



SCOTTISH SCREEN

Locations

8 November 1995

Andrew Cowe  
Chief Executive  
North Lanarkshire Council  
PO Box 14  
Civic Centre  
MOTHERWELL  
ML1 1TW

Dear Mr Cowe

As Director of Scottish Screen Locations, Scotland's national film commission, I am writing to request that the new North Lanarkshire Council continues the funding support which we enjoyed under the Regional and District Councils in your area. As with the previous authorities, our funding is calculated on a per capita formula. On this basis, the subscription for North Lanarkshire amounts to £6,704.00 for 1996/7.

We have been extremely successful in encouraging the film industry in Scotland as well as marketing Scotland to the international film community. In order to continue this level of activity, we must secure our core funding.

I am enclosing more detailed information about our function and activities which I hope will assist you in your decision. I will, of course, be delighted to give a presentation to you and your councillors should you consider it beneficial.

I look forward to hearing from you.

Yours sincerely

Celia Stevenson  
Director



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## SCOTTISH SCREEN LOCATIONS

Scottish Screen Locations, the national film commission for Scotland, was established in 1990 following a recommendation by the then Scottish Development Agency (the economic development arm of the Scottish Office). The remit was to market Scotland outwardly as a location and production base for film and television, to provide a single door approach into the country and to give a full and free liaison service to all incoming film-makers.

All local authorities within the country, at both regional and district level, were called together and initially some 55 of the 65 authorities agreed to contribute to running costs with annual subscriptions based on a per-capita formula at Regional and District level. This has been increased each year, only in line with inflation. Since our inception another 7 local authorities subscribe. Additional subscriptions were secured from the television broadcasters within Scotland and from a variety of facilities houses and independent production companies. Grant funding has been given on a 'project' basis by Scottish Enterprise, Highland and Islands Enterprise, local enterprise companies and the Scottish Film Council, whilst in 1994, we obtained some matching funding from the European Regional Development Fund.

We operate from rent-free premises with a staff of 3 full-time personnel. Because we cover such a large geographic area, which includes all the Scottish islands, we have devised a system whereby each of the local authorities has a member of their staff designated to give specialist help on the ground. We run training sessions and seminars for these appointees and we are keen to see this scheme being adopted by the new councils.

The liaison service we offer to producers is completely without charge and includes the following:

- 1 We will undertake script break-downs and suggest possible locations.
- 2 We will undertake initial location recces and provide photographs of potential locations. (Once filming has been secured, we endeavour to have the company employ a local freelance location manager).
- 3 We will take overseas film-makers round those locations.

- 4 We undertake to provide all necessary contacts and permissions for filming within Scotland, including permissions from Police and Roads departments for street closures etc. We DO NOT negotiate fees with locations providers.
- 5 We advise and assist with crewing and facilities requirements - and give out, free of charge, our directory which lists all such personnel and companies.
- 6 We will arrange accommodation and local transport needs within the country (and are able to secure good discounts for companies.)
- 7 We will link overseas production companies with indigenous producers when co-production is requested.
- 8 We provide information on any film funds available to producers along with current information on taxation and employment laws.
- 9 We endeavour to ensure that everything runs smoothly with shoots and are on hand 24 hours to deal with any unforeseen problems.

In order to deal effectively with the above list, we have a large database of locations, facilities, crews and contacts along with general information on hotels, transport and other requirements. We also build and maintain a photographic library, currently standing at 20,000 location shots. This is continually growing and will eventually store some 50,000+. Each of our locations is personally visited by our staff to ensure that details held are accurate and to assess any problems that may arise with filming. We have worked closely with location owners, both organisations and individuals, and guarantee that their inclusion on the database is treated confidentially.

Prior to putting anyone in touch, we will always give forewarning and establish the authenticity of the project and credentials of the production company. We advise that full insurance cover is held by companies prior to shooting.

We measure the direct local spend from productions, asking companies to complete a simple, but comprehensive, costing sheet. In our first year of operation we brought some £3.8 million into the country, which doubled in 1992, in 1993 we achieved a target of over £10 million and in 1994, (a quite exceptional year) we brought in £22.9 million.

The number of enquiries received by this office is very large and they come at various levels. Many will simply want very general information regarding filming in Scotland. Those with specific projects will form approximately 25% of enquiries received and to date we estimate that only some 15% of those will be realised in Scotland. The lead time can be very lengthy, with enquiries initially received some 3 years ago only coming to fruition now.

Undoubtedly the level of enquiry rate reflects 5 years of marketing overseas by Scottish Screen Locations, with presences at Location Expo in Los Angeles, the Cannes Film Festival, the London Television Show and other festivals. It is vital that this level of marketing is not only maintained, but increased in the future. To this end, it is our intention to target the Far East where the indigenous film industry is burgeoning. Japan, especially, has a current fascination with all things Scottish. The success of films such as "Rob Roy", "Braveheart" and "Shallow Grave" increases the global awareness of Scotland.

Because of this increase and workload, we have outgrown our current offices and now require to move to bigger premises and take on an extra member of staff. This means that now, more than ever, we need the continued support of our core funders, the Local Authorities. We have based our new funding model for the unitary authorities at £205 per 10,000 head of population which should allow us to continue to expand and to market Scotland as a film friendly country.

That film brings both short and long-term benefits to an area is amply borne out by the experience of Lochaber District who, in 1994, during the filming of "Rob Roy" and "Braveheart" reported zero unemployment in that area. Since these films went on general release, the numbers of tourists visiting Scotland as a direct result of seeing them have increased dramatically, creating employment and prosperity. In EIRE where film-making is actively encouraged by Act of Parliament, it is calculated that every £1 million spent on feature films generates 48 jobs.

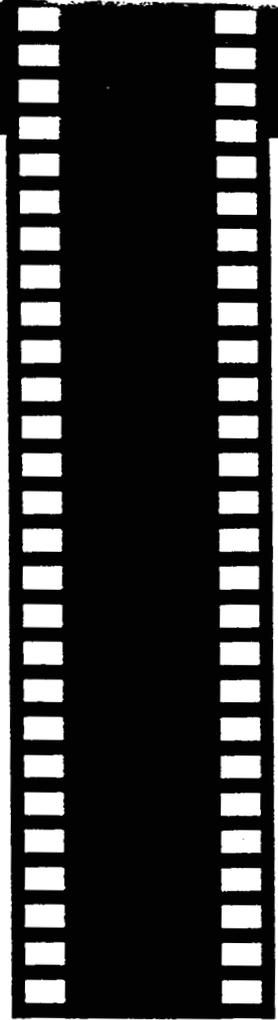
We seek core funding from you, the new Scottish Councils, for an industry which is at the cutting edge of development and one whose importance in this technological age cannot be understated.

Celia Stevenson  
Director

October 1995

Scottish Enterprise  
Scottish Screen Locations

an evaluation of  
SCOTTISH  
SCREEN  
LOCATIONS



an evaluation of  
SCOTTISH SCREEN LOCATIONS

## Introduction

Scottish Enterprise (SE) and Scottish Screen Locations (SSL) commissioned *Pieda* to undertake a study to evaluate the effectiveness of SSL and the extent to which it has met its objectives. This summary report presents the principal findings of the study. A full report prepared by *Pieda* is available.

## Background

Established in 1990, SSL had been operational for a period of over 3 years at the time of the evaluation. Launched in December 1990 after a period of research involving SE's predecessor the Scottish Development Agency, the Scottish Film Council and representatives from the Scottish film industry, SSL's brief was stated as follows:

*'to market Scotland outwardly as a location and production base for film and television and to provide a full and free liaison to all incoming film makers'.*

Since its inception SSL has relied significantly on a voluntary levy of Scottish local authorities (regional, island and district) for much of its annual income. Additional support is received from the Scottish Film Council, the local enterprise company network and commercial organisations involved in the film and television industry.

The organisations resources are limited. With an annual budget of around £114,000 SSL employs 3 full-time staff. SSL's services are provided free of charge to production companies.

*A Report by*

***Pieda*** plc

Planning, Economic and Development Consultants

10 Chester Street, Edinburgh EH3 7RA Tel: 031 225 5737 Fax: 031 225 5196  
Also at Reading and Manchester

## Study Objectives

The specific objectives of the study were as follows:

- (i) to assess the effectiveness and efficiency of SSL in meeting its objectives
- (ii) to assess the net direct and indirect economic effects of SSL's activities in terms of;
  - time limited effects associated with specific productions*
  - any impacts on the permanent capabilities of the industry in Scotland*
- (iii) to assess economic effects in gross and net (i.e. additional less displaced) terms
- (iv) to assess the regional distribution of direct and indirect impacts; and
- (v) to assess the effect of SSL on Scotland's image as a film location.

The study also examined and researched a number of related areas and issues. These included a review of the views, roles and approaches of Scottish local authorities with respect to film and television production generally, and SSL in particular. The environmental consequences of film and television production activity on locations in Scotland were also considered. Finally, a comparative review of screen commissions abroad was undertaken with a view to establishing and understanding approaches adopted by other similar organisations.

## Key Findings

The study method and results are discussed in detail below, however, a short summary of the key findings is presented in Table 1.

Value added is the difference between the value of goods and services provided and the cost of the material inputs and services used in their production and distribution. It follows that the major part of value added is accounted for by wages and salaries.

Table 2 provides a regional analysis of gross location expenditure. Where a production has used a number of locations involving different regions it has not been possible to allocate expenditure between regions. Production expenditure has been allocated to the first named location based on SSL's records. This has the effect of over stating location expenditure in some regions at the expense of others.

The major locations as measured by the value of location production expenditure are Strathclyde, Highland, Fife and Borders.

**Table 1**  
**Estimated Gross Economic Impact**  
**(Jun 1990-March 1994)**

Total Location Expenditure for SSL assisted projects	£22.0m
Value added of SSL assisted projects	£12.3m
Direct employment	975 year of employment
Total Employment	1267 years of employment

**Table 2**  
**Regional Distribution of Location Expenditure**  
**(1991-93)**

Region/Island	Location Expenditure	
	£'000s	%
Borders	2,561	10.2
Central	83	0.3
Dumfries & Galloway	50	0.2
Fife	2,612	10.4
Grampian	1,701	6.8
Highland	4,304	17.2
Lothian	1,763	7.0
Strathclyde	8,149	32.6
Tayside	477	1.9
Shetland	3	•
Western Isles	180	0.7
Non-specific	142	0.6
All	22,025	100

The estimated net economic impact of SSL are summarised below. These figures are expressed as a range due to the difficulties in measuring the impact precisely.

A key feature of SSL's economic impact not highlighted in the figures presented above is the rapid increase in impact over its first 3 full years of operation. The figures in Table 4 demonstrate the increase.

**Table 3**  
**Estimated Net Economic Impact**  
**(Jan 1990-March 1994)**

Additional Location Expenditure for SSL assisted projects	£3.63m - £7.45
Value -added	£2.03m - £4.16
Direct Employment	160 - 330 years of employment
Total Employment	208 - 429 years of employment

The rapid growth in impact of SSL makes it difficult to assess what average or sustainable level of performance SSL may achieve in future years. However, if the 1993 level of activity is maintained as a baseline, then SSL has the potential to support a minimum of 100 jobs in the Scottish economy each year. Adopting the figures used for the higher estimate of net impact would result in 200 jobs being supported each year.

**Table 4**  
**Estimated Annual Economic Input (Low Estimate)**

	1991	1992	1993
Gross Location Expenditure (£m)	3.7	6.3	11.5
Net Location Expenditure - low estimate (£m)	0.6	1.1	1.9
Net Direct Employment (years of employment)	27	46	84
Net Total Employment (years of employment)	35	60	109

### Method of Approach

The estimated gross economic impact was assessed using data collected by SSL. These data recorded either an estimate of location expenditure for a project, a total expenditure figure provided by the production company or, from the same source, a detailed analysis of expenditure by goods and services purchased. Where only a total expenditure figure was available this was allocated to goods and services in the same proportion as similar productions for which detailed information was available.

The net economic impact was assisted by a survey of production companies. The survey of 24 production companies which had used Scotland as a location was conducted by telephone and included companies throughout the UK and the rest of Europe. The survey addressed a number of issues, crucially the reasons for both considering and selecting Scotland as a location. A small sample of production companies which decided *not* to come to Scotland was also surveyed to obtain some insight into the reasons behind the decision.

A survey of 14 facilities houses (companies involved in providing personnel, equipment and services to the film and television industries) in Scotland also contributed to the assessment of economic impact.

The views of local authorities were also obtained through a survey of a sample of authorities throughout Scotland. This was conducted by telephone and covered the authorities' involvement with the screen industries, the perceived impacts of location productions and an overall assessment of the activities of SSL. The review of comparable organisations was based on of published information and additional details provided by the screen commissions examined.

In each of the surveys conducted a high degree of co-operation was received from the individual respondents and their organisations.

## Gross Economic Impact

The gross economic impact was derived from data held by SSL. The regional distribution of gross expenditure was presented in the Key Findings sub-section as Table 2. Table 5 presents the same expenditure information by the nature of the equipment or services purchased.

Using these categories of expenditure and assuming that the expenditure is earned by Scottish residents and companies, the Scottish Input-Output Tables were used to estimate the total income earned. The income figures were then used in conjunction with the New Earnings Survey (1992) to provide an estimate of direct employment. The direct employment impact of SSL throughout its period of operations is estimated to be 975 years of employment.

Adopting a regional employment multiplier of 1.3 to take account of the indirect and induced impacts results in a total gross employment impact of 1268 years of employment. The indirect impact arises from businesses supplying the providers of goods and services to the production companies. The induced impact arises from the consumption expenditure associated with the direct and indirect impacts.

**Table 5**  
**Estimated Location Expenditure for SSL assisted film and television productions**

<i>Personnel/Equipment/Services</i>	<i>£'000s</i>
Technicians	4,995
Actors/Extras	2,100
Accommodation	6,750
Equipment Rental	727
Catering	1,143
Transport	2,865
Construction Materials	1,298
Post Production/Production Services	313
Location Fees	1,833
<b>Total</b>	<b>22,025 (1)</b>

(1) Components do not sum to total due to rounding

## Net Economic Impact

A key objective of the study was an assessment of the net impact of SSL. The net impact assessment identifies that 'additional' expenditure which has been attracted to Scotland as a result of SSL's activities. In identifying the net impact it must be considered in relation to SSL's two main activities. First, the extent to which SSL attracts additional productions to Scotland (which would otherwise have gone elsewhere) and second, the extent to which SSL encourages greater use of local facilities houses than would otherwise be the case.

On the basis of the sample of 24 production companies surveyed, SSL has had a positive impact in attracting productions to Scotland. Although the number of cases is limited to 3 (12.5%) they accounted for a high proportion of the sample's location expenditure at 28%. Due to the limited number of observations we have used both figures (12.5% and 28%) to define a range of values to determine the impact on location expenditure as a result of productions attracted to Scotland by SSL. These data are presented in Table 6.

**Table 6**  
**Location Expenditure Attracted to Scotland by SSL (£m)**

	1991	1992	1993	1994 (part)	Total
Gross Location Expenditure	3.7	6.3	11.5	0.4	22.0
High Estimate - 28%	1.05	1.78	3.25	0.11	6.23
Low Estimate - 12.5%	0.46	0.75	1.44	0.05	2.75

Note: rows do not sum due to rounding



The extent to which SSL encourages greater use of local facilities houses has been estimated using information from the production company and facilities houses survey. Production companies provided a qualitative estimate of the level of influence exerted by SSL concerning the use of local facilities houses. These comments have been assigned a high and low value in Table 7 to allow a quantification of this influence. The range is necessarily broad reflecting the degree of uncertainty in an exercise of this nature.

**Table 7**  
**SSL's Level of Influence over the use of Scottish Facilities Houses**

<i>Description of Impact</i>	<i>Valuation</i> <i>(% of location expenditure)</i>	
	<i>Low</i>	<i>High</i>
None	0	5
Very Little	10	15
Some	20	25
Considerable	30	50

On the basis of these values being applied to the actual location expenditures of the 24 sample cases, the estimated value of SSL's influence over the use of Scottish facilities houses as a percentage of 'eligible' location expenditure is as follows:

- high estimate 12.6%*
- low estimate 6.7%*

'Eligible' location expenditure is arrived at by excluding the expenditure previously identified as being additional due to SSL's activities in attracting productions to Scotland, thus avoiding double counting. The other elements of expenditure excluded from eligible location expenditure are those items which are unavoidable once a location has been selected. The most obvious expenditures in this category are accommodation and facilities fees.

**Table 8**  
**Additional Expenditure Arising from SSL's Influence on the use of Scottish Facilities Houses**

	1991	1992	1993	1994 (part)	Total
High Estimate	0.21	0.35	0.64	0.02	1.22
Low Estimate	0.15	0.26	0.46	0.02	0.88

SSL may advise on the accommodation options available to a production company, however, this is unlikely to significantly influence the level of expenditure on accommodation. The estimate of additional expenditure arising from SSL's influence on the use of Scottish facilities houses is summarised in Table 8.

Combining the two components of SSL's impact it is possible to estimate the overall net additional expenditure attracted to Scotland. Table 9 summaries the resulting economic impact in terms of additional expenditure, net direct employment and net total employment using both the high and low estimates.

It is possible that the impact of SSL is underestimated in the above analysis. The survey of production companies identified 3 companies which acknowledged that SSL had a role in influencing their decision to come to Scotland. However, 13 companies had previous contact with SSL and a further 2 were recommended to contact SSL. It is possible that SSL may have exerted some influence on 15 cases not identified by the respondents. The possibility of this is further increased as no less than 21 cases admitted that their most recent experience with SSL would positively influence any future location decisions.



**Table 9**  
**Net Economic Impact of SSL's Activities**

	1991	1992	1993	1994	Total
				(part)	
<b>HIGH ESTIMATE</b>					
Additional Expenditure arising from SSL's influence on location decisions (£m)	1.05	1.78	3.25	0.11	6.23
Additional Expenditure arising from SSL's influence on the use of Scottish facilities houses (£m)	0.21	0.35	0.64	0.02	1.22
<b>Total Additional Expenditure (£m)</b>	<b>1.26</b>	<b>2.13</b>	<b>3.89</b>	<b>0.13</b>	<b>7.45</b>
Direct Employment (years of employment)	56	94	172	6	330
<b>Total Employment - Direct, Indirect and Induced (years of employment)</b>	<b>73</b>	<b>122</b>	<b>223</b>	<b>8</b>	<b>429</b>
<b>LOW ESTIMATE</b>					
Additional Expenditure arising from SSL's influence on location decisions (£m)	0.46	0.79	1.44	0.05	2.75
Additional Expenditure arising from SSL's influence on the use of Scottish facilities houses (£m)	0.15	0.26	0.46	0.02	0.88
<b>Total Additional Expenditure (£m)</b>	<b>0.61</b>	<b>1.05</b>	<b>1.9</b>	<b>0.07</b>	<b>3.63</b>
Direct Employment (years of employment)	27	46	84	3	160
<b>Total Employment - Direct, Indirect and Induced (years of employment)</b>	<b>35</b>	<b>60</b>	<b>109</b>	<b>4</b>	<b>208</b>

## Conclusion

Each of the surveys of production companies, facilities houses and local authorities provided a strong endorsement of the activities undertaken by SSL. While the number of production companies which identified SSL as a key factor in deciding to come to Scotland were small in number, they involved relatively high levels of expenditure, serving to underline the fact that SSL can have a significant impact through a limited number of productions.

The level of additional expenditure from SSL's activities directed at increasing the local content of any production expenditure was modest in comparison to total expenditure. However, the liaison activity which involves introducing visiting production companies to Scottish facilities houses has wider benefits in terms of the overall image of Scotland as a production location. This image effect has the potential to lead to longer term benefits in terms of additional productions being attracted to Scotland.

**Table 10**  
**Assessment of SSL's Impact (1991-93)**

	1991	1992	1993	Total
SSL's Budget	£114,000	£114,000	£114,000	£342,000
Net Additional Expenditure (Low)	£610,000	£1,050,000	£1,900,000	£3,560,000
Net Direct Employment Impact (Low) - employment years	27	46	84	157
Net Total Employment Impact (Low) - employment years	35	60	109	204
Cost/Employment Year	£3,257	£1,900	£1,046	£1,676

In return for SSL's annual budget of £114,000 its activities have generated the direct impact on employment shown in Table 10. These estimates are based on the low estimates of impact given earlier. If the high impact estimates were adopted, net additional expenditure would be £7.05 million to the end of 1993, with total job creation of 312 job years at a cost of £1,096 per job year.

In addition to SSL's budget for salaries and other operating expenses, its activities have received support on a project basis. This support has come from local enterprise companies and local authorities, but is excluded from Table 10 due to a lack of data. The increasing success of the organisation is self evident with a significant decline in the average cost of each year of employment generated.

The net impact of SSL's activities in Table 10 are deliberately couched in terms of man years of employment. This reflects the short term nature of the employment opportunities resulting from film and

television location production in Scotland. Through time it is possible that these employment opportunities may be viewed as longer term once a 'base-load' of net additional expenditure is established.

SSL's first 3 years of operation have demonstrated a sharp and continuing growth and it is too early to establish the level of any 'base-load'. The longer term impacts on facilities houses are likely to be positive. In time, given the maintenance of a base-load of work, the supply-side of the facilities houses sector may expand in Scotland.