creative Scotland – approximate spend £10m p.a. - (CS) is the public body that supports the arts, screen and creative industries across all parts of Scotland. It provides support to the screen sector with a focus on cultural excellence and engagement; cross-sector collaboration; equalities, diversity and inclusion; and promoting Film in Scotland at home and abroad. CS distributes funding from the Scottish Government and the National Lottery to support content development and production; film education; and boost exhibition and audience development.

Scottish Enterprise – (SE) delivers a significant and lasting positive effect on the Scottish economy by identifying and exploiting opportunities for economic growth. Within the creative industries space SE places particular emphasis on digital media. The focus of resources is on companies that demonstrate high-growth potential, with integrated account management support. Increasing the number of globally competitive screen businesses is vital to a successful and growing Screen Industry in Scotland. SE will continue to help screen businesses with high growth potential to stretch themselves and by focusing on where we can make the biggest difference. SE's work with companies aims to raise ambition, productivity and international competitiveness, to invest in growth plans through innovation and exporting, and to create better and more secure jobs.

Companies not meeting the high growth criteria have access to SE's online services and products, and partnerships with a range of organisations.

Building competitive strengths in specific sectors is vital for Scotland's future. SE will work with the new screen unit and enterprise, skills and creative bodies to ensure joined up business support and to encourage private sector led investment in film studio infrastructure.

SE will continue to collaborate with public and private sector partners including Creative Scotland, Business Gateway, Local Authorities, Highlands and Islands Enterprise and key organisations including the Scottish Chambers Network with a focus on streamlining and joining up support. Where there are business support requirements specific to the Screen Industries, we will appraise and develop state-aid compliant solutions as appropriate to need and impact

Scottish Development International – (SDI) is the international arm of Scottish Enterprise and Highlands and Islands Enterprise. It is a management unit within Scottish Enterprise, with joint oversight between SE, HIE and Scottish Government. It aims to achieve export growth, attract overseas investment and promote Scotland as an ideal place to live and work.

Highlands and Islands Enterprise – (HIE) develops the conditions that enable the Highlands and Islands to fulfil its potential as a globally competitive region by supporting both businesses and communities. HIE employs an account management approach to focus resource on companies that demonstrate high-growth potential. Alongside this, HIE has also developed a network model that provides sector-specialised bespoke, flexible support.

The approximate annual spend across SE, HIE and SDI is around £1m.

Scottish Funding Council – **approximate spend £25m p.a.** - (SFC) directly funds the infrastructure of Further and Higher Education in Scotland. With investment totalling £1.6bn, SFC's funding enables Scotland's colleges and universities to educate, to research and to innovate. SFC fund and support the Creative Media Network and the Scottish Drama Training Network to work closely with industry to ensure the quality and volume of provision is adequate to the needs of industry. SFC also affect change to the shape of learning supply through the outcome agreement process with individual universities and college regions.

Skills Development Scotland – **approximate spend over £1m p.a.** - (SDS) helps individuals achieve career success and supports businesses with their company workforce goals and growth. SDS offers careers services in schools, internship and entry-level support to the workforce, and helps employers with workforce support, skills development planning, and 'Skills for Growth' targeted at areas of specific need or potential.

In addition to the partners, Local Authorities play a key role and provide important services to the screen sector. **Local Authorities** provide support to screen through direct funding of independent cinemas, major film festivals, and multi-purpose arts venues that have a screen provision. The mainstay of this support is focused around exhibition, access, audience development and to moving image education. Additionally, Scottish Local Authorities are responsible for the delivery of **Business Gateway** services in their respective areas, and provide access to free assistance and impartial advice to people starting, running, or growing their business by a combination of:

- Online support – a comprehensive website with practical information and useful guides
- A programme of fully funded local workshops and events held throughout Scotland
- Advice to suit specific business needs through and network of business advisors
- Business information – a dedicated team providing information and support on all aspects of starting and growing a business.

Business Gateway already has strong partnerships with Scottish Enterprise, Highlands and Islands Enterprise, and Skills Development Scotland.