



BFI Screen Sector Report

Current trends in UK film and TV
production and a look ahead to
publication of Screen Business
2021



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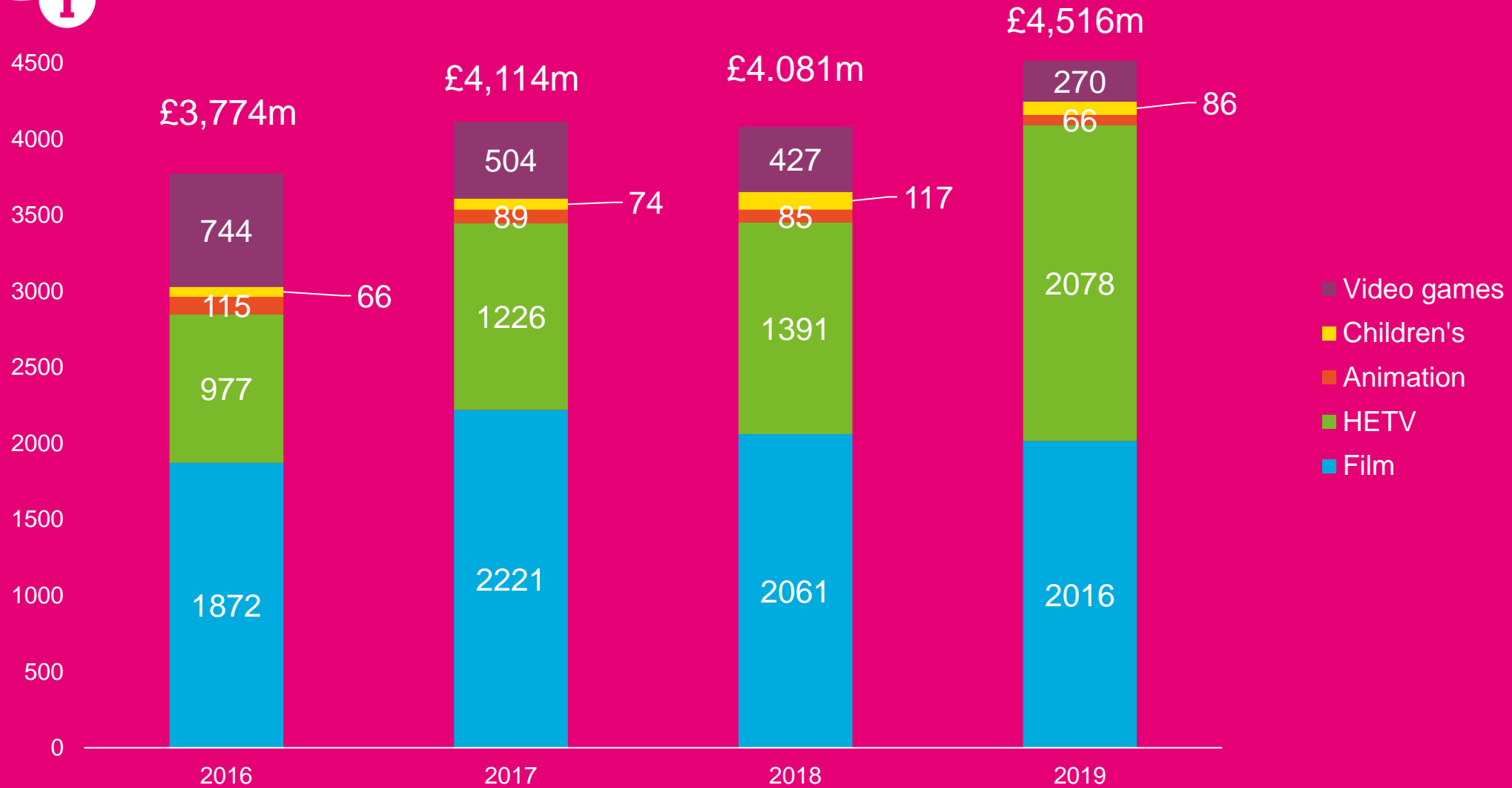


Agenda

- The value of the UK film and TV production industry
- COVID-19
 - Rescue
 - Recovery
- Screen Business 2021
- Looking forwards

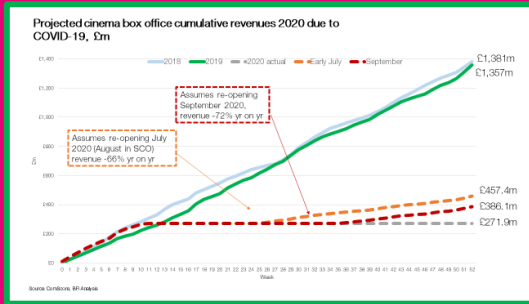


Production in the tax relief supported screen sectors has grown significantly reaching a high of over £4.5bn in 2019





The onset of the pandemic cast a spotlight on the production sector and its future development



Revenues

- Understanding where we are and the impact of lockdown
- Projections
- Evidence from other countries

Rescue

- Government support schemes
- Implications of social distancing
- Health and safety protocols

Recovery

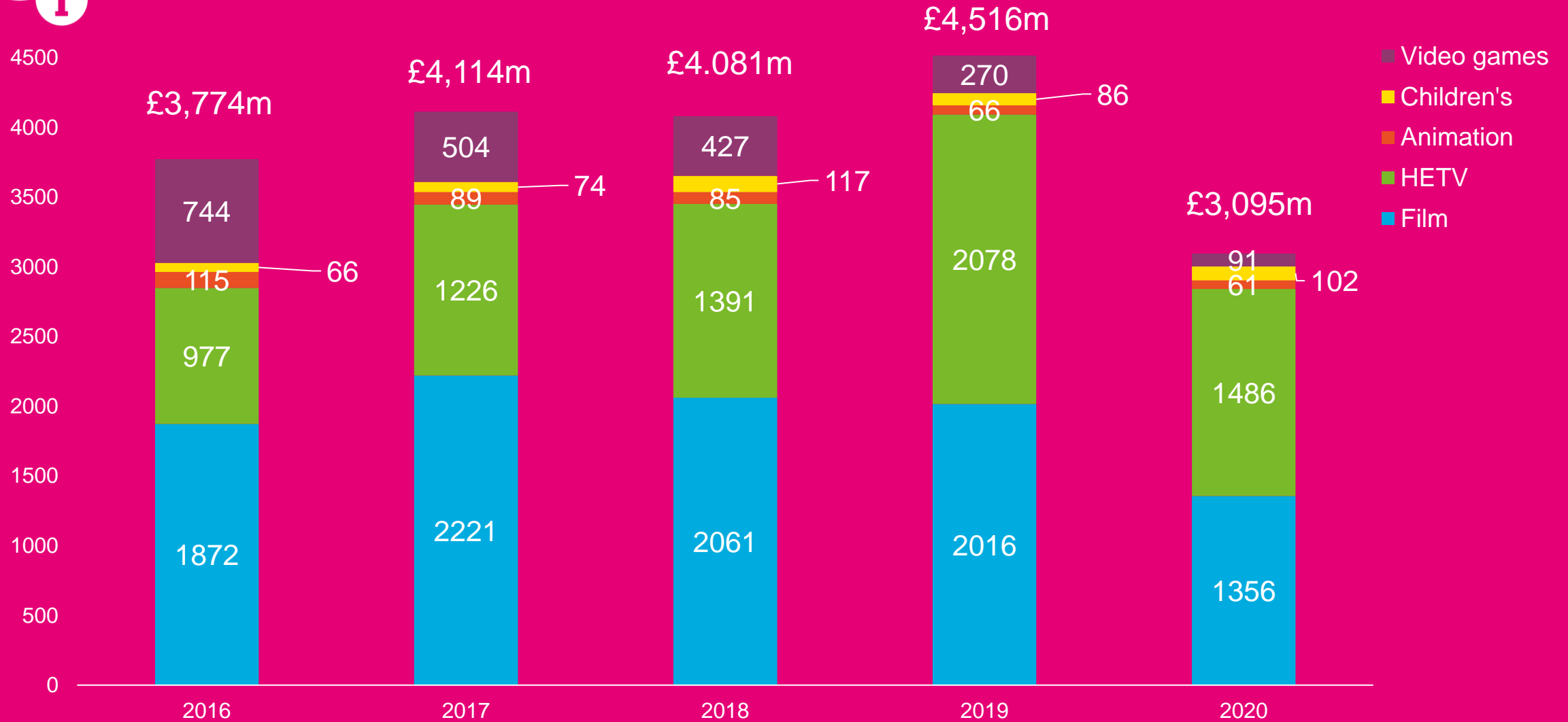
- Audience sentiment
- Production restart scheme
- Film production pipeline
- Support for distribution and export

Longer term change

- How has lockdown affected production technology
- Changes in revenue streams and production investment
- Added Brexit and trade complications

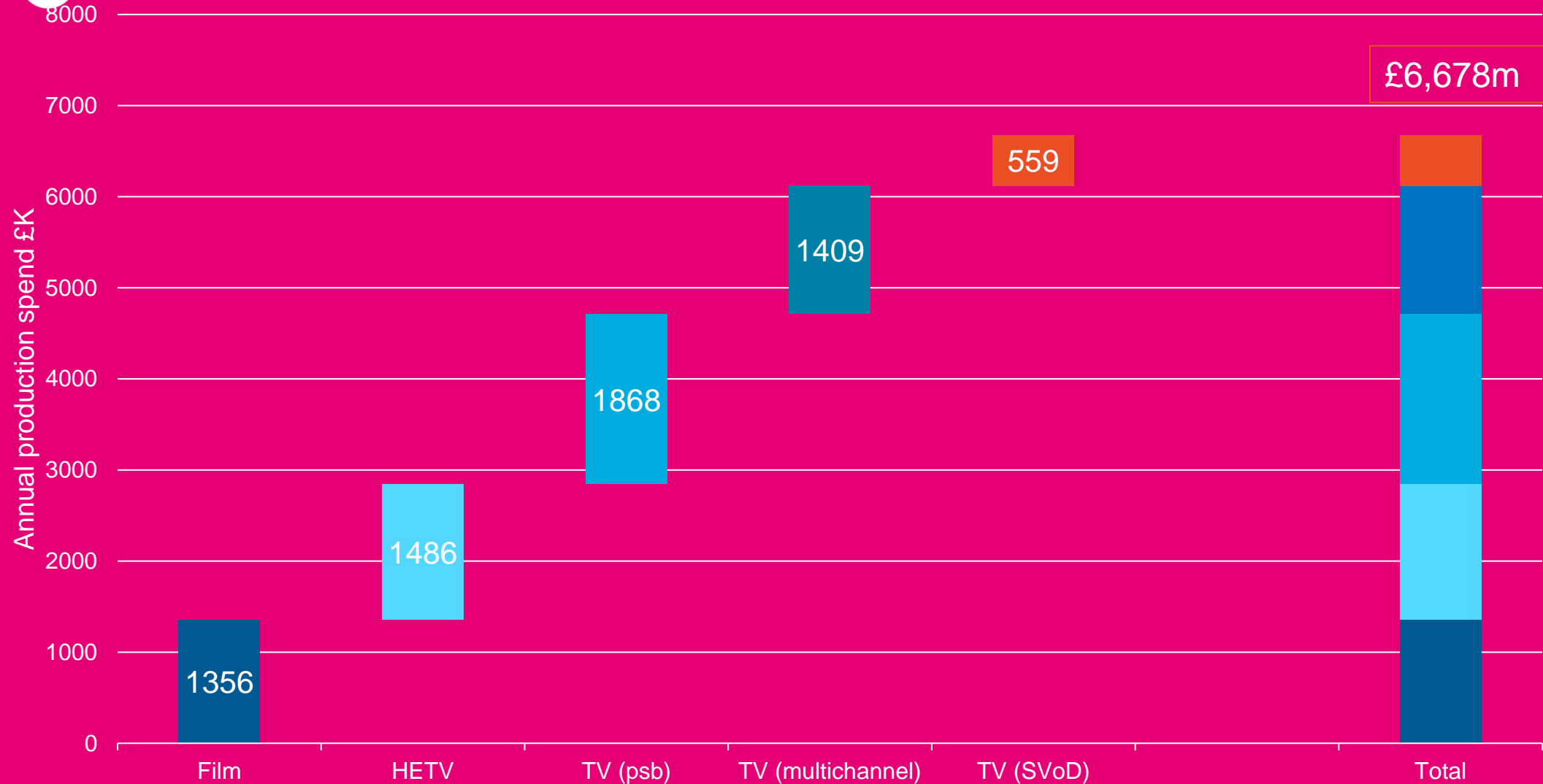


2020 did not reach the expected high, but nevertheless the year delivered over £3bn of production investment





The total UK film and TV production industry in 2019/20 was estimated to be worth around £6.7bn* (excluding purchase of sports rights)

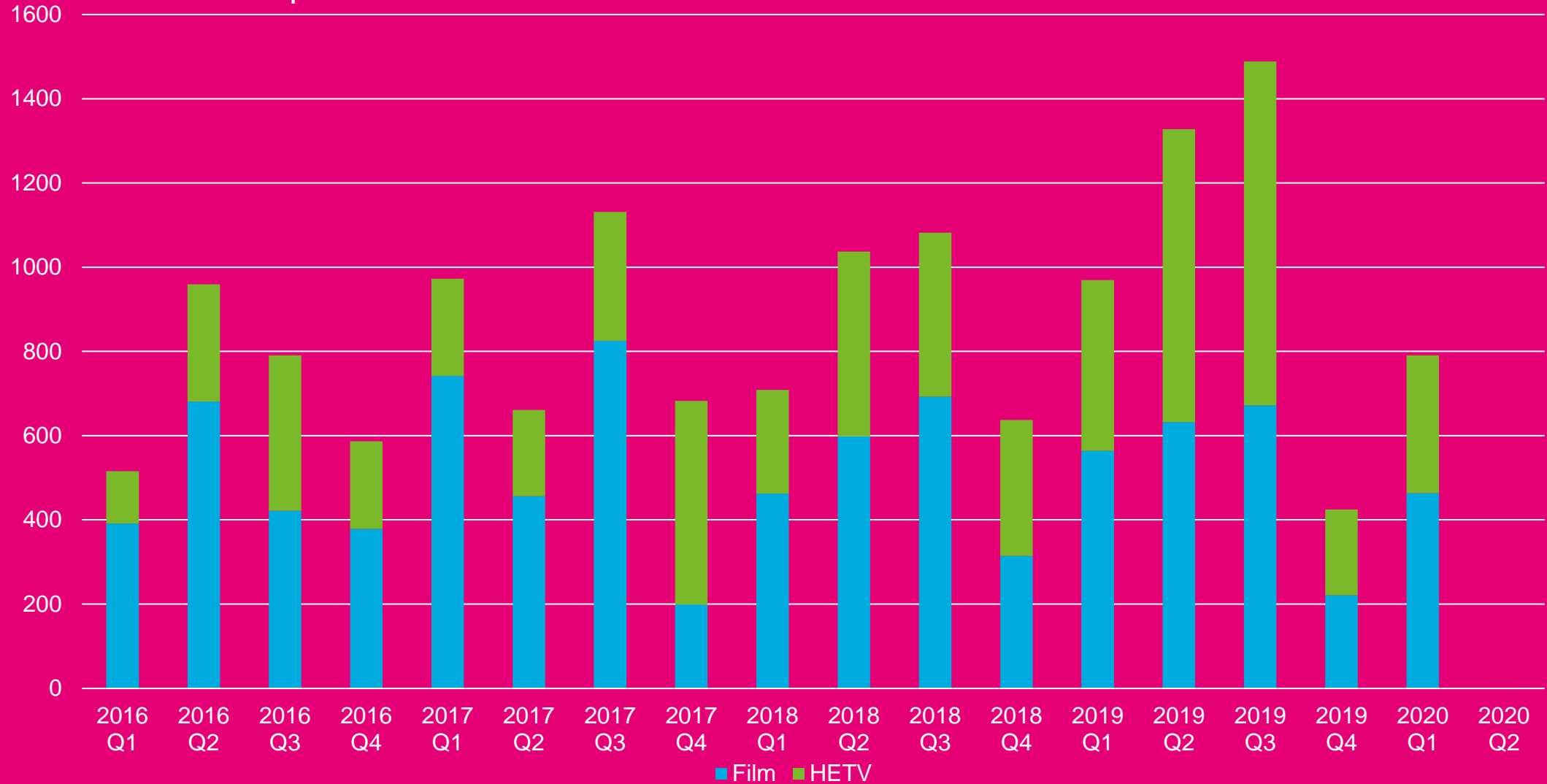


Source: BFI Official Statistical release/Ofcom Media Nations 2019/2020 * due to overlapping data sources, HETV has been netted off other TV production spend so as not to double count



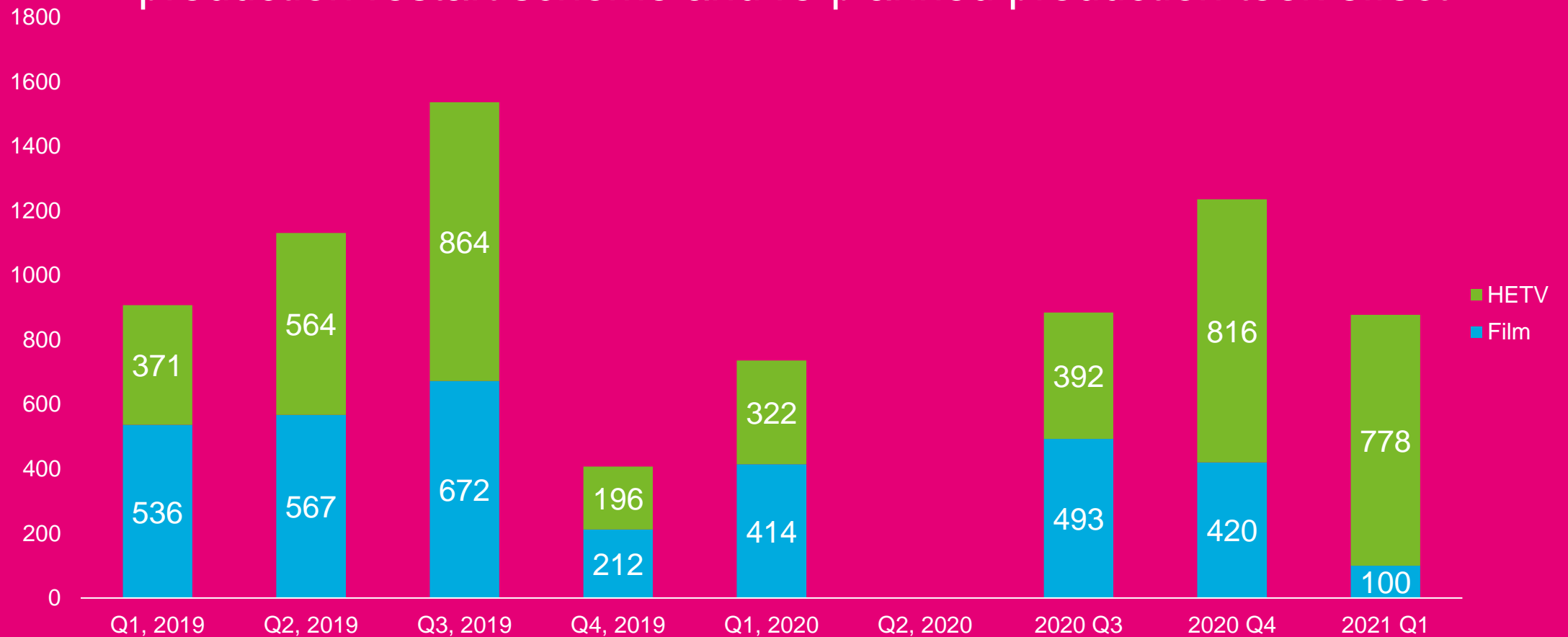
Production spend by quarter, 2016-2020

Production spend has shown a gradually increasing trend, with a concentration in the spring and summer quarters.





Investment has bounced back since Q3, 2020 when production restarted, Q4, 2020 showed unusually high levels of investment as the production restart scheme and re-planned production took effect





The growth in production investment since the hiatus of lockdown is due to a number of factors

- Continuing appetite amongst audiences for visual content
- Pent up demand for new content
- UK tax incentives
- Skilled workforce and UK talent
- COVID health and hygiene protocols
- Production restart scheme



Production restart scheme



Scheme launched July 2020 by the UK government to indemnify losses due to COVID-19

Covers production made by British and EEA companies

News, sport and other live production as well as those filmed in front of paying audiences are excluded.

Covers film, television, animation but not video games

To date, over 550 different productions have used the scheme, allowing an estimated £1.5bn of production activity and >20,000 positions to be supported

Similar scheme in France where 564 productions have been supported and 10% have made claims



The increase in film and TV production investment produces a number of economic benefits



Direct impact



Indirect and induced impact



Spillover impact

The BFI is currently undertaking an updated review of the Screen Business report which values the economic impact of the tax reliefs. This will be published later in 2021



Impact of production spend on employment

- In 2016, production investment of £3.16bn was seen to be responsible for generating 48,300 direct jobs in the industry and supporting a total of over 137,000 jobs throughout the UK.
- Since then, ONS data (2019) reports a total of 66,000 employed in the UK film and video production industry, an increase of 20% since 2016
- The next Screen Business report will provide further detail of employment by region and along with our job creation tool will allow estimates of the likely employment generated by £1m of production investment



Spillover impacts



Screen Tourism – visits to sets and locations

Variety around the UK

UK based and foreign tourists from popular domestic drama made in the UK



Merchandising

Particularly valuable element of children's and animation production

Includes music, fashion, retail and publishing



UK screen exports

Contributed \$10.3bn dollars to the UK economy in 2019, Downton Abbey highest grossing UK film worldwide

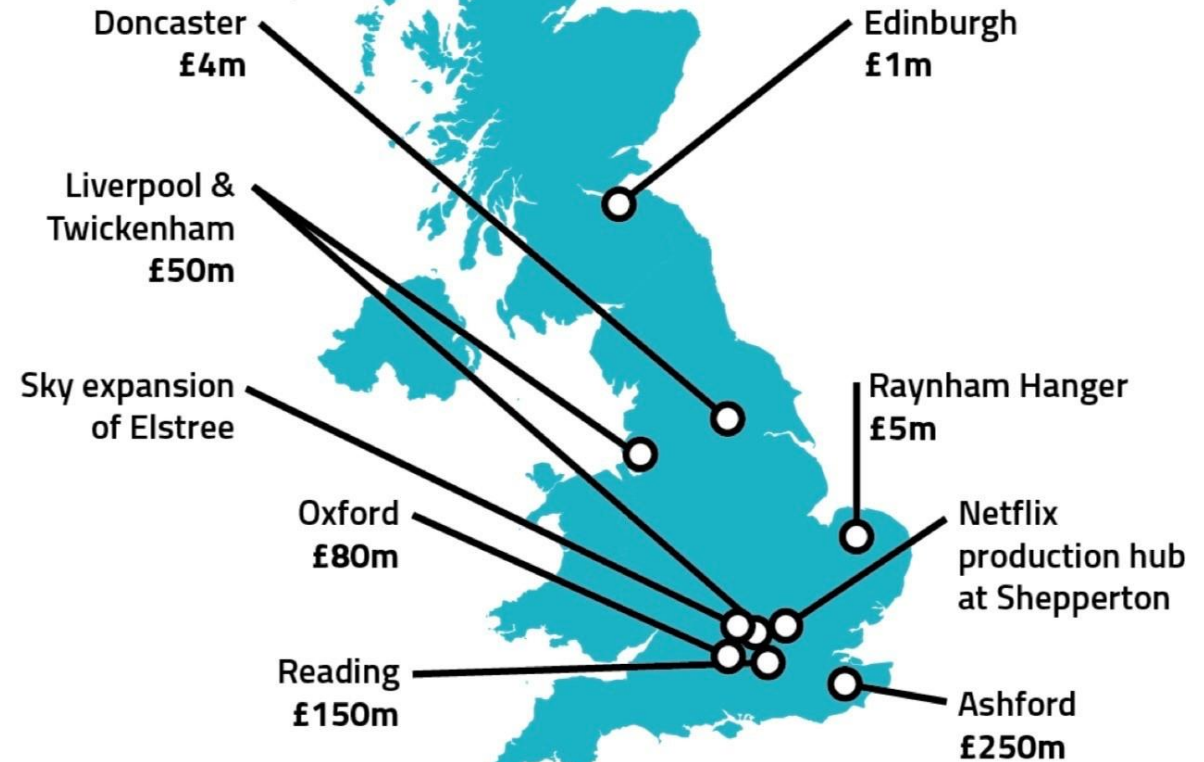
Also contributes to soft power, UK creative collateral and audience appetite



Investment in infrastructure and studio development

Data from the Ofcom Media Nations reports details some of the current investment in studio space.

Additions to this include the planned facility in Dagenham, Belfast Harbour and also planned expansion of a Birmingham facility.



Source: Investors/Ofcom



Impact in the UK's nations and regions



2021 report will include the first analysis at a national and regional level for film and HETV

Data that you supply has been collated to provide a picture of nation and regional production spend

Using ONS estimates and complex modelling, it will provide a picture of jobs created and economic value (GVA) generated between 2017 and 2019



Innovation

- Key element of government 'Build back better' strategy
- A strength of what we produce and how we produce in the UK
- Ambitious investment in large scale projects – Storyfutures (Royal Holloway), XR Stories (York) and the Screen Media Innovation Lab (Ulster)
- Commercial development of new virtual production techniques
- Allows new flexibility for production bases, remote working and diversification of the workforce





Sustainability

Screen New Deal report launched 2020

5 areas of focus

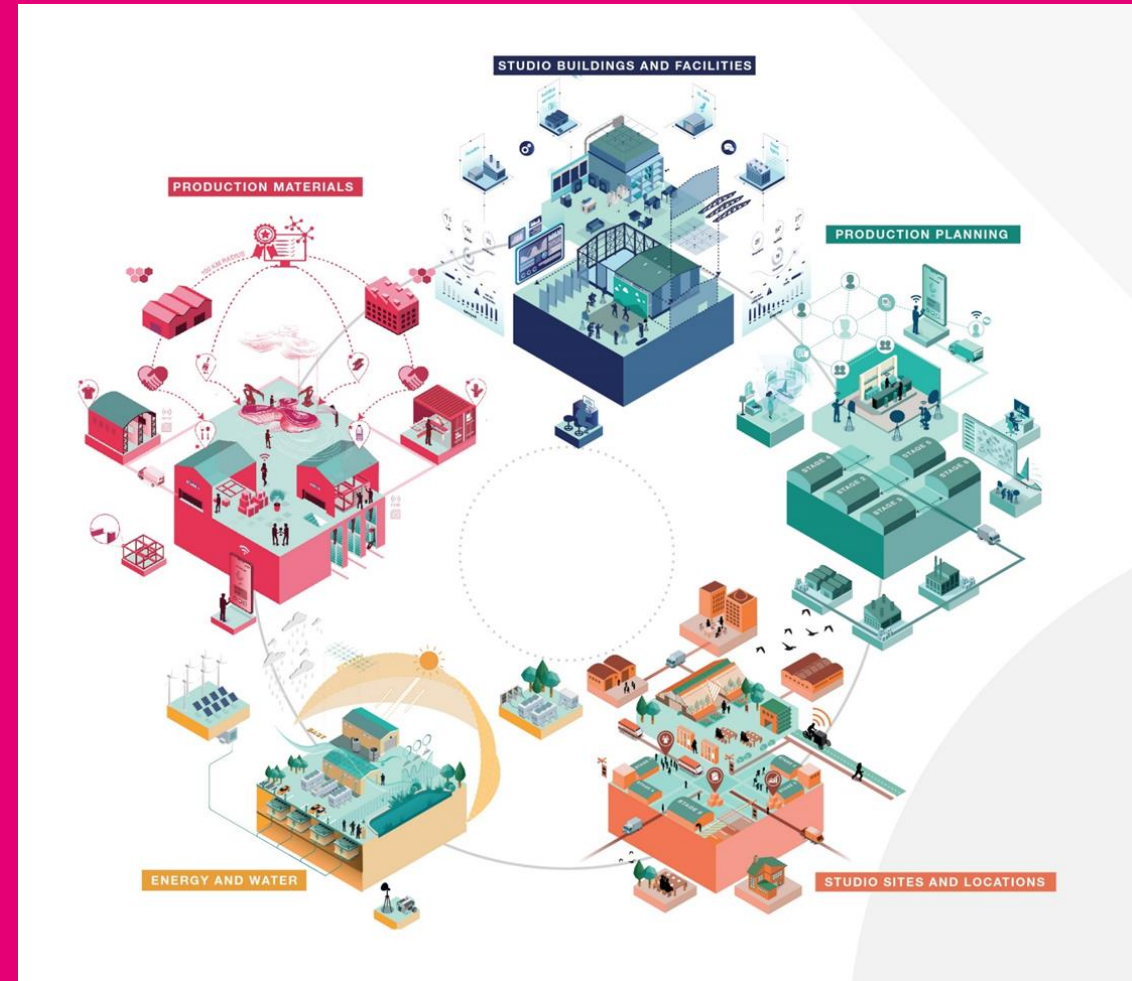
Production materials

Energy and water use

Studio buildings and facilities

Studio sites and location filming

Production planning





Looking forwards....



Film and TV production in the UK continues to attract inward investment and HETV, in particular is currently booming in response to high take up of VOD services



Innovation and talent will continue to make the UK an attractive place to make films and TV programmes. Virtual production methods and new formats will drive new investment



New production investment benefits the entire UK, leading to job creation and economic value in one of the fastest growing sectors of the UK economy



Thank you for listening!

Any questions?

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