Hertsmere Film and Television Study

Report to Hertsmere Borough Council by Olsberg•SPI

14th March 2024

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1. EXECUTIVE SUMMARY

1.1. Study Overview

International creative industries consultancy Olsberg•SPI ("**SPI**") was commissioned by Hertsmere Borough Council to complete an evaluation (the **"Study"**) of the film and television ("**Screen**") production sector in Hertsmere.

The Study assesses the Screen production environment in the borough of Hertsmere and situates it within the regional, national, and global industry contexts. To do this, the report addresses three key areas:

1. Market forces in the UK and globally
2. Established and developing elements of the Screen production sector in Hertsmere, across areas such as infrastructure and training provision
3. Future activity and risk factors for Hertsmere.

1.2. SPI's Approach

This Study has been undertaken using a mixed-method approach, drawing from both primary and secondary research. This has included:

- **Extensive review of existing policy reports and strategies of direct relevance**, including:
  - *Economic Development Strategy 2022-2027: Action Plan and Measuring Success*. Hertsmere Borough Council, September 2022
  - *Hertsmere Local Plan*. Hertsmere Borough Council, September 2021
  - *Film and TV Production Sector Action Plan*. Hertfordshire Local Enterprise Partnership, September 2022
  - *Perfectly Placed for Business: The Refreshed Strategic Economic Plan: 2017–2030.* Hertfordshire Local Enterprise Partnership, July 2017.
- **Extensive desk research on the Hertsmere, UK, and global Screen production sector,** including:
  - *Forecast of Labour Market Shortages and Training Investment Needs in Film and High-End TV Production*. ScreenSkills, June 2022
  - *UK Screen Sectors: A Prospectus for Growth in an Age of Change.* British Screen Forum, July 2022
  - *Through the Looking Glass 2022.* Film & TV Charity, February 2023
  - *Screen Business.* British Film Institute ("**BFI**"), December 2021
  - *Screen Culture 2033.* BFI, 23rd September 2023.
- **21 confidential consultations** with stakeholders across the industry in Hertsmere and the UK
- **Mapping of all UK film and television studios**, which utilised geographical mapping software to visually map the UK's current and planned studio offering
- **Comprehensive review and mapping of Hertsmere vendor data**, utilising national government datasets and business intelligence software.

1.3. Overview of Hertsmere and its Production Landscape

Hertsmere is a borough within the county of Hertfordshire. The majority of residents live in Borehamwood and Elstree, Bushey, Potters Bar, Radlett, and Shenley. Hertsmere Borough Council is one of 10 borough or district councils within Hertfordshire.

Hertsmere has a long and rich history in Screen production, in large part due to the studio facilities located in Borehamwood. Home to Elstree Studios – owned by Hertsmere Borough Council – and BBC Elstree Centre, and previously home to heritage studios including MGM-British Studios, Hertsmere has hosted significant feature films including *Star Wars* (1977; 1980; 1983), *Indiana Jones* (1981; 1984; 1989) and *The Shining* (1980). More recently, Hertsmere has hosted series including

The Crown (2015-2023) *and Gangs of London* (2019-2021) as well as major audience series such as *Strictly Come Dancing* (2004-present) and game shows like *The Chase* (2009-present).

The borough's strong production base has provided it with a solid foundation for growth in the UK's highly significant Screen production sector, and interest in Hertsmere as a production hub is very strong. The first phase of the state-of-the-art Sky Studios Elstree facility was recently completed, bringing an additional 13 soundstages online in Hertsmere. This facility is less than a mile from Elstree Studios and is also located in Borehamwood. Sky has forecast that the site will deliver £3 billion of production activity within its first five years.[1]

In addition, two new purpose-built soundstages, the Platinum Stages, were opened at Elstree Studios in 2022.

There is investor interest in further facilities development in Hertsmere. Sky has proposed an additional 10 stages, and forecasts that these will enable a further £2 billion of production within five years. Proposed developments represent 40,000 square metres of potential new stage space in Hertsmere. In early 2024, it was announced that investment management company, AXA IM Alts, had reached an agreement to acquire BBC Elstree Centre, with the acquisition due to complete in early 2025.[2]

Hertsmere is also strategically placed in Screen sector terms, sitting within a significant broader Hertfordshire studio cluster, with Warner Bros. Studios Leavesden located in Watford, only 10 miles from Borehamwood. Warner Bros. Studios Leavesden is set to expand with the addition of 10 new sound stages, expected to be completed by 2027.[3] The Hertfordshire studio cluster has direct access to the established and significant skills base and supply chain in the South East of England – a key success factor.

1.4. Key Study Findings

1.4.1. *Hertsmere is Ideally Positioned to Attract Further Production Activity*

Hertsmere's current cluster of studios is amongst the largest concentration of studio facilities in the UK. Its studio offering is also notably diverse, allowing it to attract productions of various scales and types – from soap operas to audience shows, to major feature films and television drama series.

Given Hertsmere's reputation as a well-established production hub, producers are aware that the region has a proven track record of success, which can elevate it in production location decisions. Alongside this, Hertsmere's long history of production and local authority studio ownership, means that it offers stability and a level of development as an investment base – a critical consideration for producers given the high risk involved in production.

Crucially, Hertsmere is also located within the Metro London region – one of world's leading production hubs.[4] This comes with several major advantages, including access to vendors able to service any production

[1] *British media and entertainment sector could be worth £53 billion by 2033.* Sky, 20th September 2023. Accessible at: https://www.skygroup.sky/article/-british-media-and-entertainment-sector-could-be-worth-53-billion-by-2033-

[2] *AXA IM Alts to Acquire Historic BBC Elstree Centre.* AXA IM Alts, 16th January 2024. Accessible at: https://alts.axa-im.com/media-centre/axa-im-alts-acquire-historic-bbc-elstree-centre-first-investment-uk-tv-and-film-studios-sector

[3] *Expansion Plan for Warner Bros. Studios Leavesden*. Warner Bros. Studios Leavesden. 22nd September 2023. Accessible at: https://www.wbsl.com/studios/2023/09/22/expansion-plan-for-warner-bros-studios-leavesden/

[4] Metro London is a definition taken from the BFI's *Screen Business,* undertaken by SPI with Nordicity. It combines Greater London with Hertfordshire (from the East of England) and Buckinghamshire and Surrey (the South East of England) to form a Metro London region that better reflects the geography of film and television production, given that several of the major studio facilities are located in these counties

budget level, as well as one of the most developed crew and talent bases in the world.

1.4.2. *The Global Screen Production Sector is Facing Significant Economic Headwinds – but the UK, and Hertsmere, Remain Highly Competitive*

Recent years have seen unprecedented expansion in Screen production globally. While the sector remains robust, a range of factors are combining to soften this growth. These include the macro issue of consumer inflation, as well as industry-specific challenges such as production cost inflation, the retrenchment of some content investors, and significant US labour action in 2023. The market is also becoming more challenging for infrastructure investors and developers, who face business rates increases for studio facilities in the UK, along with rising construction and financing costs.

Nonetheless, the UK remains highly attractive for production. It offers a well-regarded crew, infrastructure, and locations base – underpinned by a suite of established and globally competitive production incentives. The continuation of incentive competitiveness is a critical success factor – and relevant to current reforms being made by the Government to reform the UK incentives to an Audio-Visual Expenditure Credit system, which following the 2024 Spring Budget will offer increased value for independent film production and the visual effects sector The announcement of business rates relief over 10 years for studio facilities will support the UK's production infrastructure.

In July, 2023, it was announced that the Culture, Media, and Sport Committee would examine current challenges facing the UK's film and high-end television ("**HETV**") industry, investigating what needs to be done to maintain and enhance the UK as a global production destination, among other considerations.

As outlined, the industry regards Hertsmere as a preferred location due to its very good access to experienced crew base and supply chain, well-established infrastructure, and convenient access to popular filming locations.

Given these market shifts, Hertsmere's position as a strategic production hub with a strong foundation of studio developments help strengthen the borough's offer in a challenging investment environment.

1.4.3. *There is an Opportunity for Hertsmere to Extract More Value from Production Activity*

A major benefit for producers working in Hertsmere is the easy access to the Metro London production cluster, with its specialist supply chain, talent, and crew. While the ability to link to this wider offer is a selling point for Hertsmere's studios, it also means that value retention is likely to be a challenge for the borough. More proactive local government and private sector action is required to ensure that more value – particularly around business activity and crew opportunities – is kept within Hertsmere. Currently, productions in Hertsmere often utilise crew and vendors from around the Metro London area and beyond, meaning that the potential benefits of production are often geographically dispersed rather than concentrated locally. There is an opportunity for Hertsmere Borough Council to encourage better connections between local businesses and workers and productions in the borough.

The focus on value retention for Hertsmere would also be stimulated by better connections between studio operators in the borough – an objective which would also encourage sustainability goals.

1.5. Key Study Recommendations

1.5.1. *Establish a Borough-Specific Screen Working Group*

Hertsmere has a long history in film production and a strong reputation for delivering quality productions, however activity and initiatives in the local sector have operated in pockets and stakeholders often do not overlap in their approaches to development and strategy.

With the recent opening of Sky Studios Elstree and the new stages at Elstree Studios, along with the growing reputation of ESA, there is potential for Hertsmere to expand its industry position and to retain more value of production within the borough.

SPI believes that the local Hertsmere Screen sector could benefit from the establishment of an industry working group which could provide a joined-up approach to industry development and strategy – with a particular focus on retaining value in the borough. Through regular meetings, this group could speak to specific local issues, and gaps in the training provision or local workforce and identify potential pathways forward for the sector. As a priority, this group should include representatives from the studios in Hertsmere and ESA, as well as other members of the local industry. Driving sustainability should also be a key objective for the group – and production sustainability goals align to connect Hertsmere-based crew, trainees, and businesses with the sector.

1.5.2. Drive a Crew Development and Retention Strategy

The development of a sufficient, sustainable, and well-trained workforce for Screen production is a significant component in the success of a sector. While there is a crew base in Hertsmere, it is difficult to ascertain the exact size and experience level given available data.

While Elstree Screen Arts Academy continues to deliver practical training to a predominately local cohort of young students, there is an opportunity to build a stronger network of locally based Hertsmere crew of all ages and experience levels. This could present an opportunity to boost deprived areas in Borehamwood, such as the Cowley Hill ward, and provide careers in a growth industry.

SPI recommends Hertsmere Borough Council look to develop a crew development and retention strategy. This should include a connection programme for trainees with local studios as well as better data collection and cataloguing of existent Hertsmere-based crew.

1.5.3. Activate Local Businesses and Help Develop the Supply Chain in the Borough

While there is a strong appetite to hire locally, producers are not always able to identify what local companies exist in Hertsmere and would be available to them. Producers are therefore likely to utilise suppliers with which they have a relationship – regardless of where they are based.

Conversely, local companies that do not work in the Screen sector do not necessarily understand the breadth of opportunities available for companies, from security to catering to timber supply, and how to approach and engage with productions.

The creation of an activation programme for Hertsmere businesses would help bridge the knowledge gap present with the servicing of productions. This could include working with the studio operators on their supplier lists to ensure greater representation from Hertsmere-based companies. Further, the activation programme could include organising conference / business days to show businesses how to approach and work with productions, as well as typical production demands that could feasibly be met by local businesses.

More could also be done to retain and entertain crew travelling into Hertsmere for work, or audiences travelling into Hertsmere to attend live tapings of television programmes.

Hertsmere's *Economic Development Strategy 2022-2027* identified rebranding and repurposing the high streets as a priority. SPI recommends exploring opportunities to capitalise to a far greater extent on Hertsmere's position as a destination for crew and audiences – further assisting with the objective of retaining more value in the borough.

1.5.4. Capitalise on Benefits of a Regional Film Officer

Given the appointment of a Hertfordshire film officer in 2023, Hertsmere now has the potential to benefit from an officer working in a dedicated capacity towards supporting and advising on production enquiries (albeit on a county-wide basis via a LEP role based at Elstree Studios). This is something that Hertsmere has previously lacked and as such was not perceived to be as effective or receptive as film offices in other parts of Hertfordshire, limiting opportunities for revenue building and job creation.

Hertsmere Borough Council should work closely with the film officer to ensure that this role addresses not only production enquiries but also considers the broader needs of the sector, including how to best catalyse revenue generation, career opportunities and pathways, the use of Hertsmere locations for production, and spillover effects such as Screen tourism. The film officer should be an important member of the Screen Working Group (see Section 1.5.1) and collaborate with Hertsmere officers who lead on economic development, and the new creative sector officer.

Part I:

The Screen Production Sector

2. CRITICAL ATTRACTIONS FOR SCREEN PRODUCTION

2.1. Introduction

This section provides evidence of the growth of global Screen production over the last decade, and analysis of current market trends. It also assesses the key strategies used by national, local, and other authorities to attract high-value film and television production investment.

2.2. Global Screen Production Growth

Recent years have seen an unprecedented global increase of Screen production, mainly driven by high demand for all types of content by consumers and investors alike.

After the COVID-19 pandemic, Screen production bounced back strongly on a global basis – a trend partly driven by productions that were paused during the pandemic due to lockdowns. This, along with the increase in streaming investment, resulted in US$238 billion (£188.6 billion) in global content spending in 2022 – a projected rise of 6% year-on-year.

There are headwinds facing the Screen production sector globally. The sector has seen inflation in production costs, including for key creative talent who remain in very high demand. Some investors have also been resetting content spend strategies in response to this and other broader inflationary pressures on their businesses.

During the Study period, the US actors' union (SAG-AFTRA) and the Writers Guild of America (WGA) went on strike. Both strikes have now been resolved, but this was the first time since 1960 that both unions were simultaneously on strike. The industrial action resulted in all major US studio-backed productions coming to a standstill worldwide, including those filming in the UK, impacting on their supply chains and vendors. US-financed productions represent a significant part of the client base for UK studio facilities and, as a result, many facilities were unoccupied during the period of the industrial action.

While streaming services have invested heavily in production, traditional linear commissioning has seen less robust growth, partly related to challenges in the traditional television advertising revenue model.

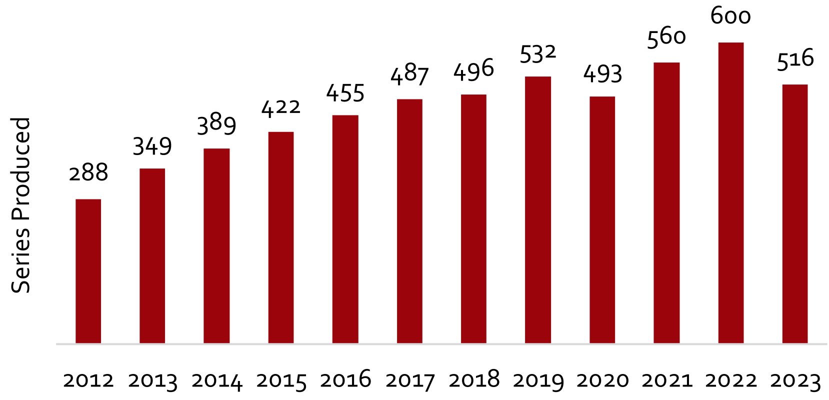
Despite these challenges – which impact all key types of Screen production undertaken in Hertsmere – the borough's position as a strategic production hub with a strong foundation of studio developments help strengthen the borough's offer in a challenging investment environment.

The broader global outlook for the Screen sector also remains positive. It is estimated that content spend may reach US$247 billion (£193 billion) in 2024, a 2% increase year-on-year. [5]

One of the key elements in the rise in content spending has been the growth of scripted series, which more than doubled between 2012 and 2022 – from 288 in 2012 to 516 in 2023. There was a 14% decrease in scripted series production in 2023 in comparison to 2022. This was likely due in large part to the production shutdown during the US labour strikes.

[5] *Content Spend to Grow 2% in 2024, After Strike-Hit 2023.* Ampere Analysis, 2nd February 2024. Accessible at: https://www.ampereanalysis.com/insight/content-spend-to-grow-2-in-2024-after-strike-hit-2023

Figure 1 – Scripted Original Series Production, 2012-2023

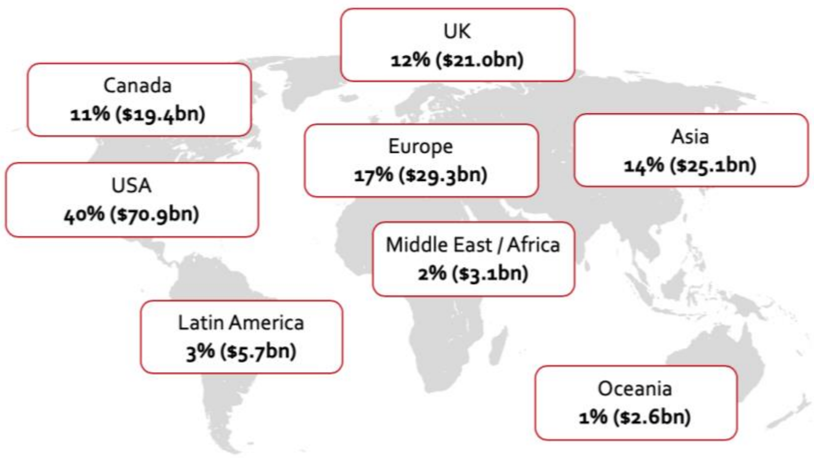


Source: FX Networks Research[6]

While most production is financed in the US – SPI estimates that, in 2019, 65% of global production investment came from the US – the actual production expenditure is directed all around the world. This underlines the fact that the Screen production sector is highly sensitive to production incentives – particularly given the headwinds described earlier in this section. Some key US investors, such as Netflix and Amazon, are also focused on global production in local languages in a bid to drive customer acquisition and retention.

Although the UK only financed 3% of global production expenditure in 2019, 12% of global production investment was incurred in the UK. This signifies that a larger volume of production was carried out in the UK than what was directly funded by it, underlining the country's significant role as a beneficiary of international production investment.

Figure 2 – Global Film, Scripted Television and Documentary Production Spending by Region, 2019



Source: SPI (2020)

2.3. Critical Attractor – Production Incentives

The Screen sector is project-based and highly mobile, meaning that investment is made by individual projects in a relatively short space of time (weeks or months, rather than years) and can often be sited in a wide variety of locations around the world.

There are a variety of measures which can be used to encourage investment from Screen productions, but over the last two decades, automatic production incentives have become the most popular and effective policy tool for governments and the most attractive to producers.

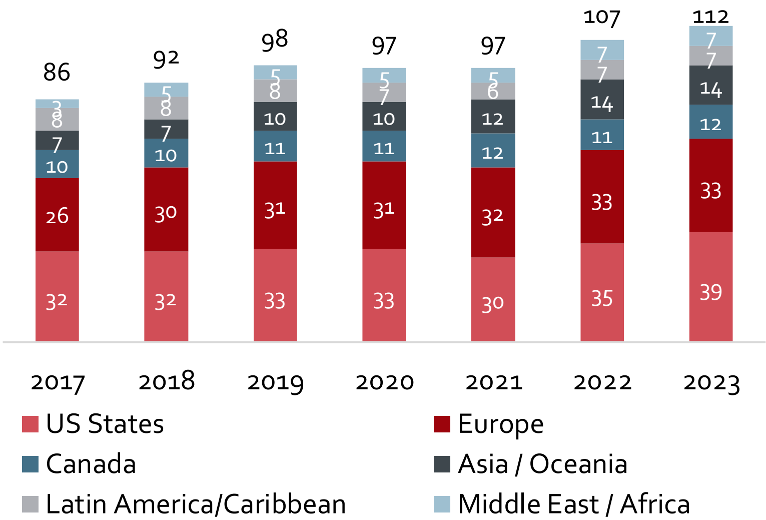
Automatic incentives offer rebates that are directly tied to qualifying production expenditure (rather than selective criteria such as artistic

[6] *Peak TV is Officially Over: FX Tallies 14 Percent Drop in Scripted Series for 2023.* The Hollywood Reporter, 9th February 2024. Accessible at: https://www.hollywoodreporter.com/tv/tv-news/scripted-originals-fall-14-percent-2023-fx-tally-1235821248/

value). These rebates are determined according to a well-defined set of rules and guidelines. Consequently, producers can anticipate the amount of incentive they will receive beforehand, providing them with a clear understanding that their expenditure will result in a relatively fixed rebate.

At present, there are more than 110 production incentives for film and television productions around the world, with more than 30 incentives having been introduced since 2017.

Figure 3 – Growth of Incentives Worldwide 2017-2023



Source: SPI (2023)

The UK's package of incentives is highly competitive and a critical part of its attractiveness as a production location for large scale projects – according to a major SPI study undertaken for the BFI, 92% of productions would not have been made, or would have been made outside of the UK, were it not for the UK's incentive system.[7]

The structure of the UK incentives is transitioning from a tax relief system to an Audio-visual Expenditure Credit (AVEC) system.[8] This is largely in anticipation of new global tax rules being implemented, which could affect tax-based production incentives globally. By moving to an expenditure credit model, the UK government intends to future-proof the incentives, providing long-term stability. The AVEC is claimable from 1st January 2024.

The AVEC has a significantly higher headline rate than the current tax relief: 34%, versus 25% tax relief currently. However, the AVEC has a notional 25% tax charge applied, reducing its effective value to producers to 25.5%, or only nominally higher than the current tax relief system. Under the AVEC system, animation productions and children's television are eligible for a meaningfully higher rate of 39%, or 29.25% after the notional tax charge. In March 2024, it was announced as part of the Spring Budget that independent film productions will be eligible for a 53% incentive (39.75% in practice) starting in 2024, while VFX costs will be eligible for the same 39% rate as animation and children's television starting in 2025.[9]

The AVEC policy changes were decided by government following a consultation with industry and other stakeholders. The measures show that the Government is committed to maintaining the highly competitive UK incentive system, while also expanding the system for

[7] *Screen Business*, Olsberg•SPI with Nordicity for the BFI. December 2021. Accessible at: https://www.bfi.org.uk/industry-data-insights/reports/uk-screen-sector-economy

[8] *Reform of audio-visual creative tax reliefs*. UK Government, 18th July 2023. Accessible at: https://www.gov.uk/government/publications/reform-of-audio-visual-creative-tax-reliefs-to-expenditure-credits/reform-of-audio-visual-creative-tax-reliefs#:~:text=Under%20AVEC%20and%20VGEC%20%2C%20companies,receive%20a%20rate%20of%2039%25.

[9] *Spring Budget 2024 Speech*. HM Treasury, 6th March 2024. Accessible at: https://www.gov.uk/government/speeches/spring-budget-2024-speech

key areas of the industry, including independent film and visual effects, both of which will greatly benefit from the latest announcements.

In July, 2023, it was announced that the Culture, Media, and Sport Committee would examine current challenges facing the UK's film and HETV industry, investigating what needs to be done to maintain and enhance the UK as a global production destination, among other considerations.[10]

2.4. Critical Attractor – Production Facilities

Alongside incentives, the availability of high-quality physical infrastructure – particularly studios and post-production facilities – is a key factor in the attractiveness of a Screen production market.

The overall volume of production, and the scale and technical requirements of individual high-end projects, has increased over time. This has resulted in an undersupply of physical production space in many markets worldwide, including the UK – which has seen a wave of development activity. Some governments are developing strategies to encourage capacity building. This can include linking production incentives to longer-term investment in infrastructure.

The demand for UK studio space among high volume producers such as Amazon Studios, Disney, Netflix, Sky (including NBCUniversal through shared parent company Comcast) and Warner Bros. have all made long-term commitments to major studio facilities, either directly or through long-term leases.

The UK is one of the top global markets for film and television production infrastructure. SPI research[11] found that the UK is home to 550,000 square metres of stage space across 112 film and television production facilities, with 34% of stage space being in the Metro London area.[12]

The current UK studio market is assessed in further detail in Section 2.6.5.

2.5. Critical Attractor – Skills and Workforce

Screen productions require a large range of skilled and specialist workers, from performers to carpenters, camera operators to drone operators. Many of the skills required are highly specialised and technical, often developed over many years of specific on-set experience.

The production deluge led to significantly increased demand for sectoral workers, particularly in leading markets such as the UK. Alongside incentives and infrastructure, workforce is a key consideration for investors when deciding where to place production.

According to a 2020 SPI report, the total number of jobs supported by the global Screen production sector in 2019 was estimated to be 14.2 million. This comprises:

- 4.4 million direct jobs in the Screen sector value chain

[10] *New Inquiry: CMS Committee to Examine British Film and High-end TV*. UK Parliament, 21st July 2023. Accessible at: https://committees.parliament.uk/committee/378/culture-media-and-sport-committee/news/196602/new-inquiry-cms-committee-to-examine-british-film-and-highend-tv/

[11] Accurate to October 2023

[12] Metro London is a definition taken from the BFI's *Screen Business*, undertaken by SPI. It combines Greater London with Hertfordshire (from the East of England) and Buckinghamshire and Surrey (the South East of England) to form a Metro London region that better reflects the geography of film and TV production, given that several of the major studio facilities are located in these counties

- 9.8 million indirect and induced jobs supported by expenditure by Screen production plus the other parts of the Screen sector value chain.[13]

In 2019, the most recent year of analysis for the UK, the Screen sector value chain supported by the UK tax reliefs generated 156,030 full-time equivalent ("**FTE**") jobs in the UK.[14]

Before the US labour strikes in 2023, there had been a global focus on building the Screen workforce to accommodate the increase in productions and capacity shortages in the Screen sector. This has been a particular focus in the UK, with the BFI and ScreenSkills leading research to better identify skills gaps and shortages in the UK and recommend interventions. The BFI's 2022 Skills Review led to the creation of an industry-led task force in March 2023 to address these skills needs across three key workstreams:

- Industry training and investment;
- Improving access to the Apprenticeship Levy; and
- Pathways to industry from further and higher education.[15]

Work to build a sustainable workforce and support the Screen production sector in the UK continues to be an ongoing priority for industry stakeholders.

2.6. Understanding the UK's Competitive Position

2.6.1. Overview

The UK is a highly regarded production hub, considered by global investors to be a gold-standard destination with a strong creative base, high-quality crew, world-class studio infrastructure, attractive incentives and a government that understands the social, cultural, and economic value of the sector. As a result, it has seen rapid expansion in recent years. has now established itself as a strong creative base with high-quality crew, world-class studio infrastructure, attractive incentives and a government that understands the social, cultural, and economic value of the sector.

The following section situates the UK's Screen sector within the broader creative sector and outlines the core aspects of the UK's competitive position.

2.6.2. The UK's Creative Industries Sector

The Screen sector in the UK sits within the creative industries, which also includes other sectors with creativity at their core – including video games, design, music, publishing, architecture, crafts, visual arts, fashion, radio, advertising, literature, and the performing arts.

The creative sector has been growing over the past few decades, with a significant increase in the past 10 years driven in part by the expansion of the Screen production sector. According to a 2022 report from the British Screen Forum, there has been a 62% growth in Creative Industries gross value added ("**GVA**") since 2010, an increase of 181% in exports since 2010, and 42% growth in employment since 2011.

As Figure 4 demonstrates, not only has the creative industries seen rapid growth, but the sector performs well compared to other sectors important to the UK economy.[16] For example, it is larger than the automotive and the aerospace, defence, security, and space sectors.

[13] *The Impact of Film and Television Production on Economic Recovery from COVID-19.* Olsberg•SPI, 25th June 2020. Accessible at: https://static1.squarespace.com/static/5f7708077cf66e15c7de89ee/t/60282af90267734564e0fedd/1613245181073/Global-Screen-Production-and-COVID-19-Economic-Recovery-Final-2020-06-25.pdf

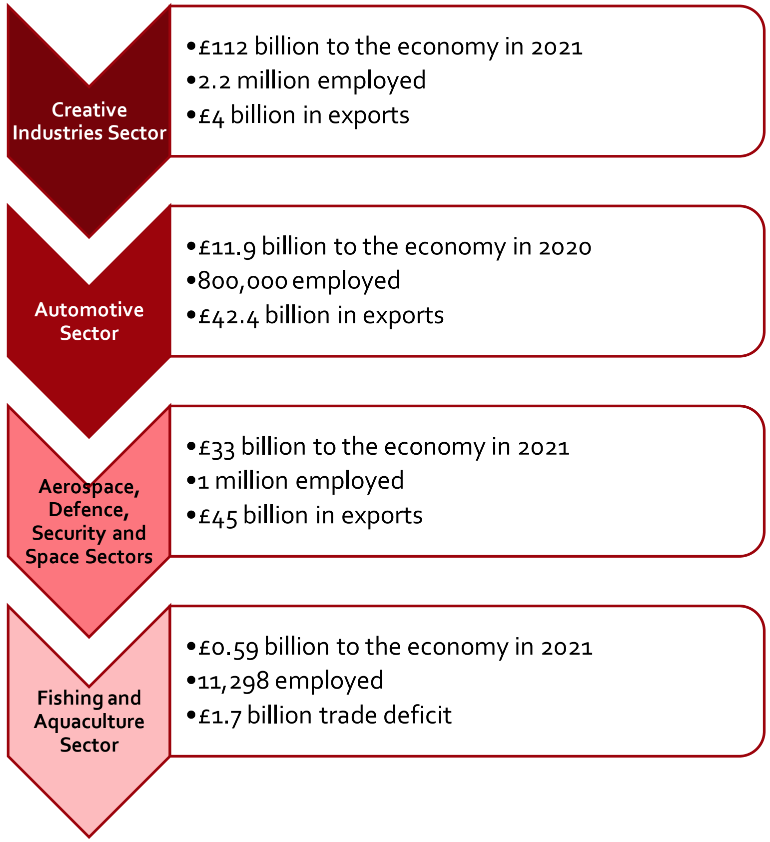
[14] This does not include jobs related to spillover impacts of the tax reliefs

[15] *Georgia Brown to Chair Industry-Led Skills Task Force for UK's Screen Sectors.* BFI, 29th March 2023. Accessible at: https://www.bfi.org.uk/news/georgia-brown-chair-industry-led-skills-task-force-uks-screen-sectors

[16] *UK Screen Sectors: A Prospectus for Growth in an Age of Change.* British Screen Forum, 15th July 2022. Accessible at: https://britishscreenforum.co.uk/reports/

Alongside, GVA, employment and exports, the creative industries have also outperformed the wider economy with respect to productivity. In particular, film and HETV along with video games exhibit notably high productivity, with productivity levels 24% and 83% higher than the UK average, respectively. Indeed, the Screen sector is a key part of the success of the wider creative industries in the UK, leading to many authorities adopting strategies to collectively grow their film, television, and video games industries.

Figure 4 – Sector Contributions to UK Economy and Employment



Source: British Screen Forum (2022)

The creative industries sector has also demonstrated resilience in the face of wider economic challenges, such as the COVID-19 pandemic. While the impact of COVID-19 was felt by the creative industries and Screen sector, it was less adversely impacted in the UK than other sectors. According to data from the House of Lords[17], monthly GVA for the creative industries fell by 6.6% between January 2020 and January 2021, compared with the 11% decline the UK economy experienced as a whole.

The creative industries sector bounced back quickly following the pandemic. As demonstrated in Figure 5, the creative industries sector grew by 6.9% in September 2022 compared with the same month in 2021. Growth across the UK economy as a whole was 1.2% over the same period.

SPI's report on the impact of film and television production on economic recovery following the COVID-19 pandemic[18] found that the Screen sector was able to impact the economy significantly and at high speed. The report found that productions can be likened to major, specialist, high-tech manufacturing operations that quickly arise, expend huge sums, and employ hundreds of people, before shrinking to a handful of key operatives as the bulk of those previously employed move on to new projects.

Figure 5 – Changes to UK Economy and the Creative Industries Sector, January 2020 – September 2022

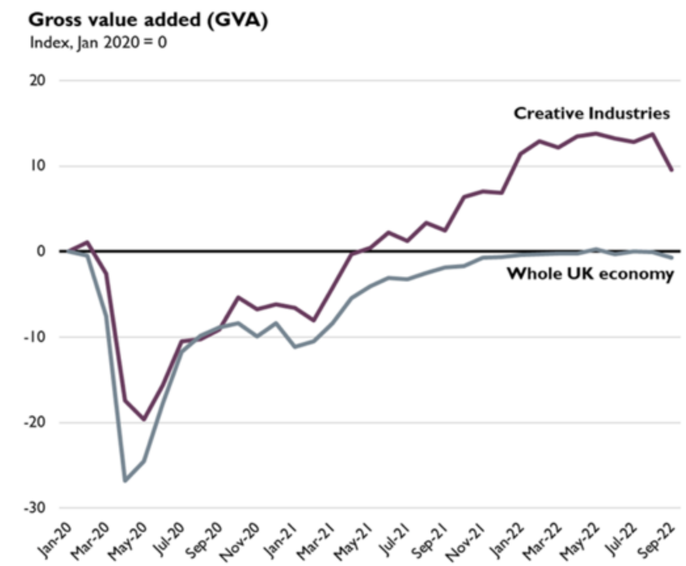


Figure 1. Changes to UK economy and the creative industries sector, January 2020–September 2022

Source: House of Lords Library (2022)

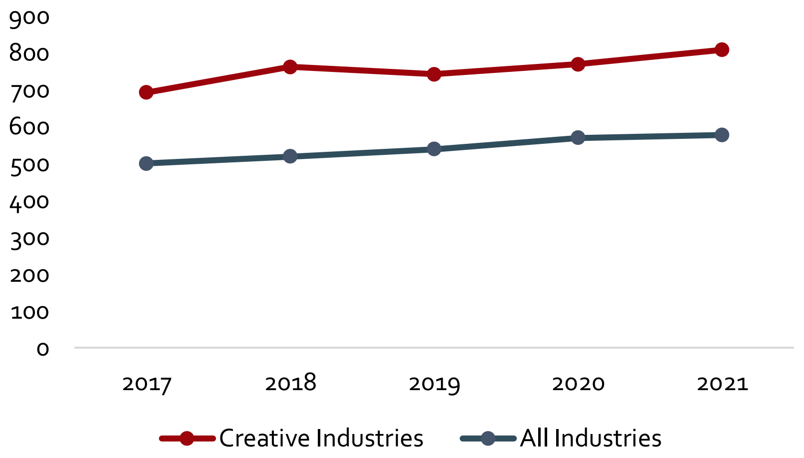
Research from Creative Industries Policy & Evidence Centre (CI-PEC) found that in 2021 workers in the creative industries in the UK, on average, earned nearly 40% more per week than the UK average.[19] As demonstrated in Figure 6, the average full-time creative industries worker earned over £800 per week in 2021.

[17] *Arts and Creative Industries: The Case for a Strategy.* House of Lords Library, 1st December 2022. Accessible at: https://lordslibrary.parliament.uk/arts-and-creative-industries-the-case-for-a-strategy/#heading-3

[18] *Global Screen Production – The Impact of Film and Television Production on Economic Recovery from COVID-19.* Olsberg SPI, 25th June 2020. Accessible at: https://static1.squarespace.com/static/5f7708077cf66e15c7de89ee/t/60282af90267734564e0fedd/1613245181073/Global-Screen-Production-and-COVID-19-Economic-Recovery-Final-2020-06-25.pdf

[19] This data represents analyses earnings in the creative industries before the cost of living increases in the UK, or the SAG-AFTRA and WGA labour strikes in 2023

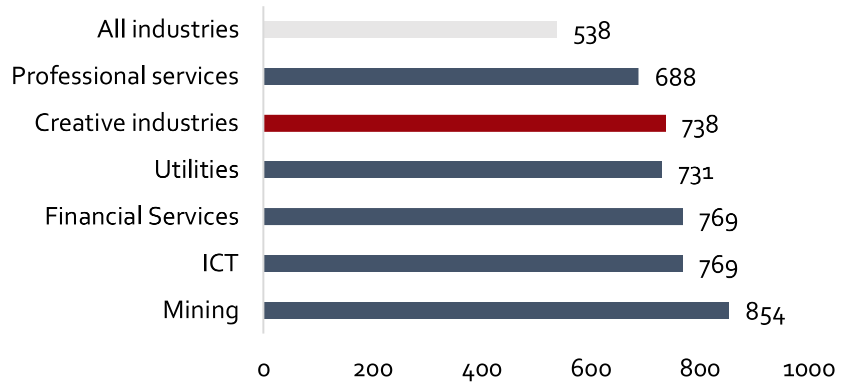
Figure 6 – Median Weekly Earnings Over Time, (£), Creative Industries; All Industries



Source: CI-PEC (2023)[20]

As shown in Figure 7, when data are pooled across a three-year sample (2017-2019), the median weekly earnings for the creative industries is £738. CI-PEC compared the three-year pooled sample against 19 other sectors. During the period analysed, the creative industries median weekly earnings were in the top five earning sectors analysed by the CI-PEC and higher than other sectors such as professional services, education, construction, and agriculture, and slightly lower than the average weekly earnings for financial services.

Figure 7 – Median Weekly Earnings by Industry Sector (£), 2017-2019 Pooled Sample



Source: CI-PEC (2023)

As demonstrated in Table 1, within the creative industries sector, median weekly earnings also remain above the all-industries average. The average weekly salary for full-time Screen workers during the period analysed was £673, or 25% higher than the weekly average across all industries.

[20] *A Quantitative Baseline of Job Quality in the Creative Industries.* Creative Industries Policy & Evidence Centre, February 2023. Accessible at: https://cdn2.assets-servd.host/creative-pec/production/assets/publications/PEC-A-quantitative-baseline-of-job-quality-in-the-Creative-Industries-v4.pdf

Table 1 – Median UK Weekly Earnings in Creative Sub-Sectors (£), Compared to Creative Industries and All Industries, 2017-2019 Pooled Sample

All Industries	538
Creative Industries	738
Advertising and Marketing	740
Architecture	692
Design	508
Screen	**673**
IT & Software	865
Publishing	646
Museums, Galleries & Libraries	519
Music, Performing & Visual Arts	588

Source: CI-PEC (2023)

However, this data pertains to full-time workers. A large proportion of creative industries workers, and in particular Screen workers, are freelance workers and thus are not reflected in this specific dataset.[21]

Furthermore, the downturn in production activity and US labour strikes in 2023, coupled with the increasing cost of living in the UK has posed a significant challenge for the UK Screen sector, and especially to those working in the industry in a freelance or contractor capacity. A 2024 Film & TV Charity report conducted a survey with approximately 2,000 workers in the film, television and cinema sector. The report found that 58% of those working in film and 47% in HETV had work cancelled due to the US labour strikes. When combined with cost of living increases and other economic factors 45% of survey respondents were finding it difficult to manage financially, with a further 31% noting that they felt they were just getting by.[22] The 2023 US labour strikes have been resolved, however it is unclear what continued impact these events will have on UK Screen workers.

2.6.3. Economic Performance

Over the last 12 months, global economic uncertainty has led most major studios to prioritise profitability instead of growth. As a result, there has been cost-cutting across these businesses, slowing down growth in of content spending.

However, the strength of the UK market does position it strongly for the future. There remain strong incentives for major studios and other producers to continue direct investment into the UK.

In April 2023, Netflix announced that it had invested £4.8 billion in the UK creative economy since 2020. Approximately £1.2 billion was spent annually by Netflix in the UK making television series and films between 2020 and 2023.[23]

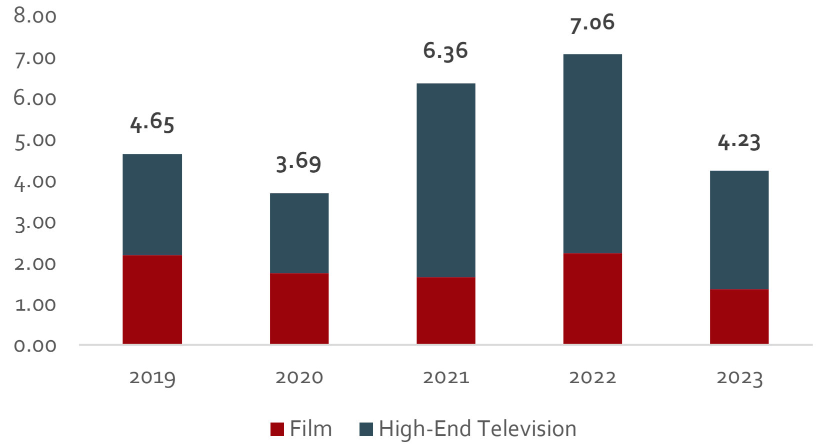
In 2021 and 2022 there was unprecedented production expenditure of £6.36 and £7.06 billion, respectively, across film and HETV in the UK. Due to the impact of the US labour strikes on production activity in 2023, the combined UK expenditure for film and HETV decreased to £4.23 billion.

[21] Note: freelancer is frequently used as a catch-all phrase and can include those self-employed as sole traders, those self-employed in a limited liability company and people on temporary employment contracts

[22] *Money Matters: Examining the Financial Circumstances of the Film, TV, and Cinema Industry Workforce.* Film & TV Charity, 2024. Accessible at: https://filmtvcharity.org.uk/assets/documents/Reports/financial-resilience-report-2024.pdf

[23] *Netflix Reveals $4.8 Billion Investment in UK Economy, Teases Upcoming Slate.* Screen Daily, 26th April 2023. Accessible at: https://www.screendaily.com/news/netflix-reveals-48bn-investment-in-uk-economy-teases-upcoming-slate/5181405.article

Figure 8 – UK Film and High-End Television Production Expenditure, 2019-2023 (£, billions)



Source: BFI (2024)

2.6.4. Workforce

The UK's Screen sector employs a large number of skilled workers. The BFI's 2021 *Screen Business* report places the total FTE employment generated across the value chain, including direct, indirect, and induced impacts, over 156,030 for 2019.[24]

The bulk of the UK's crew base is located in Metro London, defined in *Screen Business* as including Greater London, Hertfordshire, Buckinghamshire, and Surrey. Other production hubs exist across the UK, including in Cardiff, Liverpool, Bristol, Yorkshire, Belfast, and Edinburgh.

Salaries

Global data show the sector is comparatively well paid and the UK Screen sector is considered to be well compensated.[25] However, because of the variety of roles and skill levels that make up the Screen sector, as well as the project-based nature of the work, it can be difficult to identify an indicative salary range that appropriately represents all components of the sector.

The latest scripted television agreement between the Producers Alliance for Cinema and Television (Pact), which represents producers, and the Broadcasting, Entertainment, Communications and Theatre Union (Bectu), which represents crews, states that workers directly engaged as workers are entitled to 5.6 weeks of paid leave per annum, pro-rated to the length of the contract.[26]

The number of weeks a Screen worker is employed in the UK screen production sector is subject to a range of considerations, including personal preferences and external factors such as the 2023 US labour strikes. According to an industry survey performed by the Film & TV Charity in 2022, 37% of those surveyed worked more than 48 weeks in 2022, while 29% worked at these levels in 2021.[27] This likely reflects the busy status of the UK as a production hub in those years. In 2023, however, the US labour strikes contracted the number of weeks Screen workers were employed as the downturn in production reduced the number of projects in production. Research published by the Film & TV

[24] *Screen Business.* BFI, December 2021. Note: this figure excludes jobs derived from spillover effects

[25] Screen workers are also impacted by the effects of the rising cost of living in the UK or the 2023 US labour strikes. These challenges are particularly acute for those working in a freelance capacity who rely on a steady supply of work throughout the year to maintain financial resilience

[26] *Scripted TV Agreement*. Pact & Bectu, 21st December 2022. Accessible at: https://members.Bectu.org.uk/advice-resources/library/3074

[27] *Through the Looking Glass 2022.* Film & TV Charity, 16th February 2023. Accessible at: https://tinyurl.com/39rnyry2

Charity found that approximately 15 weeks of work was lost for Screen workers who had work cancelled in 2023 due to the US labour strikes.[28]

The scripted television agreement establishes the requirements for a working day and week on a production set. The standard day for non-shoot crew on scripted television productions is 10 hours, with an unpaid lunch hour. The standard week schedule is five days, usually Monday to Friday. Workers will typically be contracted for a 10-day fortnight. The 2021 Pact-Bectu agreement for major motion film productions establishes a five-day working week of 55 hours as the standard working week.[29]

Bectu is one of the best sources for salary information in the UK. Bectu represents over 40,000 staff, contract and freelance workers across the media and entertainment landscape in the UK and through their agreements, crew ratecards are created to reflect the recommended going rates for various member departments working in film, television, and commercials.

Salaries for production crew vary by role and grade, as well as the type of production and production budget level. For example, a high-end television series with a budget range between £3 million and £7 million will have a different going rate for each role than a film with a £30 million+ budget.

The Bectu ratecards include hourly and day rates, as well as identifying overtime rates, workshop days, and other conditions such as allowances for cars, phones, or other kit. Furthermore, these ratecards reflect the minimum recommended going rates for these roles. It is expected that additional negotiation based on a crew member's experience level, portfolio or skills will take place before working on a production.

The following tables include ratecards for roles across five departments as examples of salaries in the Screen sector. These are the rates for large feature film productions (£30 million+ budgets) so represent the top end of the scale for each role; however, these do not include additional allowances or overtime. These are indicative of potential daily and weekly earnings. Given the project-based nature of freelance work, 52 weeks of paid work in a year is not applicable in many cases.

Table 2 – Art Department Ratecard (2022), Feature Film, £30 million+ Budget

	Daily Rate	Weekly Rate
Art Department / Set Decorator Trainee	£145	£730
Modelmaker	£328	£1644
Senior Draughtsperson	£330	£1653
Supervising Art Director	£689	£3446

Source: Bectu

Table 3 – Grip Department Ratecard (2022), Feature Film, £30 million+ Budget

	Daily Rate	Weekly Rate
Trainee	£193	£967
Level 2 Crane Tech	£451	£2,257
Level 3 Grip	£473	£2,363
Key Grip	£537	£2,685

Source: Bectu

[28] *Money Matters: Examining the Financial Circumstances of the Film, TV, and Cinema Industry Workforce.* Film & TV Charity, 2024. Note: This is the median number of work weeks lost among those with work cancelled

[29] *Major Motion Picture Agreement 2021.* Pact & Bectu, 31st March 2023. Accessible at: https://members.Bectu.org.uk/advice-resources/library/2909

Table 4 – Post-Production Ratecard (2022-2023), Feature Film, £30 million+ Budget

	Daily Rate	Weekly Rate
Editorial P. A	£134	£670
1st Assistant Editor	£420	£2,080
VFX Editor	£440	£2,200
Additional / Assembly Editor	£510	£2,710

Source: Bectu

Table 5 – Construction Department Ratecard (2022-2023), Feature Film, £30 million+ Budget

	Daily Rate	Weekly Rate
Carpenters	£252	£1,264
Chargehands	£298	£1,492
Supervisors	£361	£1,807
Head of Department	£425	£2,129

Source: Bectu

Table 6 – Camera Department Ratecard (2022), Feature Film, £30 million+ Budget

	Daily Rate	Weekly Rate
Camera Trainee	£152	£761
Digital Imaging Technician	£489	£2,246
Script Supervisor	£489	£2,246
Camera Operator	£723	£3,613

Source: Bectu

Training

The Screen sector is notable for its highly skilled, productive, and mobile workforce. Traditionally, training for the Screen sector occurred on the job, with some formal training routes primarily for above-the-line[30] or key technical roles.

As the sector has continued to grow, there has been an increased focus on creating a strong and skilled talent pipeline in the UK. The BFI's 10-year strategy *Screen Culture 2033* includes developing long-term strategies for education and skills as a core ambition. By 2033, the BFI states that it will have "supported a skilled and sustainable workforce that reflects the UK population."[31] The training section below identifies some of the recently announced initiatives launched by the BFI to achieve this goal.

In 2023, pathways into the Screen production sector include higher education and further education courses via colleges, university and

[30] Above-the-line refers to roles such as directors, writers, producers, and actors

[31] *Developing Long-term Strategies for Education and Skills.* BFI, 2022. Accessible at: https://blog.bfi.org.uk/long-read/our-ambitions/developing-long-term-strategies-for-education-and-skills/

training institutes, vocational traineeships, apprenticeships, bootcamps and ad hoc training schemes and initiatives.

Hertsmere has some notable examples of such pathways. Elstree Screen Arts Academy ("**ESA**") is a specialist University Technical College which offers a specialised education in creative media arts, performance and production technologies for students aged 14 to 19. Additionally, Sky Studios Elstree has pledged to focus on employing from the local area and has created the Content Academy to provide a pathway into the sector for school leavers and recent graduates.[32]

Another approach to meeting the workforce and training needs for the Screen production sector in the UK is to identify and support new pathways into the industry. This includes training to upskill existing Screen workers to progress to higher roles and upskilling workers from other industries, such as construction, to move into the Screen sector.

As an example, in 2020 during the pandemic, ScreenSkills partnered with Pinewood Studios and Buckinghamshire and Enterprise M3 LEP to offer training opportunities for 1,000 Heathrow Airport workers to pursue a new career in the Screen sector. Those who participated in the programme received online training and a shadowing placement at Pinewood Studios.[33]

Funding for Training and Workforce Development

While funding for training and workforce development initiatives may come from a variety of sources, there are two primary national funding streams to note:

- Skills funds managed by Screen Skills
- The BFI and National Lottery funds.

The national training organisation ScreenSkills manages several funds dedicated to supporting skills development and training in the UK Screen sector, including the Film Skills Fund, the HETV Skills Fund (previously the high-end television levy). Similar funds also exist for children's television, animation, and unscripted television.

Established in 1999, the Film Skills Fund encourages films produced in the UK to contribute 0.5% of core UK expenditure to the fund, with a cap of £73,300 per production.

The HETV Skills Fund was established in parallel with the creation of the HETV tax relief in 2013 and, per ScreenSkills requirements, if a production receives the UK's HETV tax relief and costs at least £1 million per broadcast hour to produce, 0.5% of their production budget is to be contributed to the HETV Skills Fund. As with the Film Fund, there is a £73,300 cap on productions with a budget below £5 million per broadcast hour and £110,500 for any productions with a budget more than £5 million per broadcast hour.

Since the establishment of the HETV Skills Fund in 2013, ScreenSkills has collected and invested £35 million into skills and training, including the current HETV Leadership and Management training scheme.[34]

In 2021/22 the Film Skills Fund had more than £1.4 million invested by 66 productions. In 2022/23, ScreenSkills used the Film Skills Fund to

[32] *Sky Studios Elstree launches ground-breaking training programme*. Sky, 6th January 2023. Accessible at: https://www.skygroup.sky/en-gb/article/sky-studios-elstree-launches-ground-breaking-training-programme-

[33] *Heathrow Workers Offered Chance to Work in Screen.* ScreenSkills, 22nd October 2020. Accessible at: https://www.screenskills.com/news/heathrow-workers-offered-chance-to-work-in-screen/

[34] *Contribute to the High-end TV Skills Fund.* ScreenSkills. Accessible at: https://www.screenskills.com/industry/high-end-tv-skills-fund/contribute-to-the-high-end-tv-skills-fund/

support more than 136 trainees across a number of departments, including camera, costume, sound, art, and video assist/DIT.[35]

The BFI's Future Film Skills Programme [36] invested over £20 million since 2017 to support the development of the UK's Screen workforce and ensure that training delivered in the UK remained industry relevant. This funding comes via the National Lottery and is primarily delivered by ScreenSkills. Initiatives have included new apprenticeship standards, a plethora of training and development initiatives and schemes and increase information about pathways and jobs within the Screen sector. [37] In 2022, this programme was operational at two studios (Pinewood and Shinfield Studios) but not Sky Studios in Borehamwood. New studio developments in Hertsmere could aim to follow a similar proactive skills approach.

Following the launch of the BFI Screen Culture 2033 strategy, the BFI awarded £9.6 million over three-years to support training and workforce development in six 'skills clusters'. These clusters will involve collaborative work between local industries, education providers, and other relevant stakeholders to respond to skills gaps and needs in their cluster region and develop sustainable pathways into the Screen sector.[38]

Film London was awarded £2.2 million in funding over three years to deliver the Metro London Skills Cluster led by Film London and the National Film and Television School, and in partnership with the Association of Colleges and London Higher, Capital City College Group, and Middlesex University.

The Metro London skills cluster will include Surrey, Buckinghamshire, and Hertfordshire under its purview. The skills cluster will initially focus on three core areas:

- Employability
- Workforce Retention
- Progression for New Entrants and Curriculum Development/Pilots.[39]

2.6.5. *Studio Development in the UK*

The UK is one of the top global markets for film and television production infrastructure, with both its quality and quantity of studio facilities unmatched outside of North America. SPI research found that the UK is home to 550,000 square metres of stage space across 67 film and television production facilities, with 34% of stage space being in the Metro London area (7% of the UK total being in Hertsmere).[40]

These facilities vary in several important aspects. Firstly, there is significant variation in the size of individual soundstages across facilities. Most new soundstages are around 1,900-2,300 square metres, but converted warehouses or hangars are often much larger, while older studios tend to comprise of smaller units. Further, the number of soundstages within a given studio facility ranges from as few as one up to 24 at Pinewood Studios. In addition, studios differ with regards to

[35] *Contribute to the Film Skills Fund.* ScreenSkills. Accessible at: https://www.screenskills.com/industry/film-skills-fund/contribute-to-the-film-skills-fund/

[36] The Future Films Skills Programme was part of the BFI's 5-year plan for 2017 – 2022.

[37] *BFI Skills Review 2022.* BFI, 29th June 2022. Accessible at: https://www.bfi.org.uk/industry-data-insights/reports/bfi-skills-review-2022

[38] *BFI Awards £9.6 Million Over Three Years to Support Screen Production, Workforce Development and Training Across the UK.* BFI, 19th April 2023. Accessible at: https://www.bfi.org.uk/news/bfi-awards-ps96-million-over-three-years-support-screen-production-workforce-development-training-across-uk#

[39] *Film London awarded £2.2m to boost Film & TV skills in the capital and gateway counties.* Film London, 18th April 2023. Accessible at: https://filmlondon.org.uk/latest/film-london-awarded-2-2m-to-boost-skills

[40] Studio development data in this section is accurate as of October 2023

their many specifications and practical capabilities. These include ceiling height, suitability for lighting grids and fixtures, rigging points, power supply, light control, and sound proofing, among others. By any relevant metric, with all the numerous attributes of studio facilities considered, the UK's studio offering is one of the most developed in the world.

Despite this, demand for content production in the UK in recent years has outstripped the supply of studio space. While total UK film and HETV expenditure has grown by 300% over the last decade, the provision of production space has not expanded at nearly the same rate. In 2018, Pinewood estimated that around 87,000[41] square metres of additional stage space was needed just in London to meet the demand. Later, in 2021, property consultant Lambert Smith Hampton [42] estimated that 210,000 square metres of new studio space would be needed by 2033. Most recently, global real estate advisor, Knight Frank, estimated that the UK will need an additional 560,000 square metres of studio space by 2026.[43] The higher forecast reflects both a higher level of UK production in the interim between the reports, and the difficulty in forecasting future demand.

Although there has been a lag of several years in creating high-quality soundstage infrastructure to host the increased UK production volume, there is now a large pipeline of studios currently in development in the UK looking to fill this gap. Recent progress suggests that the current demand for studio space will be met over the next few years if major developments (such as those proposed in Hertsmere) are built.

While SPI does not expect all developments to progress to completion, our analysis of current studio developments found that 590,000 square metres of stage space is planned or proposed in the UK, including both new sites and expansions of current sites. This is spread across 273 soundstages in more than 40 developments, with most taking place in or very close to the Metro London area and the other existing production centres in the UK.

The growing demand for virtual production has impacted the global Screen sector and influenced considerations regarding studio development. However, it is not expected that virtual production will negatively impact existing traditional UK studio facilities. Virtual production is intended as a potential alternative to large crews being used for some on-location shoots, and as such, do not dampen demand for traditional UK studio-based production by any notable degree.

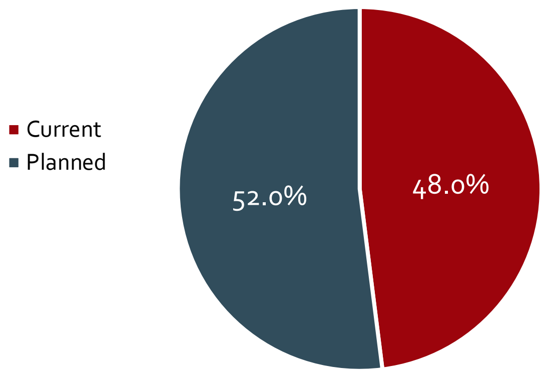
Beyond the current global capacity constraints, which the UK has been quick to respond to, there is of course potential for further industry growth. While it is difficult to predict the timing and scale of the industry in the medium to long term, the UK has benefited from decades of investment in creative talent, crews, infrastructure, and incentives, and is in a very strong position to capture any future growth.

[41] *The Case for Space*. Pinewood Group, August 2018. Accessible at: https://s3-eu-west-1.amazonaws.com/commonplace-cloudfront/resources/projects/sheppertonstudios/06.+Shepperton+The+Case+For+Space.compressed.pdf

[42] *Film and TV Studio Property Market*. Lambert Smith Hampton, July 2021. Accessible at: https://www.lsh.co.uk/explore/research-and-views/research/2021/july/film-studios-research-report-2021

[43] *Taking Centre Stage*. Knight Frank, April 2022. Accessible at: https://content.knightfrank.com/research/2439/documents/en/uk-film-and-television-studios-market-2022-9004.pdf

Figure 9 – Estimated Total UK Stage Space, Current and Planned



Source: SPI (2023) Note: Accurate as of October 2023

The 2023 actors' strike had brought all US major studio production to a standstill, including projects being made in the UK. Although the industrial action may have some impact on how studios invest in content, the strikes are not expected to have any ongoing impact on the UK's overall attractiveness as a production market.

While there are many positive signs for the future of the sector overall, the studio market faced some of the largest rises in business rates of any type of property in the UK in 2023 as part of the government's revaluation of business rates. Changes in rates varied from studio to studio, but the revaluation impacts the finances of studio facilities, with the biggest impacts being to new studio developments. The Sunset Studios development in Waltham Cross was paused in July 2023, reportedly in response to the revaluation.[44] However, a 40% relief from business rates has since been negotiated for eligible film studios in England for the next 10 years to mitigate the impact for studio businesses. This compromise was reached following discussions between government and industry, with Sky studios cited as a significant contributor. [45] In addition, rising construction costs are impacting the studio development market, as are rising interest rates which have increased the cost of financing new developments.[46] Even with these challenges, major new developments are understood to be progressing.

2.6.6. Mapping UK Studio Developments

The majority of the large developments are being built within the existing Metro London cluster. SPI analysis suggests that of the studios proposed or in development, 170,000 square metres of stage space is planned for the broader Metro London area. These include Marlow Studio Project (Buckinghamshire), Shinfield Studios – Phase 2 (Reading), HOP Studios (Bedfordshire), Eastbrook (Dagenham), Sky Studios North and Hertswood Studios (Hertsmere), as well as large-scale expansion projects at Pinewood Studios (Buckinghamshire), Shepperton Studios (Surrey) and the announced expansion at Warner Bros. Studios Leavesden.

Major studios have historically been based towards the western outskirts of London, but several major announcements including Sunset Studios (Waltham Cross), Eastbrook (Dagenham), and the Warner Bros. Studios Leavesden expansion suggest it could move further north and east around London. This trend has the potential to position Hertsmere

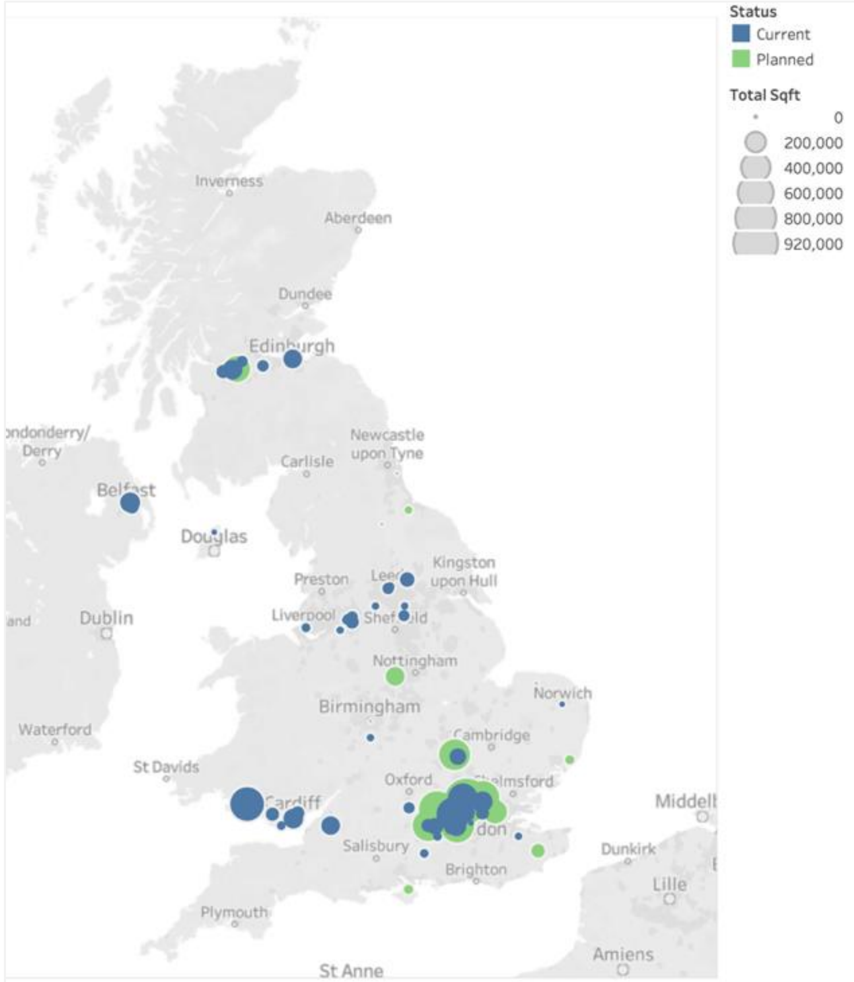
[44] *UK Film Studios Put Property Tax Bombshell On Culture Secretary's Radar As Sunset Studios Pauses $900M British Expansion Amid Uncertainty*. Deadline, 7th July 2023. Accessible at: https://deadline.com/2023/07/uk-studio-raise-concerns-lucy-frazer-property-tax-1235431619/

[45] *UK Spring Budget 2024*. UK Government, 6th March 2024. Accessible at: https://www.gov.uk/government/speeches/spring-budget-2024-speech

[46] *UK Film and Television Studios Market Report*. Knight Frank. 2023. Accessible at: https://content.knightfrank.com/research/2439/documents/en/uk-film-and-television-studios-market-2023-10567.pdf

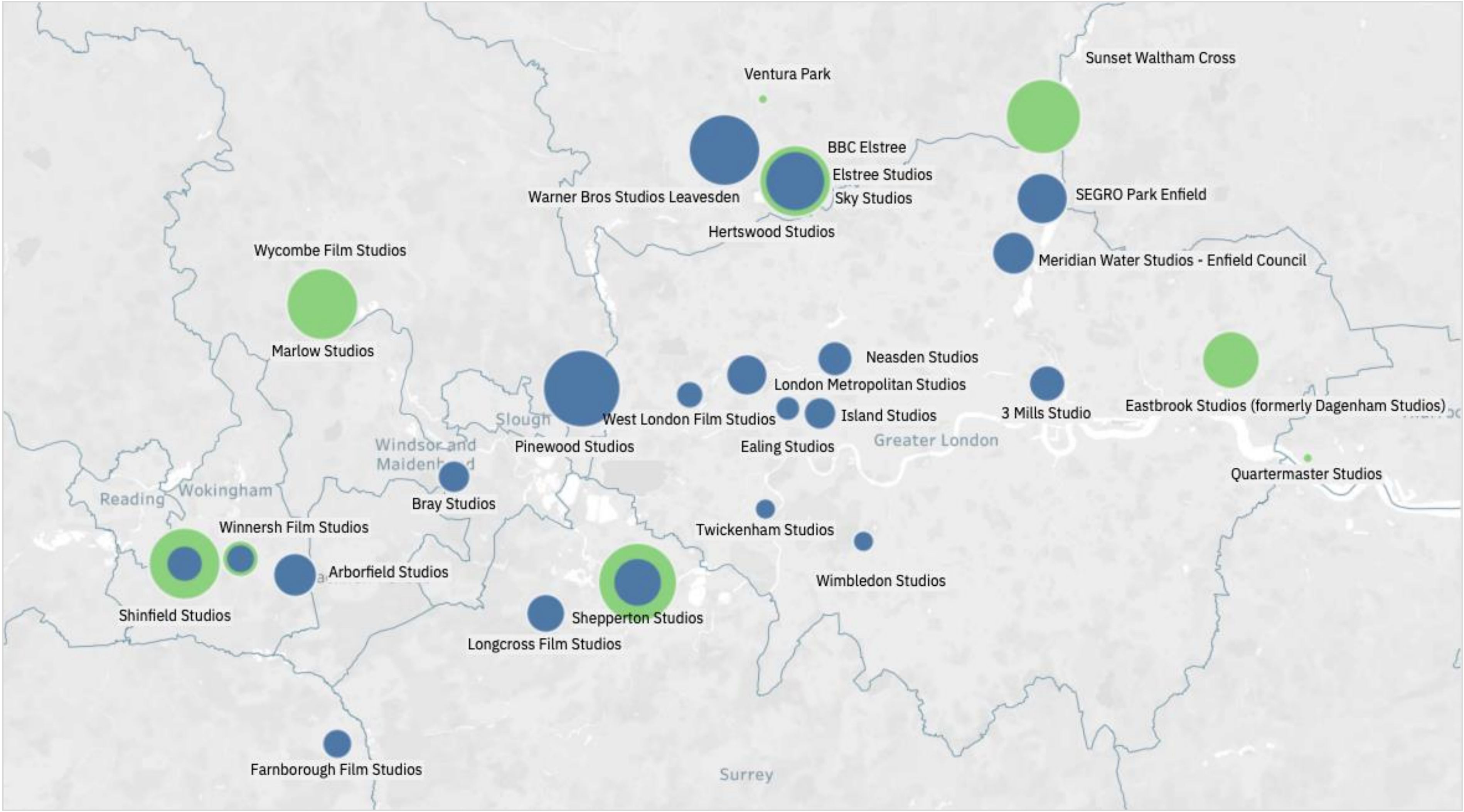
between two areas of studio development if the uncertainty around the future of Sunset Studios is resolved.

Figure 10 – Map of Current and Planned UK Studio Facilities



Source: SPI (2023) Note: Accurate to October 2023

Figure 11 – Map of Current and Planned Studio Facilities in Metro London Region



Key: Current Planned

Source: SPI (2023). Note: Accurate to October 2023

Part II:
Hertsmere Screen Production

3. HERTSMERE'S PRODUCTION LANDSCAPE

3.1. Introduction

This section provides analysis of Hertsmere's Screen production sector, as well as perspective on where Hertsmere sits within the wider UK industry.

While Hertsmere has a major infrastructure offer within the borough – with BBC Studios, Elstree Studios, and more recently with the addition of Sky Studios Elstree – the impact of sectoral activity appears to be widely spread out, including beyond the borough of Hertsmere. Screen productions are mobile and draw widely for workforce and supply chain – meaning that even if a project is wholly based within Hertsmere, it is extremely unlikely that a production will only use Hertsmere-based workers and vendors. This is exacerbated by the fact there seems to be a lack of historical or current connection being fostered by the local authority or studio operators between incoming productions and Hertsmere-based crew and supply chain businesses.

As such, rather than being considered as a standalone production and supply chain ecosystem, Hertsmere should be regarded within the broader Metro London and South East cluster. This being said, there is a clear opportunity to strengthen the links between Hertsmere crew and supplier businesses, increasing impact for the borough and driving sustainability for production clients by geographically reducing supply chains.

3.2. The Hertsmere Production Landscape

Hertsmere is considered a heritage Screen production hub, with a long and rich history in film and television production dating back to the early 20th century. Hertsmere's offering of studio facilities has been a central factor in its positioning as a production hub, and other elements that facilitate production, such as vendors, have formed alongside these studios.

With the recent opening of Sky Studios Elstree – supplementing the established infrastructure at Elstree Studios and BBC Elstree – Hertsmere is able to facilitate a diverse range of productions. BBC Elstree typically services production on the lower end of the budget range, predominantly BBC soap operas and non-scripted productions. Presently, the studio is mostly used for the *EastEnders* (1985-current) series. While *EastEnders* is relatively low budget on a per-episode basis, particularly when compared with much of the HETV production commonly occurring in the UK, it has a significant volume of production output. In addition to production investment, it should be noted that the BBC invested £87 million in rebuilding the set for *EastEnders*.[47]

Production at Elstree Studios tends to be at a higher budget level, with a varied range of productions reflecting its range of sound stages, which differ markedly in terms of stage space and specifications. Recently concluded Netflix series, *The Crown* (2016-2023), used Elstree Studios as its production base, and represents a very large-scale series production. The series is estimated to have generated 400 additional jobs [48] in Hertsmere, highlighting its scale of production activity. Considering Elstree Studios productions as a whole, Hertfordshire LEP estimated [49] that spending in the local economy resulting from the studio reached £17,000 per day during television productions and £30,000 during feature film productions.

[47] *E20: renewing the EastEnders set*, National Audit Office, 13th December 2018. Accessible at: https://www.nao.org.uk/press-releases/e20-renewing-the-eastenders-set/

[48] *Greenlit Hertfordshire: working towards further film and TV studio development opportunities for the county*, Hertfordshire LEP, September 2021.

[49] *Elstree Studios Expansion Project*. Hertfordshire LEP. Accessible at: https://www.hertfordshirelep.com/lep-projects/business/elstree-studios-expansion/

Sky Studios Elstree is expected to service an even higher level of production expenditure than Elstree Studios. The studio facility, with its 13 state-of-the-art soundstages, will host much of the production for Sky's HETV and feature film content, with the company moving towards an increased focus on original content in recent years. As Sky Group is a sister company of NBCUniversal, the site will also host NBCUniversal productions. These will include major film productions from Universal Pictures, Focus Features and Working Title Films, and television series from Universal Studio Group, along with being expected to host productions from third party producers. The studio is forecasted by Sky to deliver £3 billion of production activity within its first five years.[50]

Despite the clear impact being made within Hertsmere, it is challenging to measure the proportion of that impact being retained by those living in the borough, and by businesses based in the borough.

3.2.1. Growth and Development of the Sector in Hertsmere

The growth and development of the sector in Hertsmere has – and will likely continue to be – largely driven by developments in its studio offering. However, the development of the sector in Hertsmere is also shaped by structural shifts in the wider UK film and television production sector and largely aligns with these.

With regards to its studio facilities, Hertsmere is undergoing a period of rapid change and growth. The borough has a long heritage of major feature film production, and in recent years it has mainly been used as a base for mid-budget television productions rather than high-end series and features films (with some notable exceptions, such as *The Crown*). However, the opening of Sky Studios Elstree represents a significant investment in the sector and will likely evolve the landscape of Hertsmere's production sector. In 2022 it was confirmed that *Wicked* would be the first production to be filmed at Sky Studios Elstree.[51]

The emergence of Hertsmere as a more advanced studio hub capable of consistently servicing significant volumes of high production value content is further underlined by the opening of two new major soundstages at Elstree Studios, a 36% increase in its total stage space. There is further potential development of Sky Studios North and at Hertswood Studios, although both sites are subject to planning consent.

As well as upgrading Hertsmere's current studio offering and replacing the older stages and facilities at BBC Elstree and Elstree Studios, the addition of new studio facilities has the potential to develop other aspects of Hertsmere's production landscape. For instance, the associated increase in production activity creates more of an incentive for vendors to move into the region. As an example of this already taking place, NBCUniversal set up a branch of its Universal Production Services subsidiary in Borehamwood to accommodate the development of Sky Studios Elstree. Universal Production Services provides high quality lighting equipment able to service large productions, a service that was not available at the same quality and scale in Hertsmere before its arrival.

As previously outlined, while Hertsmere's studio offering will be at the core of the development of its sector, Hertsmere's momentum is in large part due to the UK's strengthening position as a production location for international producers. Hertsmere is well positioned to take advantage of any UK-wide sectoral growth given its status as an

[50] *Sky Studios Elstree receives planning approval.* Sky Group, 9th July 2020. Accessible at: https://www.skygroup.sky/article/sky-studios-elstree-receives-planning-approval

[51] *Ariana Grande and Cynthia Erivo's Wicked movies to be filmed at new Sky Studios Elstree in Hertfordshire*, The Herts Advertiser, 17th May 2022. Accessible at: https://www.hertsad.co.uk/news/21717231.ariana-grande-cynthia-erivos-wicked-movies-filmed-new-sky-studios-elstree-hertfordshire/

established production hub. Increased production activity within a country tends to converge around already developed hubs of production rather than branching out into new ones.

While the Screen production sector is considered a key, high-growth sector within Hertsmere – and more broadly for Hertfordshire – Hertsmere cannot rely solely on its established reputation and its existing assets to maintain the growth it has seen in production. To ensure that this growth continues, and that value is retained, local authorities in Hertsmere should be proactive in helping to grow the sector by driving better connections between productions, local businesses, training, and workers living within the borough. Consultees noted that this has been lacking both within Hertsmere and the wider county in some regards.

The recent creation of a dedicated Hertfordshire LEP film officer role (based at Elstree Studios) is a positive step, helping to maximise the potential of the sector and provide a coordinated gateway for productions looking to film in Hertfordshire.

3.2.2. Hertsmere's Position Within the UK Sector

Location

While Hertsmere is a production hub in its own right, due to the level of mobility of film and television production the geographical boundaries of what producers consider to be production hubs can extend far outside of a single borough like Hertsmere. Rather than Hertsmere being considered a standalone hub in its own right, it is more likely to be utilised by producers as a component of the broader Hertfordshire production cluster, and within the broader Metro London production hub.

Several advantages to shooting in Hertsmere apply to Hertfordshire and the Metro London area as a whole. A key example is the availability of crew. With crew hiring in this cluster, producers tend to remain largely impartial regarding the geographical proximity of crew members to a production. While there are union stipulations around crew travel reimbursement, these do not take effect where travel is under 30 miles or remains within the M25. Consequently, crew within Metro London are largely used interchangeably. Likewise, while there are significant advantages to having vendors on-site for productions, and some advantages to having vendors in the local area, productions tend to be comfortable sourcing much of their supplier needs from further afield if necessary. For example, Sky Studios Elstree's official list of preferred vendors, an evolving document issued when Sky Studios Elstree was under construction, includes vendors from across the Metro London area and throughout much of the South-East of England.[52] In the case of Hertsmere, sourcing crew and vendors from elsewhere in Metro London is made even more practical given Borehamwood's strong rail and road connections.

Consistent with this, industry stakeholders in consultations often did not distinguish between Hertsmere and Hertfordshire as a whole, considering Hertsmere's production landscape within the broader Hertfordshire studio cluster, also containing Warner Bros. Studios Leavesden in Watford. This site is one of the largest studios in Europe and has hosted some of the biggest productions to have filmed in the UK. Given that it is just 10 miles from Borehamwood, producers tend to consider it in conjunction with Hertsmere, and together they form one of the most important studio clusters in the UK.

Taking an even broader perspective, when considered in combination with the rest of the broader Metro London area, Hertsmere forms part

[52] *Sky Studios Elstree Preferred Supplier List.* Sky Studios Elstree, June 2022. Accessible at: https://static.skyassets.com/contentstack/assets/bltdc2476c7b6b194dd/bltb81b9517fa88e643/62d128f1291ece3ea016d462/Sky_Studios_PSL.pdf

of one of the most globally in-demand production hubs. The region has one of the global Screen production sector's deepest and skilled workforce bases, with high quality crew at every grade and role, the vast majority of which reside an accessible distance from Hertsmere. Likewise, production vendors exist in Metro London with the capability to service any budget level. Additionally, Metro London's studio facilities are also world class, accounting for 34% of the UK's stage space. Due to real estate constraints associated with studio construction, a lot of the region's studios are situated on its outer edge. These have historically been mostly located to the West and North of London, and so crew and vendors have coalesced in areas highly accessible the region of Metro London within which Hertsmere resides.

3.3. Hertsmere's Workforce and Training Provision

3.3.1. Hertsmere's Crew Base

Mapping production crew within a specific region or area is complicated by the highly mobile nature of the sector and by the prevalence of freelance and contract workers. Furthermore, the SIC codes employed by the Office of National Statistics and others for data collection are typically not considered to be granular enough in the Screen sectors to accurately represent the size and scope of the workforce.

Using the Business Register and Employment Survey (BRES), Hertsmere has some of the highest employment in Hertfordshire with approximately 605 workers directly employed across film and television production and post-production.[53]

Table 7 places Hertsmere's BRES employment numbers against other Hertfordshire Local Authority Districts.

However, this will likely be an underestimate of Screen workers in Hertsmere as the BRES does not count freelancers, contractors or small businesses that are not registered for VAT or PAYE, and uses SIC codes to allocate workers to industries.

Table 7 – Film and Television Employment by Hertfordshire's Local Authority Districts, 2021

Local Authority District	Employment Across Film and TV, 2021
Broxbourne	10
Dacorum	400
East Hertfordshire	85
Hertsmere	**605**
North Hertfordshire	90
St Albans	290
Stevenage	50
Three Rivers	1,760
Watford	940
Welwyn Hatfield	100

Source: BRES (2022). Note: This does not include freelancers and will therefore be an underestimate of the Screen workers in Hertsmere

The 2023 *Hertsmere Creative Strategy* – which covered a wider cultural remit than this Study – identified an estimated 3,570 people employed across the creative industries in Hertsmere in 2021. The strategy estimated that the actual creative workforce in Hertsmere is likely

[53] Data from the BRES is accessed via NOMIS. Film and television employees include those working within SIC codes 59111 (motion picture production activities), 59113 (television programme production activities), 59120 (motion picture, video, and television programme post-production activities) and 60200 (television programming and broadcasting activities). It does not include distribution or projection employees

closer to 7,000 once sole traders and small enterprises not covered by the BRES are included.[54]

Approximately one-third of creative workers are self-employed (including freelancers) in comparison to 16% of the total UK workforce.[55] The freelancer workforce is estimated to be closer to 50% for film and television production workers, and approximately 39% for post-production film and television workers.[56]

Beyond BRES, it is difficult to determine whether crew living in Hertsmere primarily or only work at studios located in Hertsmere or if they travel to other studios in the cluster, such as Leavesden, or further away to work. National crew databases, such as Creative England's Filming in England database do not allow for such a distinction. According to SPI research, no public dataset currently exists which can provide insight into this area.

While determining the number of local crew is difficult, from consultations SPI learned that sourcing crew to work on productions in Hertsmere is rarely difficult. While some speciality or high-demand roles may be more challenging to source, this has been due to UK-wide capacity strains in the sector.

Because of Hertsmere's location within Metro London and its strong transport links to London and other nearby towns, productions shooting in Hertsmere have access to a large proportion of the UK's Screen workers, and due to Hertsmere falling within the 30-mile radius for determining whether crew need to be put up overnight, crew will typically travel in and out of the borough for work as needed.

The ease of access to a strong crew base adds to the attractiveness of Hertsmere as a production location, however it does mean that productions are not incentivised to hire locally. Ultimately, producers require experienced and reliable crew and are not overly focused on where they are domiciled. As many producers are based in London, they will typically hire from known local crew networks, and due to the transport connections, shooting in Hertsmere does not necessitate hiring within Hertsmere.

The lack of a highly detailed crew database covering Hertsmere also complicates any effort to source local crew and hire within the borough. Reliable and comprehensive crew databases, along with a knowledgeable film officer, can enable productions to quickly understand the provision and experience of crew in an area.

The crew in Hertsmere is considered to have good production experience, skills, and reliability. With the expansion of Elstree Studios and the new Sky Studios Elstree, there is an opportunity to further drive upskilling and training of local Hertsmere residents to work in the sector. Whilst Hertsmere-based crew having proximity to production activity in Borehamwood may not make them priorities for producers, as outlined above, upskilling and training opportunities can enhance their ability to find work in this sector.

Hertsmere Borough Council and other key stakeholders could work to develop a crew development and retention strategy to take full advantage of training and upskilling opportunities resulting from Hertsmere's production activity.

[54] *We Create Hertsmere: Hertsmere Creative Strategy*. Counter Culture, 29th November 2023. Accessible at: https://www.hertsmere.gov.uk/Documents/03-Community/Community-Information/Hertsmere-Creative-Strategy-pdf-3.8-Mb.pdf

[55] *Freelancers in the Creative Industries.* Creative Industries Policy and Evidence Centre, 14th May 2021. Accessible at: https://cdn2.assets-servd.host/creative-pec/production/assets/publications/Freelancer-policy-briefing.pdf

[56] *Employment in the UK Screen Industries.* ScreenSkills, 2019. Accessible at: https://www.screenskills.com/industry/screenskills-research/employment-in-the-uk-screen-industries-2019/

3.3.2. Training and Skills Development Provision

Across the UK, training became a priority as the Screen sector faced capacity constraints. Overall, there is further opportunity for Hertsmere to deliver in the Screen training and workforce development space, particularly for older workers or people looking to move industries into the Screen production sector who would benefit from increased linkage between production and skills.

Formal pathways into the industry locally exist via West Herts College, the University of Hertfordshire and ESA. These pathways provide many of the creative and technical skills required for entry-level workers in the Screen sector and are predominantly aimed at younger students. While the standards of these institutions are well regarded, productions can generally be wary of hiring directly from education and needing to train them to become 'set ready'. National organisations like the BFI and ScreenSkills are seeking to remedy this issue with their training initiatives, including ScreenSkills' 'First Break' scheme. [57] The Hertfordshire LEP Film and Television Action Plan includes core priorities around establishing additional training facilities and cultivating mentoring schemes for new entrant and established crew which will also work towards improving the skill level of local crew.[58]

There are some other training schemes offered by studios, focusing on delivering practical skills in a shorter timeframe. SPI learnt that Elstree Studios has recently made a commitment to host a local media student on site one day a week to provide valuable insight and training into the business-side of Screen production. Sky Studios Elstree has pledged to employ local residents and has created the Content Academy to provide a pathway into the sector for school leavers and recent graduates. In January 2023, Sky Studios Elstree announced it had recruited 12 year-long placements for applicants living in Borehamwood and Elstree, including within Cowley Hill ward which is adjacent to Sky Studios.[59] Eight positions were available for those leaving school, including four runners, three lighting roles and one rigging role, while the four graduate roles included a senior runner and client services and operations trainee positions. This opportunity was designed to provide a first step into the sector and enable the participants to build their on-set experience and network and is planned to be renewed annually with a new intake.[60] An ongoing training scheme of this type would provide invaluable opportunities to local Hertsmere residents interested in entering the Screen sector.

While the existing schemes are well regarded and believed to deliver a strong set of skills, the volume of this training is quite low compared to the need locally in Hertsmere. Hertsmere is potentially missing an opportunity to further establish itself as a provider of Screen training and workforce development.

Furthermore, existing training provision primarily targets school leavers and recent graduates. Opportunities for workers with relevant skills to transfer into the Screen sector are not being explored in Hertsmere with any regularity. Interested residents would need to look to other studios in the Metro London area, such as Pinewood which runs training schemes such as 'Skills to Screen: Aviation', or to programmes being

[57] *First Break.* ScreenSkills. Accessible at: https://www.screenskills.com/industry/high-end-tv-skills-fund/first-break/

[58] *Film and TV Production Sector Action Plan.* Hertfordshire Local Enterprise Partnership, September 2022. Accessible at: https://www.hertfordshirelep.com/media/vcudu21x/film-and-tv-production-sector-action-plan-v1-0.pdf

[59] *Sky Studios Elstree launches ground-breaking training programme*. Sky, 6th January 2023. Accessible at: https://www.skygroup.sky/en-gb/article/sky-studios-elstree-launches-ground-breaking-training-programme-

[60] *Sky Studios Elstree Searches for Young Hertfordshire Talent to Join Content Academy.* Sky, 3rd May 2022. Accessible at: https://www.skygroup.sky/article/sky-studios-elstree-searches-for-young-hertfordshire-talent-to-join-content-academy

delivered in London. As many students and trainees begin to develop their professional networks during the training process, leaving Hertsmere during this period may result in Hertsmere residents working outside of Hertsmere once they have built up their skills.

There is an opportunity to better educate Hertsmere residents on the potential of careers in Screen production. Many roles do not need a university education; however, it is often perceived by those outside the sector as a career path that requires higher education certifications to enter. Regardless of the educational background, there are positions available that suit a variety of skillsets and typically only require short bootcamps or courses to appropriately upskill the person to be 'set-ready'.

Elstree Screen Arts Academy (ESA)

ESA is a specialist University Technical College which offers a specialised education in creative media arts, performance and production technologies for students aged 14-19.

Table 8 – Student Numbers at Elstree Screen Arts Academy (2021)

2021 Student Numbers	Estimated Forecast Student Numbers in 2023	Estimated Forecast Student Numbers in 2025
423	540	600

Source: ESA (2021)[61]

Additionally, launched in 2021, ESA partnered with the National Film and Television School (NFTS) to deliver 'ScreenCraft': six craft courses, including in lighting, grip, hair and make-up, costume, and art direction. These courses are also delivered in partnership with Elstree Studios and Bectu's Grips and Crane Technicians Branch. In its first year, 40 trainees graduated through this scheme. In 2022, two additional courses were introduced in sound and post-production editing with 60 available placements.

These courses require no prior industry experience or education but are designed to give students the skills and tools to take their first steps into the Screen sector. ESA offers UAL Level 4 Diplomas in professional performance for Screen and professional practice in the creative industries, and vocational traineeships that run in parallel with the ScreenCraft courses.

Closely connected with Elstree Studios and many of the vendors in the local area, students at ESA have the benefit of practical and hands-on Screen experience, as well as potential internships or apprenticeships following the conclusion of their ESA education. However, while SPI understands that the majority of students attending ESA are local residents, it is unclear how many students remain in or around Hertsmere for work after graduation.

3.4. Studio Infrastructure

Provision of Production Infrastructure

To date, Hertsmere's studio infrastructure has been most suitable for delivering broadcast television and some HETV and features, however the introduction of Sky Studios will expand the range of projects and competency significantly.

With the presence of Elstree Studios, BBC Elstree, and Sky Studios, Hertsmere has one of the highest concentrations of studio facilities in the UK. Currently, approximately 7% of the UK's existing stage space is located in Hertsmere. Historically, through Elstree Studios and BBC

[61] *Travel Plan.* Elstree Screen Arts Academy, 9th April 2021. Accessible at: https://static1.squarespace.com/static/5e9a0e68a34b7019f69b04d4/t/60735b13ce2041659f21fed7/1618172697560/Elstree+Screen+Arts+Academy+Travel+Plan+V1.0.pdf

Elstree, Hertsmere has been an important production centre for linear television programming, including soap operas (*EastEnders*) and game shows. As a result these facilities comprise a mix of smaller stages and standing sets. Through new and proposed developments, including Sky Studios, Hertsmere is set to offer larger, newer stages intended for high-end series and major film productions.

Hertsmere studio infrastructure is also well supported more generally, with regards to power and cloud capability.

Elstree Studios has a significant offering, with over 8,800 square metres of stage space across nine sound stages. However, it has recently been confirmed that three of its older soundstages will be demolished due to issues with asbestos and crumbling Raac.[62] Uncertainty remains as to whether these stages, totalling 1,864 square metres, will be rebuilt.

Despite the demolition of these three stages, Elstree Studios' stages are varied compared to most other UK studio facilities, ranging from around 370 to 1,600 square metres. Its two George Lucas sound stages were, until recently, the largest at the facility, both with nearly 1,500 square metres of stage space and particularly high ceilings at nearly 50 feet, ideal for larger set builds.

Two new major soundstages were recently completed following a £15.6 million investment. These represent a significant addition to Elstree Studios' offering, accounting for a 36% increase in its total stage space. The stages have been designed to meet international standards in studio design and can be used as two separate stages or a combined larger one. Elstree Studios' other stages are a lot smaller and are typically more suited to the production of broadcast shows and commercials.

As well as an industry specialist production village with on-site vendors, Elstree Studios also offers workshops, production offices, and a three-acre backlot.

The recently opened Sky Studios is the largest of Hertsmere's three studio facilities. Sky Studios Elstree is Sky's new state-of-the-art film and television studio in partnership with NBCUniversal. The site features 13 purpose-built high-spec sound stages sound stages ranging from 929 square metres to 2,800 square metres. The sound stages all have high ceilings, each a minimum of 12 metres, with the ability to merge together and sub-divide multiple sound stages simultaneously, providing flexibility and scalability to accommodate productions of all sizes. This means that the biggest sound stages on site can increase to cover 5,600 square metres if needed or reduce to much smaller segregated studios. The site also contains ancillary spaces such as production offices and set construction workshops, alongside dedicated parking.

As part of the design process, a high emphasis was put on sustainability. Beyond reducing the carbon footprint during the construction stage, it is expected that the studio will have the capability to generate 20% of its own energy on site through solar energy. Sky states that no gas or fossil fuels will be used to power day-to-day operations and Sky will also harvest rainwater for use on site.

The BBC has four soundstages across its Hertsmere studio facilities, totalling 3,900 square metres. The site can service smaller budget productions and has typically been used for BBC soap operas and non-scripted productions. In early 2024, it was announced that investment management company, AXA IM Alts, has reached an agreement to acquire the facilities, with the acquisition due to complete in early 2025.

[62] *Elstree Sound Stages to be Demolished over Asbestos and Raac.* BBC News, 22nd December 2023. Accessible at: https://www.bbc.co.uk/news/uk-england-beds-bucks-herts-67805579

As part of the transaction, AXA IM Alts will lease part of the studio campus back to the BBC for 25 years.[63]

Two other major studio facilities have been proposed for development in Hertsmere. Sky Studios North would be an expansion of 10 soundstages to the current Sky facility. The new stages would total 20,000 square metres. Meanwhile, Hertswood Studios proposes 46,000 square metres across 21 soundstages. If the Sky Studios North and Hertswood developments are approved, the share of the UK's existing stage space located in Hertsmere would increase from 7% to 18.8%. And if all other planned UK stage space is completed, Hertsmere (including Hertswood and Sky North) would account for 9.2% of the UK's total stage space.

3.5. Production Vendors and Service Providers

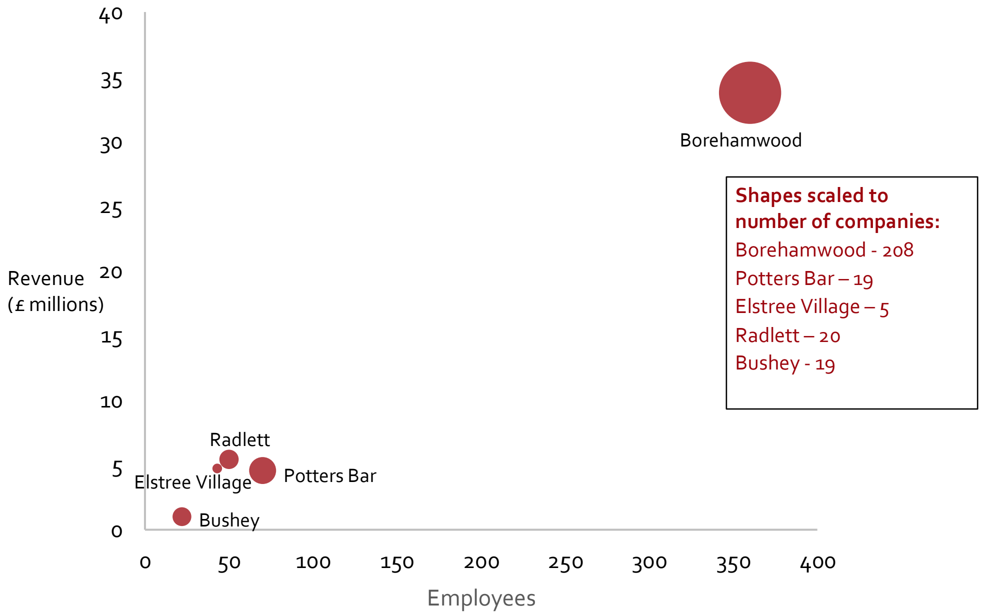
Production Vendors

In consolidation with consultation insights, SPI undertook a comprehensive review of Hertsmere vendor and service provider data, utilising national government datasets and business intelligence software.

The 2023 *Hertsmere Creative Strategy* – which covered a wider culture remit than this Study – which mapped the wider creative industries in Hertsmere – identified an estimated 1,075 PAYE/VAT-registered creative industries sector enterprises in 2021.[64]

SPI's analysis of the film and television sector revealed a strong network of production suppliers in Hertsmere. There were 233 companies registered in Hertsmere and identified as operating specifically within the film and television production sector. These companies accounted for £43 million in sales revenue in total in 2022. All these companies are SMEs, together employing 445 people, with the vast majority (227) being micro companies with under 10 employees. Due to the concentration of studio facilities in Borehamwood, it is unsurprising that a significant majority of vendors (77%) are in this area and, naturally, the geographical distribution of sales revenue and employee numbers strongly correlates with this.

Figure 12 – Geographical Distribution of Screen Production Vendors in Hertsmere



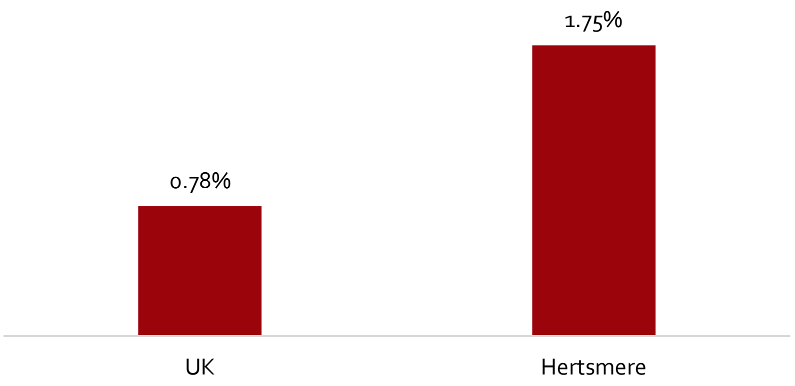
Source: D&B Hoovers (2023)

[63] *AXA IM Alts to Acquire Historic BBC Elstree Centre.* AXA IM Alts, 16th January 2024. Accessible at: https://alts.axa-im.com/media-centre/axa-im-alts-acquire-historic-bbc-elstree-centre-first-investment-uk-tv-and-film-studios-sector

[64] *We Create Hertsmere: Hertsmere Creative Strategy*. Counter Culture, 29th November 2023.

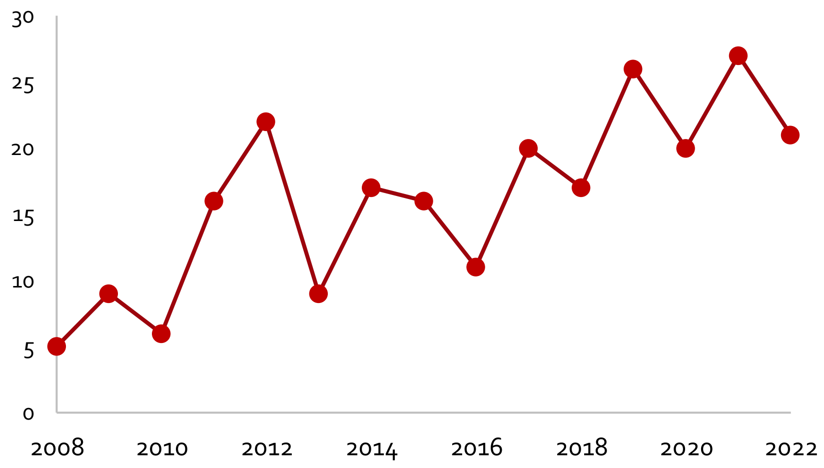
The contribution of the film and television sector to the UK economy has been growing in recent years and is increasingly being recognised as an important source of economic impact. Due to Hertsmere's high levels of production activity, this is particularly relevant the borough. The Hertfordshire LEP sector action plan identifies the film and television production sector as "amongst the most dynamic parts of Hertfordshire's economy" and identified SME growth as a key supporting factor in developing the sector. Film and television-specific vendors make up a greater share (1.75%) of the total number of companies in Hertsmere compared to the equivalent share for the UK as a whole (0.78%), and the number of Hertsmere companies operating directly in production in Hertsmere has been growing steadily over the past 15 years.

Figure 13 – Proportion of Total Companies That Are Within Film and Television Sector-Specific SIC Codes



Source: ONS and D&B Hoovers

Figure 14 – Growth of Creation of Companies with Film and Television SIC Codes in Hertsmere, 2008-2022



Source: D&B Hoovers

It is important to recognise that the clustering of production vendors in a region might not directly correspond with the level of production activity occurring in that region. As outlined in Section 3.2.2, productions are willing to source vendors over a wide area.[65] While the optimal situation for a production is to have vendors on-site, and an ideal situation is to have them within the local area, productions are often comfortable sourcing their supplier needs from further afield if necessary. This means that vendor availability can lag behind production activity in an area as small as Hertsmere without productions struggling to meet their vendor supply needs.

[65] This primarily refers to project-style productions such as feature films or big-budget series, whereas longer running productions like *EastEnders* will have a more fixed, often in-house, workforce and supply chain

Consequently, there are few major vendors able to service high volumes and cater for high-budget productions directly located in Hertsmere.

However, the studio cluster in Hertsmere has indeed bolstered the presence of vendors in the local area, even if not sufficient to service all production in the borough. Additionally, the availability of business parks for new or expanding vendors means that there is potential for Hertsmere's vendor network to grow further.

Along with production-specific vendors registered under film and television SIC codes, SPI found a further 33 key vendors of significant relevance to the sector not listed under film or television SIC codes, ranging from equipment/crew transportation to audio and composing, to art department suppliers. All of these companies identified have a high degree of focus on supplying the film and television sector.

The sector also draws from companies in hospitality, catering, timber supply, other construction supply, high street stores and many others who receive increased sales because of Screen production activity. While Hertsmere businesses are relatively well aware of the needs of productions and opportunities to provide goods and services to them, there is still an opportunity for further education and business activation. There is room for improvement in levels of engagement from local companies with the production sector and for development of the high street to encourage crew to stay and spend locally. Hotel and hospitality provision was specifically cited by consultees as being underdeveloped compared to the expected levels in a production hub.

3.6. Elstree Studios Vendors

Elstree Studios contains a number of on-site vendors within its production village. These vendors serve as a valuable addition to Elstree Studios' offering and together form a significant part of the Hertsmere vendor network more broadly. The following table provides a comprehensive list of on-site vendors and companies available at Elstree Studios.[66]

Table 9 – Elstree Studios' On-Site Vendors

Company	Profile
Production Companies	
Inspired Films	Content creation agency and full-service production company
Banana Split Productions Ltd	A boutique commercials agency and production company
King Bee Animation	London-based animation studio with a site at Elstree Studios
Equipment and Technological Support	
Storm Broadcast	Provides technical design, systems integration and engineering support services with a specialism in Real Time 3D Graphic Systems
Interactive Imagination	Technology company specialising in mixed reality and interactive exhibits
Sumolight	Facility with lighting systems testing capabilities
Regent Technical Facilities	A supplier of electrical and technical labour to the television and electrical Industry
Everything Audio	Sound kit supplier

[66] Accurate as of October 2023

Production Design	
Liz & Chris Clark	Scenic artists based at Elstree Studios and specialising in painted sets and backdrops for theatre, film, and television
Brushstroke Make-up and Hair Academy	Make-up and hair training suites and facilities
Dyson Set Construction	Set construction company
Scenechange	Set construction company
Lifecast	Creature FX, props, lifecasting services, mould making, fabrication, prosthetic FX, and 3D scanning and printing
Business Support and Professional Services	
Boom! PR	A PR consultancy with specialism in the television industry
Daffodil Accounting	Production accounting for Film and Television
APM Associates	Personal management and casting for actors, dancers, and presenters

3.7. Ripple Analysis

The production of film and television involves a number of specialist processes which require a wide range of inputs. While some expenditure is unique to the production process – and therefore typically retained by individuals and businesses specialising in the Screen sector – there is significant spend and economic impact delivered to other areas of the economy.

An example expenditure analysis for a typical production can be used to demonstrate how the impact of a production can ripple across multiple sectors. Figure 15 provides a visual illustration of the dispersion of production expenditure in a recent production analysed as part of Creative England's 'Local Economic Impact Toolkit'.[67]

The production represented in Figure 15 was the second season of a high-budget (£3.5 million+ per episode) television series that was produced in a regional hub such as Bristol, Birmingham, Liverpool or Leeds.[68] Whilst Hertsmere is considered London adjacent rather than a regional hub, the distribution of expenditure in Figure 15 better reflects the split between Screen production specific spend and non-Screen production specific spend that would be expected for a typical production produced in Hertsmere.[69]

The Screen production specific spend[70] (44.8%) for this production, reflects the established local workforce and supply chain in this particular regional hub. The longer duration of a television series production will often provide increased opportunities for the local workforce and supply chain to develop their experience and ability to cater for a production of this size.

[67] *Local Economic Impact Toolkit Report.* Creative England, May 2023. Accessible at: https://www.filminginengland.co.uk/local-economic-impact-toolkit/

[68] Given the confidentiality of the data that was analysed, no identifying elements beyond the budget levels have been included.

[69] For additional examples of how production expenditure can ripple through non-screen production sectors, including London adjacent examples, see the *Local Economic Impact Toolkit Report* at: https://www.filminginengland.co.uk/local-economic-impact-toolkit/

[70] Screen production specific spend refers to individuals and businesses that only work in the screen sector. If the Screen production sector is not the core component of the business, they will be counted in other areas of the economy.

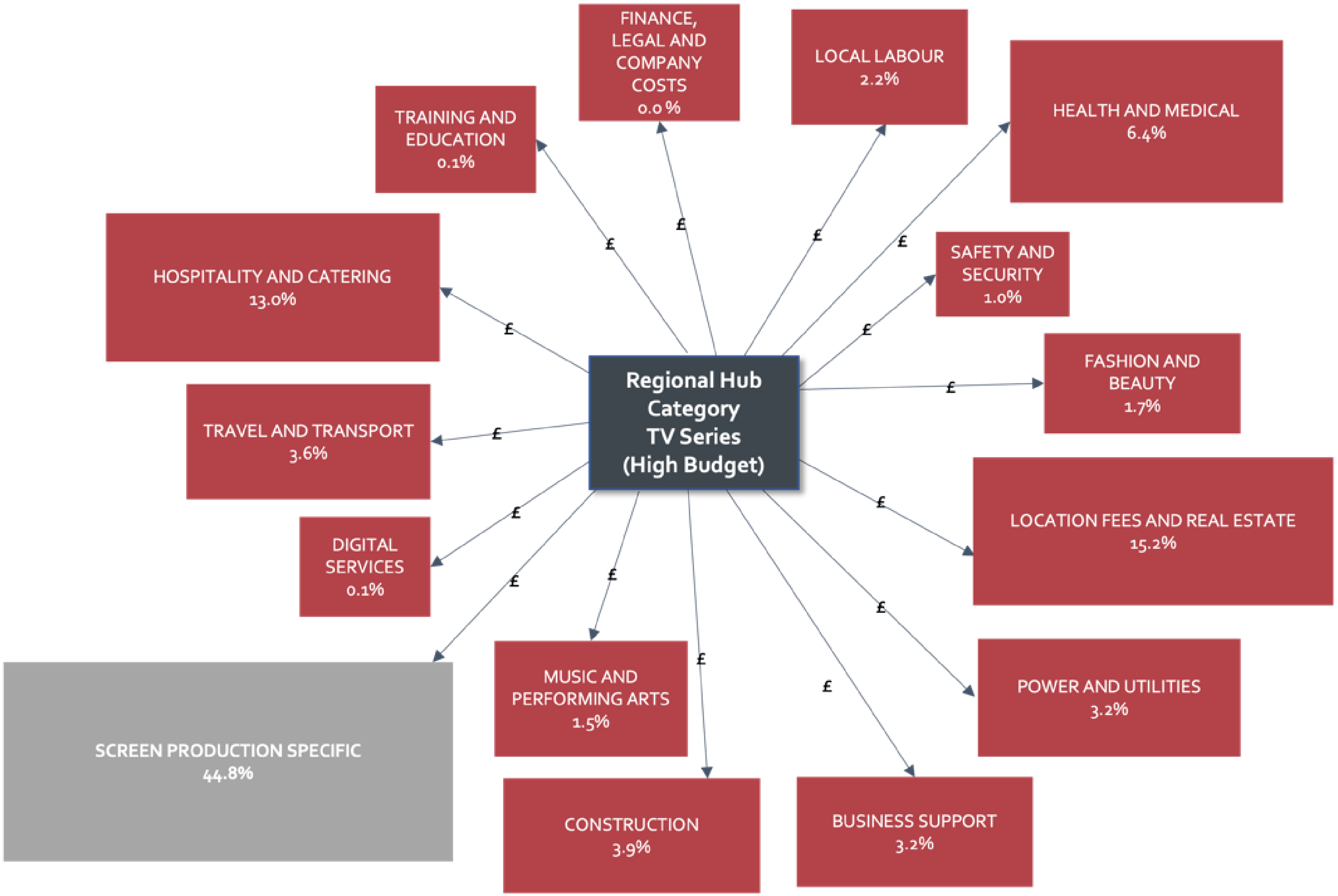
There are a number of opportunities for individuals and businesses outside of the Screen production supply chain to work with productions based in their area. As demonstrated in Figure 15 slightly more than 55% of the television series expenditure went to individuals and businesses who do not solely serve the Screen sector.

Some notable areas of spend for this production included Location Fees and Real Estate (15.2%), and Hospitality and Catering (13%). Hospitality may include local hotels, motels or rental accommodation used for the production's cast and crew. Catering may include restaurants, cafes or catering companies hired to cater for the production, or events, such as the wrap party, aligned with the production.

For a production with expenditure of £3 million, this means that approximately £1.65 million could be dispersed to non-Screen individuals and businesses. Connecting local businesses in the borough with productions would enable that spend to be retained within and benefit the local area.[71]

[71] For more information, see the recommendations in Section 0.

Figure 15 – Example Ripple Analysis, High-Budget Television Series



Source: Creative England/SPI (2023)

Part III:

SWOT Analysis and Recommendations

4. HERTSMERE SWOT ANALYSIS

4.1. Introduction

For this Study, SPI undertook a detailed SWOT analysis on Hertsmere's production sector. This is a strategic planning tool used to evaluate strengths, weaknesses, opportunities, and threats. The SWOT analysis considers all of the most pertinent attributes, circumstances, and wider contextual factors, both internal and external, with the potential to impact Hertsmere's position as a production hub.

Table 10 – Hertsmere SWOT Analysis

Strengths	Weaknesses
• A large concentration of studio facilities • Higher concentration of registered UK film and TV companies than UK average • Ideal geographic location, situated in one of the world's largest production hubs – the Metro London region • Access to one of the largest crew bases in the world • Few constraints for productions in obtaining vendor supplies • A recognised, long-standing track record of production success • In part through the local authority's studio ownership, there is good understanding and prioritisation of production needs in local government • Popular filming locations in Hertsmere and the surrounding area • Diversity of studios – both in ownership structure and hosted production types.	• Lack of high-quality hospitality options for cast, crew and (for certain productions) audiences • High levels of traffic congestion in Borehamwood • Lack of proactivity to grow the sector, compared to other production centres • Lack of data on supply chain • Lack of efforts to connect Hertsmere workers, trainees, and businesses with productions in the borough • Hertsmere being largely situated in the Green Belt restricts the potential for studio expansion or further studio development. • Older stages in Elstree Studios, with the most extreme cases being the three stages set to be demolished due to asbestos and Raac.
Opportunities	**Threats**
• The UK's strong competitive position within global production • The amended UK incentives for film and TV, including for independent film and visual effects, which boost the UK's position as a competitive, stable hub for investment • Further potential studios in development in Hertsmere • Investment opportunities at BBC Elstree • Studio developments near Hertsmere developing the wider region into a stronger hub • Availability of business parks for new or expanding vendors means that there is potential for Hertsmere's vendor network to grow further • Eastward expansion of studios in the broader London Metro area • The potential for more location filming in Hertsmere.	• Possible retrenchment in production expenditure by US streamers and studios • Asbestos and unsafe concrete concerns at Elstree requiring potential demolition or repair • The impact of the 2023 US writers and actors strikes • The impacts of UK business rate rises on film and television studios • Potential negative impacts of Brexit on UK production • Competition resulting from the pipeline of new studio facilities in development around the UK • International competition to the UK • Possible future changes to the UK incentives.

4.2. Breakdown of SWOT Analysis

Hertsmere naturally has clear strengths given its production success and high levels of investor interest. Predominant amongst these is its current cluster of studios, **amongst the largest concentration of studio facilities in the UK**. Adding a layer of distinctiveness to its studio offering is the **diversity of these studios**. The three main studio facilities – Elstree Studios, Sky Studios, and BBC Elstree – all have different focuses concerning the scale and type of productions they service, and all have markedly different ownership structures which present several advantages. This diversification adds a degree of resilience to the local Hertsmere sector, allowing it to withstand or adapt to wider structural shifts. Also, unique synergies can result from this diversity, for example, the BBC's presence means that crew are often given high-quality training, support and experience, before moving onto larger productions elsewhere through their upskilling; local council ownership in Elstree Studios gives the local government more involvement in the sector; and private sector ownership from a multinational corporation at Sky Studios allows for large financial investment with benefits dispersed throughout the sector.

The primary determining factor for the success of most studio developments is its location. In this regard, Hertsmere is in a very strong position. **Being located within the London Metro region** makes it part of the most important international production hub outside of North America. This comes with several major advantages, including access to vendor suppliers able to service any production budget level, as well as one of the largest crew bases in the world.

Additionally, **Hertsmere's reputation as a well-established production hub is a key asset**. Producers knowing that the region has a proven track record of success elevates it in production location decisions. Alongside this, Hertsmere's long history of production and local authority studio ownership has meant that its **local government have a good understanding and high prioritisation of the needs of production**, relative to other potential production locations in the UK. This factor eases the production process for potential incoming producers.

While Hertsmere has major strengths that position it well against alternative production locations, a few weaknesses were identified by SPI research which should be considered. Firstly, consultees noted a **lack of proactivity from local authorities** to drive the sector forward. In particular, there has been a lack of initiative to foster connections and share knowledge within the sector, including regarding local workers, trainees, and businesses. While Hertsmere is an established production hub, the film and television sector can evolve rapidly, and diligent, proactive efforts to support the sector can help it maintain and further its standing against other production centres in the UK. For example, Hertsmere is one of the only boroughs not part of the Creative England 'Filming in England' partnership. Moreover, Hertfordshire only recently took strides to establish a dedicated LEP film officer role (based at Elstree Studios).

In addition to this, while productions are typically able to source most vendor supplies non-locally, an important exception is hotel and hospitality provision. In this area, productions can be negatively impacted by a lack of quality options for cast and crew. Consultees often pointed out that **hotel and hospitality options in Hertsmere were below what would be expected** in UK production hubs. While above-the-line crew usually stay in Central London and so would not be impacted by this, below-the-line crew may struggle to find suitable accommodation options in Hertsmere, which can narrow the available pool of crew. Lastly, the high levels of traffic congestion in Borehamwood were cited as a problem.

A further weakness is the age of sound stages in Elstree Studios. As one of the oldest studios in the UK, there are inevitable challenges arising from the age of some of its facilities. This is exemplified by the recent decision to demolish some of its older soundstages due to issues with asbestos and crumbling Raac.

SPI also assessed the opportunities related to Hertsmere's production sector. These being external factors that could have a positive impact on the sector in a significant way. Firstly, **the UK has a strong competitive position within global production**. The main factors that put the UK at an advantage are its incentive, crew base and studio facilities, which are discussed in depth in Section 2.6. In addition, the UK offers highly competitive incentives for film and television production.[72] Hertsmere has been a beneficiary of the UK's rapid growth, and provided this growth continues, Hertsmere will be able to further capitalise. **The potential construction of Sky Studios North and Hertswood Studios** would aid this, as well as being major potential growth factors in and of themselves.

Other potential studio developments, such as **Sunset Studios (Waltham Cross) and Eastbrook Studios (Dagenham) near Hertsmere**, also present opportunities for Hertsmere rather than simply creating competition. While both are proposed for sites outside of the Borough, they represent a potential eastward expansion of studios in the broader London metro area, a departure from major studios in Metro London being located on the Western outskirts of the region. With Hertsmere at the centre of such an expansion, there is a possibility that it could end up located in an even more advantageous position to benefit from Metro London crew and vendor spillovers. However, the Sunset Studios development in Waltham Cross is reported to be paused in response to the planned revaluation and other factors.[73]

Lastly, SPI examined the potential threats to Hertsmere's future positioning. While global production levels are hard to forecast, there has been a **plateauing of the growth of production expenditure** since COVID-19, largely resulting from economic conditions and a shift in focus from growth to profitability amongst US streamers and studios. While the UK has continued to grow in interest from inward producers, if retrenchment in expenditure proves to be more long term, this would inevitably impact the potential for growth in Hertsmere. This is compounded by the threat to the UK of **competition from other countries** which are becoming increasingly desirable to producers and are taking measures to improve their production location offers. Moreover, with **the UK no longer part of the EU**, competitors such as France, Ireland and others could have the added advantage of UK produced content no longer qualifying as European Works. With the potential establishment of EU legislation regarding the content of streamers, it may become more commercially practical to divert production away from the UK to other parts of the EU.

Within the UK there is clear commitment from government to support the continued growth of the sector, not least with the announced reforms to the UK's production incentive system to an Expenditure Credit Model and announcements in the 2024 Spring Budget. However, following the revaluation of business rates across England and Wales in 2023, studios were met with some of the largest **rises in business rates** of any type of property. Changes in rates varied from studio to studio, but the revaluation significantly impacted the finances of studio facilities, with the biggest impacts being to new studio developments. However, a 40% relief from business rates has since been negotiated for

[72] In March 2024, it was announced as part of the Spring Budget that independent film productions will be eligible for a 53% incentive (39.75% in practice) starting in 2024, while VFX costs will be eligible for the same 39% rate as animation and children's television starting in 2025.

[73] *UK Film Studios Put Property Tax Bombshell On Culture Secretary's Radar As Sunset Studios Pauses $900M British Expansion Amid Uncertainty*, Deadline, 7th July 2023. Accessible at: https://deadline.com/2023/07/uk-studio-raise-concerns-lucy-frazer-property-tax-1235431619/

eligible film studios in England for the next 10 years. This compromise was reached to mitigate the impact for studio businesses.

Lastly, while there is synergy potential to further studio developments being built near Hertsmere, there is **a risk that new developments become competitors to Hertsmere's studio offering**. There is a large pipeline of studios in development in the UK, with SPI analysis finding that 590,000 square metres of stage space is currently planned or proposed for development. Nonetheless, Hertsmere is in a strong position as one of the preferred studio development locations.

5. RECOMMENDATIONS

Respond to Demand for Studio Space in the Area

In recent years, there has been an unprecedented surge in the demand for new studio space throughout the UK, resulting in numerous plans for constructing state-of-the-art facilities, including in Hertsmere. SPI's research finds that the industry regards Hertsmere as a preferred location due to its very good access to an experienced crew base, well-established infrastructure, and convenient access to popular filming locations. This is evident in the public proposals from major companies within the industry to develop additional stage space in Hertsmere.

As other developments progress, and the rate of global content investment plateaus, the window of opportunity to capitalise on the current demand gradually narrows. The market is also becoming more challenging for investors and developers, who are facing business rates increases for studio facilities, along with rising construction and financing costs.

Despite these market shifts and challenges, Hertsmere's position as a strategic production hub with a strong foundation of studio infrastructure does help drive the borough's attractiveness in a challenging investment environment. Proposed studio developments have the potential to help address the industry's immediate needs but also enable Hertsmere to foster economic growth and cultural development in the region – further strengthening the Hertsmere hub.

However, the landscape is rapidly shifting, and it is crucial for Hertsmere to evaluate proposed studio developments proactively, considering the immediate capacity challenges and the unique opportunity – and market challenges – presented.

Establish a Borough Specific Screen Working Group

Hertsmere has a long history in film production and a strong reputation for delivering quality productions, however activity and initiatives in the local sector have operated in pockets and stakeholders often do not overlap in their approaches to development and strategy.

With the recent opening of Sky Studios Elstree and the new stages at Elstree Studios, along with the growing reputation of ESA, there is potential for Hertsmere to expand its industry position and to retain more value of production within the borough.

SPI believes that the local Hertsmere Screen sector could benefit from the establishment of an industry working group which could provide a joined-up approach to industry development and strategy – with a particular focus on retaining value in the borough. Through regular meetings, this group could speak to specific local issues, and gaps in the training provision or local workforce and identify potential pathways forward for the sector. As a priority, this group should include representatives from the studios in Hertsmere and ESA, as well as other members of the local industry. Driving sustainability should also be a key objective for the group – and production sustainability goals align to connect Hertsmere-based crew, trainees, and businesses with the sector.

Crew Development and Retention Strategy

The development of a sufficient, well-trained workforce for Screen production is a significant component in the success of a sector. While there is a crew base in Hertsmere, it is difficult to ascertain the exact size and experience level.

While the ESA continues to deliver practical training to a predominately local cohort of young students, there is an opportunity to build a stronger network of locally based Hertsmere crew of all ages and experience levels. This could present an opportunity to boost deprived areas in Borehamwood, such as the Cowley Hill ward, and provide careers in a growth industry to local residents.

SPI recommends Hertsmere Borough Council look to develop a crew development and retention strategy. This should include a connection programme for trainees with local studios as well as better data collection and cataloguing of existent Hertsmere-based crew.

Activation of Local Businesses

Through consultations, SPI learned that there is a strong appetite from the local studios to hire locally, however they are not always able to identify what local companies exist and are available to them.

Conversely, local companies that do not already work in the Screen sector do not fully understand the breadth of opportunities available for companies, from security to catering to timber supply, and how to approach and engage with productions.

SPI recommend the creation of an activation programme for businesses to bridge the knowledge gap present with the servicing of productions. This could include working with the studio operators on their supplier lists to ensure greater representation from Hertsmere-based companies. Sky Studios Elstree have already expressed a willingness to include more local companies on their official preferred supplier list. Further, the activation programme could include organising conference/ business days to show businesses how to approach and work with productions, as well as typical productions demands that could feasibly be met by local businesses.

Furthermore, more could be done to retain and entertain crew travelling into Hertsmere for work, or audiences travelling into Hertsmere to attend live tapings of television programmes at the studios.

Hertsmere's *Economic Development Strategy 2022-2027* identified rebranding and repurposing the high streets as a priority. SPI recommends exploring opportunities to capitalise on Hertsmere's position as a destination for crew and audiences.

Capitalise on Benefits of a Regional Film Officer

Given the appointment of a Hertfordshire film officer in 2023, Hertsmere now has the potential to benefit from an officer working in a dedicated capacity towards supporting and advising on production enquiries (albeit on a county-wide basis via a LEP role based at Elstree Studios). This is something that Hertsmere has previously lacked and as such was not perceived to be as effective or receptive as film offices in other parts of Hertfordshire, limiting opportunities for revenue building and job creation.

Hertsmere Borough Council should work closely with the film officer to ensure that this role addresses not only production enquiries but also considers the broader needs of the sector, including how to best catalyse revenue generation, career opportunities and pathways, the use of Hertsmere locations for production, and spillover effects such as Screen tourism. The film officer should be an important member of the Screen Working Group (see above) and collaborate with Hertsmere officers who lead on economic development, and the new creative sector officer.

6. APPENDIX ONE – STUDIOS

As part of this Study, SPI assessed the UK studio market, including planned developments, to provide context for the current and future opportunity for Hertsmere. A list of UK studios is provided below, **accurate as of October 2023**.

6.1. Current

- 3 Mills Studio, London
- Arborfield Studios, Berkshire
- Aria Studios, Anglesey
- Bay Studios Business Park, Swansea
- BBC Elstree, Hertsmere
- BBC Pacific Quay, Glasgow
- Belfast Harbour Studios, Belfast
- Black Hangar Studios, Alton
- Bovingdon airfield studios, Hertfordshire
- Bray Studios, Berkshire
- Buchanan Park, Glasgow
- Cardington Studios, Bedford
- dock10 Manchester MediaCityUK, Salford
- Dragon Studios, Bridgend
- Dragon Studios (Phase 2), Bridgend
- DRESD, Wales
- Ealing Studios, London
- Elstree Studios, Hertsmere
- Epic Studios, Norfolk
- Farnborough Film Studios, Farnborough
- Fly By Nite Studios, Birmingham
- Garden Studios, London
- Great Point Seren Stiwdios, Wales
- Island Media Studios, Isle of Man
- Island Studios, London
- London Metropolitan Studios, Greenford
- Longcross Film Studios, Surrey
- Loop Studios (Britvic), Belfast
- Maidstone Studios, Kent
- Manchester Studios, Manchester
- Meridian Water Studios - Enfield Council, London
- Neasden Studios, London
- North Light Film Studios, Huddersfield
- OMA Studios, London
- Pelamis Building, Edinburgh
- Peregrine Studio, Rotherham
- Pinewood Studios, Buckinghamshire
- Pioneer Film Studios (Phase 1), Glasgow
- Prime Studios, Leeds
- Production Park, Wakefield
- Pyramids Business Park, Edinburgh
- Rebellion Studios, Didcot
- Roath Lock, Cardiff
- SEGRO Park Enfield, London
- Shepperton Studios, Surrey
- Shinfield Studios (Phase 1), Reading
- Sky Studios, Hertsmere
- Space Studios, Manchester
- Studio 81, Leeds
- Tatton Studios, Cheshire
- TBY2 (The Bottle Yard Studios), Bristol
- The Bottle Yard Studios, Bristol
- The Depot, Liverpool
- The Sharp Project, Manchester
- The Wharf Studios, Barking, Barking
- The Yorkshire Studios, Church Fenton
- Titanic Studios, Belfast

- Troubadour Wembley Park Studios, London
- Twickenham Studios, Twickenham
- Versa Leeds Studios, Leeds
- Wardpark Studios, Cumbernauld
- Warner Bros Studios Leavesden, Watford
- West London Film Studios, Hayes
- Wimbledon Studios, London
- Winnersh Film Studios, Winnersh
- Wolf Studios, Cardiff

6.2. Planned

- Ashford International Film Studios, Kent
- Belfast Harbour Studios, Belfast
- Bentwaters Parks, Suffolk
- Bray Studios (Expansion), Berkshire
- Crown Works Studios Sunderland, Sunderland
- Digbeth Loc. Studios, Birmingham
- Ealing Studios, London
- Eastbrook Studios (formerly Dagenham Studios), London
- Gartcosh Industrial Park, Lanarkshire
- Great Point Seren Stiwdios, Wales
- Hertswood Studios, Hertsmere
- HOP Studio, Bedfordshire
- Littlewoods Film Studios, Liverpool
- Marine Park Studio, Isle of Wight
- Marlow Studios, Buckinghamshire
- Marv Studio, Derby
- Meridian Water - Expansion, London
- Northern Studios, Hartlepool
- Pinewood Studios (East), Buckinghamshire
- Pinewood Studios (South), Buckinghamshire
- Pinewood Studios (West), Buckinghamshire
- Pioneer Film Studios (Phase 2), Glasgow
- Shepperton Studios (North West Expansion), Surrey
- Shepperton Studios (South Expansion), Surrey
- Shinfield Studios (Phase 2), Reading
- Sky Studios North, Hertsmere
- Space Studios - Expansion, Manchester
- Sunset Waltham Cross (formerly Broxbourne Studios), London
- The Vinyl Factory, London
- The Yorkshire Studios, Church Fenton
- Warner Bros Studios Leavesden, Watford
- Winnersh Film Studios (Phase 2), Winnersh
- Wycombe Film Studios, Buckinghamshire

7. APPENDIX TWO – ABOUT OLSBERG•SPI

Olsberg•SPI ("**SPI**") is an international creative industries consultancy, specialising in the global Screen sector.

SPI provides a range of expert consultancy and strategic advisory services to public and private sector clients in the worlds of film, television, video games and digital media. Formed in 1992, it has become one of the leading international consultancies in these dynamic creative Screen industries.

The firm's expert advice, trusted vision and proven track record create high levels of new and repeat business from a diverse group of companies and organisations, including:

- National governments, including culture and economics ministries
- National film institutes and Screen agencies I Regional and city development agencies and local authorities
- Multi-national cultural funds and authorities
- National and regional tourism agencies
- Established studios and streamers
- Independent companies at all points of the Screen business value chain
- National and international broadcasters
- Trade associations and guilds
- Training and skills development organisations
- Publishers and conference organisers.

With expertise in all areas of the fast-moving global creative sector, SPI offers a wide range of services, including:

- Analysis and strategic advice for building healthy and sustainable national and regional industries, and recommendations for public policies to support this
- Mapping and assessment of physical infrastructure, services, and workforce
- Delivering economic impact studies of whole sector activity or of incentives
- Advice on the creation of fiscal incentives for Screen productions
- Helping businesses and governments interpret the strategic implications of digital media innovations
- Business development strategies for content companies
- Feasibility studies, marketing, and business strategies for small and large-scale studio facilities
- Evaluations of publicly-funded investment schemes
- Acquisition and divestment advice for owners or managers of SMEs
- International cost comparisons for small and large film and television productions
- Strategic advice on inward investment and exports for national and regional public bodies
- Analysing and explaining the links between growth in tourism and a nation's film and television output
- Providing strategic advice for Screen commissions, including business and marketing plans
- Keynote speakers at industry events.

Further information on SPI's work can be found at www.o-spi.com and within the SPI Company Brochure.

Please **contact Kayleigh Hughes** on kayleigh@o-spi.com for further information about this Study

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