

Response to call for evidence from the Economy, Energy and Tourism Committee on the economic impact of the creative industries: Examples of successful international strategies for growing these sectors.

To consider how Scotland can grow sustainable TV and film, and video games industries.

My name is David Griffith and I am an award-winning writer/director and independent feature film producer. I also teach screenwriting at the University of Strathclyde CLL and the Writers. I worked as a producer for Glasgow-based Posh Pictures between 2000 and 2006 and currently run my own independent production company Timelock Media Ltd.

The role of public sector agencies and the effectiveness of the support they provide

Screen narratives are the dominant form of artistic and cultural expression of our age.

A vibrant film industry is indicative of a healthy democratic culture that has a vigorous outlook on the world. A dynamic national film industry employs and retains numerous skilled creative workers within the country. It also acts as a key driver for tourism as has been discussed in numerous academic studies and has also been recognised by the Scottish Government who notably provided financial support for the Disney Production 'Brave' through VisitScotland.

The role of Scottish Enterprise and Creative Scotland should be to provide business support and production loans tailored to operational structure of film producers with a view to creating a sustainable level of film production in Scotland. Unfortunately, Scottish Enterprise and Creative Scotland have not worked well together and have consistently failed to allocate sufficient support to film or take into account how the film industry currently operates when designing their business support packages and loan eligibility criteria.

As Ken Hay, CEO of the Edinburgh International Film Festival said in his opening address to the Scottish Film Summit in June 2014, "Film is both culture and industry". One might also add that it is both art and entertainment – though it is impossible to assess the precise mix until the film is complete. Most producers are motivated by creative as well as commercial ambitions and therefore operate unlike any other business, growing from micro-businesses to large enterprises and then shrinking back again with each production. Most forward-thinking small countries recognise that if they want a successful national film industry that will get them noticed on the world stage then they need to put in place sufficient resources and clear frameworks that will enable their national film industry to grow and flourish. In these countries, governments set policy in consultation with industry and then mandate National Film Agencies to provide targeted business support and production loan (risk amelioration) packages to deliver on these policies.

These support packages are typically delivered by a single National Film Agency that closely monitors the film sector's relationship with both culture and industry and proactively finds ways to nurture it. The agency is then externally monitored so that strategy and systems can be reviewed on a regular basis. Good examples of this type of working relationship can be found in Denmark and Sweden where the

Danish Film Institute and the Swedish Filmindustri operate within a framework set out and properly resourced by national governments.

Currently the level and type of business support provided by Scottish Enterprise for Scottish film production is wholly inadequate, while Lottery-funded project support through Creative Scotland is insufficient and too narrowly focussed when compared to other nations and regions of the UK, including: Wales, Northern Ireland or Yorkshire. As a result the film industry in Scotland is failing at a time when film production is booming in almost every other part of the UK.

How the issues that hinder the growth of creative industries can be overcome and how to capitalise on opportunities

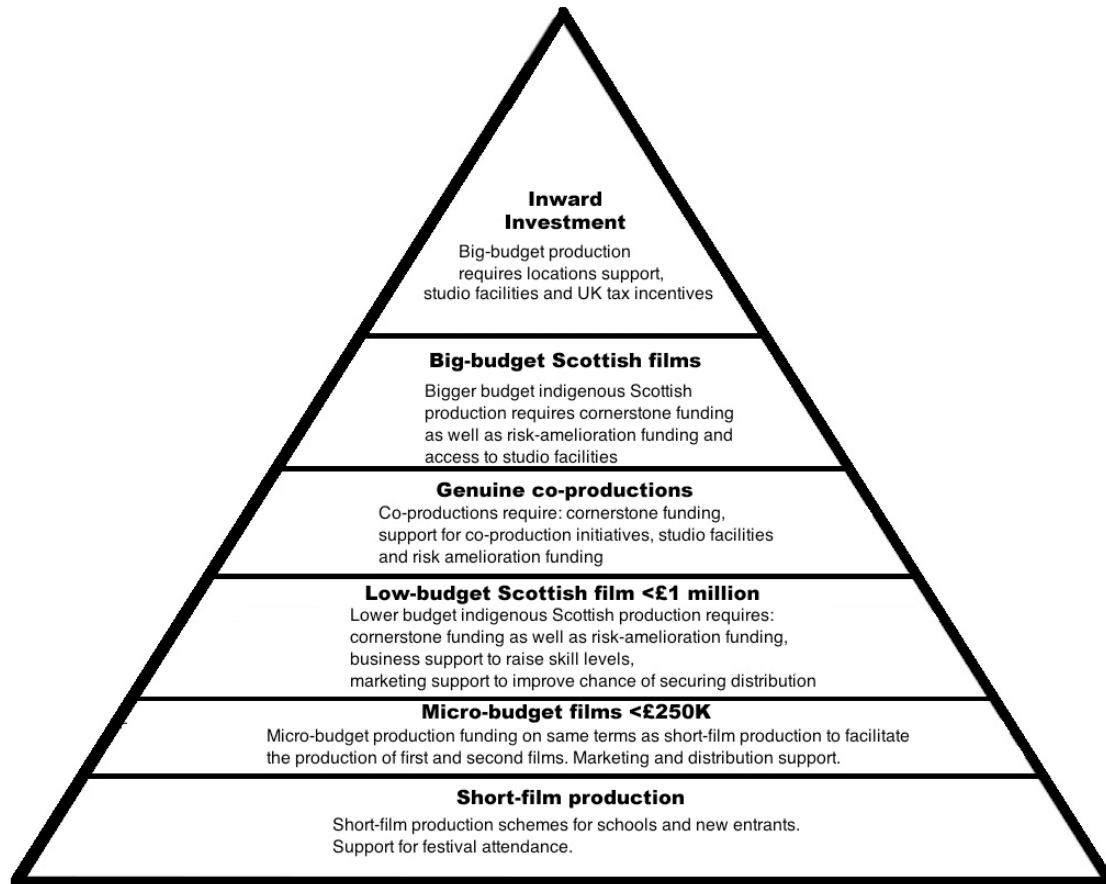


Figure 1. A SUSTAINABLE PYRAMID OF PRODUCTION requires different kinds of production support at each level of production. Greater amounts of risk amelioration funding will typically be offered to projects as the scale of the production increases; however, the lower levels of the production pyramid must not be neglected as these lower value productions provide the training an development ground for the next generation of creative producers, cast and crews.

The success of a national film industry should be measured not by the size of production companies but by the level of indigenous film production and the health of local production companies involved at every level of the production pyramid. If support is focussed too much on any one level at the expense of the others then the pyramid fails, because there is then no new blood flowing upwards through the system.

Typically new producers start out making short films and then progress through micro-budget production to feature films and co-productions with increasingly large budgets. Some film production companies, particularly documentary makers, may also make films/programs for TV. To build their reputation and business acumen, producers not only need ongoing training (see later section), but also to develop international contacts for project funding, co-production and distribution. This type of business development activity needs far greater support than has been available in recent years.

Since the independent film industry is both culture and industry it is organised and operates in a completely different ways to other industries (and artforms for that matter). For this reason, the standard approaches for measuring growth, sustainability and eligibility for support that are used by Scottish Enterprise simply do not apply to the film sector. If one wants to encourage growth in the film industry, one needs to encourage greater levels of production and scalable sales activity as is done in countries like Denmark rather than to search fruitlessly for a few high-growth businesses to support as Scottish Enterprise has tried to do. Just because this approach may work in some other sectors, does not mean it will work in all sectors – and it certainly does not where film is concerned. This inflexible, bureaucratic attitude and failure to grasp how the independent film industry operates in practice is probably why Scottish Enterprise has failed to provide any meaningful business support to the Scottish film production sector in recent years.

In addition to chronic neglect from the Creative Industries team at Scottish Enterprise, there are also problems with Creative Scotland where too little funding is allocated to film production. Moreover, the loans that are available are currently focussed too narrowly on the following areas of the production pyramid:

- inward investment,
- not so genuine co-productions (NB. These are often referred to in the industry as carpet bagging productions that use a Scottish co-producer merely as a conduit to siphon-off the all too limited production funds available through Creative Scotland),
- mid-range, indigenous film productions and
- restrictive short-film production schemes for new entrants.

Because of the way Creative Scotland operates as a reactive rather than proactive agency, there is little attempt to encourage genuine co-productions which are a core funding strategy in most European countries, while the very low and micro-budget productions that provide a vital training ground and bridge for emerging producers are almost wholly neglected when it comes to production funding. These lapses in support are not seen in other parts of the country (e.g. the Microwave scheme at Film London has £2.2 million to invest in their micro budget productions) and have stunted the development of new production companies and further contributed to the well-publicised, market failure of the Scottish film industry.

To redress these issues there needs to be much more, better-targeted business support tailored to the needs of the film industry and a larger pool of risk amelioration loans to support film production at each level of the pyramid. There should be one agency put in charge of film, not two, and this agency should take a much more proactive approach to helping the sector develop. Since the film industry is a producer-led business, training and skills development should be focussed first

and foremost on helping existing and emerging producers and production staff to grow their businesses.

The following types of business support and risk amelioration initiatives are required as a matter of urgency:

1. Government in consultation with industry representatives should set the framework for how support should be delivered to the industry and the proper level of funding that should be allocated towards film. Setting the level of funding should not be left to a cultural bureaucracy such as Creative Scotland.
2. A single agency should be set up to administer business development and production support so that the business support needs of the film industry no longer fall between two stools. The industry's preferred choice would be a National Film Agency along the lines of those in Sweden, Denmark, Norway etc..
3. In the absence of a National Film Agency, a semi-autonomous department should be set up within Creative Scotland with ring-fenced funding at a level in line with other nations and regions of the UK.
4. This new National Film Agency or semi-autonomous department's primary focus in terms of training and skills development should be on building a sustainable production sector.
5. Business support funds should not be administered through Creative Scotland's Regular Funding or Open Project Funding system as these systems are not set up in an appropriate way to support the needs of narrative filmmakers.
6. Clear unambiguous rules and guidelines need to be put in place about which funding streams are intended for whom and why – and how producers can apply for the support.
7. The government should mandate the agency to provide appropriate business and production loans to support the full range of producers and productions (drama and documentary) at ALL levels of the production pyramid (see diagram) – one size does not fit all.
8. Development funding should be made available to film projects at an early stage (even in small amounts) as support from a National Film Agency provides a key signal to international financiers that a project is worth investing in. If such cornerstone funding is not available, this makes the producer's job of raising finance much harder to achieve.
9. A new, city-based film studio should be built to encourage inward investment and support indigenous production and genuine co-productions.
10. Business support should be made available to existing and emerging producers to attend producer training schemes such as EAVE <http://www.eave.org> or the Media Business School: <http://mediaschool.org/>
11. Funds should also be made available to help producers access festivals and markets where they can sell their products. This scheme must be open to emerging as well as established producers which was the case under the flawed Market Leaders programme.
12. Support should be made available to help emerging producers find distribution and access VOD aggregator services that are currently out of reach of most low budget producers making their way up the pyramid.

13. More targeted support should be made available to proactively encourage genuine co-productions and a genuine co-production fund to enable producers to grow their businesses internationally.
14. Regular performance reviews of the agency/department and its funding decisions should be carried out by external researchers who understand the Scottish film industry, e.g. the CCPR at the University of Glasgow.
15. Packages of support should then be revised in accordance with these regular reviews.
16. There should be greater transparency in relation to producer eligibility for loans and business support and the reasoning that underlies project funding assessments.
17. Ideally, film officers that assess funding applications should be drawn from industry and hired on short term contracts as they are in Denmark to protect against 'staleness' and 'cronyism'.
18. There should be more proactive and flexible support from the agency for industry-led business initiatives to encourage greater private investment in film.
19. The government and Agency/Department should lobby BBC Scotland, Channel 4 and STV to demand that they buy more Scottish films to be screened on TV. These are our national broadcasters in receipt (to varying degrees) of licence fee funding and should therefore be required by the Scottish Government to do more to support indigenous film production as is the case in most small countries.
20. Similarly specialist cinemas and festivals in receipt of funding through Creative Scotland should be obliged to show more Scottish Films as a condition for receiving CS funding as is also the case in most other small countries.

How to retain in Scotland those with the necessary creative skills

Though naturally patriotic, the reason talent migrates away from Scotland is because the career opportunities are currently far better elsewhere. Training new talent without simultaneously building the production capacity simply leads to creative people being lured away from Scotland. This is currently the case where promising new Scottish directors of short or micro-budget films are often picked up by London companies while their Scottish producers struggle to secure any funding from Creative Scotland to make the gigantic leap from short film production (budgets <£10K) to low-budget feature film production (budgets >£250K).

The best ways to retain the necessary creative skills are therefore:

- Provide effective business and project support for both existing and emerging producers to increase levels of indigenous production in Scotland. NB. This business support should be tailored to the needs of industry and not the existing and often inappropriate assessment criteria of the business support or cultural agency.
- Build a city-based studio that will attract greater inward investment and support all types of production.

How to support those in the TV and film and video games industries to develop business skills.

Producing is one of the most complex jobs there is requiring a huge range of diverse creative and business skills. As a result all producers have strengths and

weaknesses. For this reason producers need access to the best training available (see point 10 above) to improve and complement their existing skill sets. This training needs to cover a broad set of diverse skills, including:

- Script development
- Budgeting and Scheduling
- Casting and packaging projects
- Presales and co-production financing
- Negotiating with sales agents, financiers and distributors
- Accountancy and Tax (including the cash-flowing of tax incentives)
- Business management
- Health and safety
- New technology
- Commercial and employment law
- Publicity, social media and marketing
- Theatrical, long tail and digital distribution.

A national film agency/department should help to draw down additional support from Creative Skillset (who in the past have spent most of their money in the Home Counties), Media Antenna and other national and European business support agencies to deliver this much needed training.

Examples of successful international strategies for growing these sectors

The best international example on how to grow the film sector is Denmark. Twenty five years ago the Danes had an underperforming film and TV production sector, but since then they have put the resources and systems in place to turn the country into a major force in international film and TV production. The Danish Film Institute (DFI) is Denmark's national agency for film and cinema culture which is part-funded through the national broadcaster at the Government's insistence. The DFI is thus empowered to support the development, production and distribution of films as well as running the national film archives.

Types of production support offered by the DFI (taken from their website <http://www.dfi.dk/english.aspx>):

Feature films

- Film Commissioner Programme – Support for films of artistic merit.
- Market Programme – Films with broad audience appeal.
- Minor Coproduction Programme – For Danish producers who are investing in international productions.

Short fiction & documentary films

- Film Commissioner Programme (including minor-coproduction) – Support for films of artistic merit.

New Danish Screen

- Fiction Talent development programme – Support for emerging filmmakers, short films, micro budget features, web and animation.

- Documentary Talent development programme – Support for emerging documentary filmmakers, short doc, micro budget docs, web and animation.

I would suggest that the committee make a detailed study of the organisation of the Danish Film Industry and take action to implement a similar set of policies and instruments in Scotland.