

## EAST AYRSHIRE COUNCIL

### DEVELOPMENT SERVICES COMMITTEE – 13 MARCH 2002

#### AYRSHIRE FILM FOCUS

#### Report by Director of Development Services

### 1 PURPOSE OF REPORT

- 1.1 To seek the approval of the Committee to provide financial support to the Ayrshire Film Focus project, on the basis of an annual contribution of £1,500 for each of the financial years 2002/2003, 2003/2004, 2004/2005.

### 2 INTRODUCTION

- 2.1 There is growing recognition at the UK and at a regional level of the contribution which creative industries, including the film industry, make to the economy. In Scotland, creative industries account for 4% of the country's GDP and provide employment for approximately 100,000 people. Scotland is developing an increasing international reputation as a film location with recognised creative and technical talent.

### 3 AYRSHIRE FILM FOCUS : BACKGROUND

- 3.1 Ayrshire Film Focus was established as a pilot project one year ago, on a partnership basis to enable the area to take advantage of opportunities as a competitive location for filming of television programmes, commercials and films. The overall objective is to support the growth of the local economy by encouraging expenditure and creating new direct and indirect jobs and creating potential for positive impacts in the tourism sector.
- 3.2 The Partnership is led by Scottish Enterprise Ayrshire which provided the funding for the project in the pilot year 2001/2002 and seconded an officer to work on the project in its pilot phase. Other partners are :
- the **Local Authorities**, whose role is to assist in the identification of filming locations and support the filming process through the use of statutory powers;
  - **Ayrshire Chamber of Commerce** and Industry, which provides office accommodation and administrative support to the project. The Chamber also provides links to the supply chain of services and products, through its members database;
  - **Ayrshire & Arran Tourist Board**, which provides support and advise to the project in identifying locations, accommodation and catering services;

- **Scottish Screen**, which provides a national focus and ensures that the project is fully integrated with other film location activity at a national and regional level; and
- **University of Paisley** (Media Department), which will ensure the development of local skills to reflect and meet the needs of and the opportunities offered by the industry.

**3.3** The outcomes of the pilot year of the project are detailed in a background paper (noted below) and include ;

- the development of a photographic database of locations containing 344 locations throughout Ayrshire – 96 of which are in East Ayrshire;
- the achievement of an internationally recognised accreditation for training of the film office personnel (Association of Film Commissioners International);
- extensive local and national media coverage;
- the development of a web site which has achieved in excess of 50,000 “hits”;
- 48 location enquiries, which have resulted in :
  - 1 short film;
  - 1 feature film;
  - 2 adverts;
  - 1 TV shoot; and
  - 2 magazine photo shoots
- it is calculated that the above successes have generated additional income to the economy of £92,500.
- a student film making competition has been run to encourage the skill base in the creative industries in Ayrshire and the winning films will be premiered in Ayrshire in April 2002;
- the patronage of Lord Glasgow of Kelburn has been secured.

#### **4 AYRSHIRE FILM FOCUS : THE NEXT THREE YEARS**

**4.1** Based on the success of the pilot phase of the project, an ERDF application has been lodged by Scottish Enterprise Ayrshire for grant funding to continue to the project for a further 3 years.

**4.2** The project is “pan Ayrshire” and the following outcomes are projected over a 3 year period :

- production enquiries : 80 in year 1; 100 in year 2; 120 in year 3;
- TV & feature filming days 15 in year 1; 15 in year 2; 15 in year 3;
- commercials filming 20 in year 1; 30 in year 2; 40 in year 3;

Based on feature films and TV filming generating an average spend of £10,000 per day and commercials generating an average spend of £3,500 per day, this is projected to result in a total increased spend in the area of £765,000, represented by :

- £220,000 in year 1;

- £255,000 in year 2; and
- £290,000 in year 3

Using an industry norm of 1 new job (FTE) being established per £20,000 of additional expenditure, it is calculated that the above projections will lead directly to the establishment of up to 40 new jobs.

- 4.3** Two applications for ERDF funding (covering the Objective 2 area and the Transitional areas of Ayrshire) were submitted by to the Strathclyde European Partnership by Scottish Enterprise Ayrshire (as lead partner) on the basis of a total funding package over the 3 year period 2002/2003 to 2004/2005 of £96,574, funded as follows :

|                              |                |
|------------------------------|----------------|
| Scottish Enterprise Ayrshire | £18,373        |
| East Ayrshire Council        | £18,000        |
| North Ayrshire Council       | £18,000        |
| South Ayrshire Council       | £18,000        |
| ERDF grant                   | £24,201        |
| <b>TOTAL</b>                 | <b>£96,574</b> |

- 4.4** The total commitment of £18,000 requested from East Ayrshire Council would be payable in 3 equal annual instalments of £6,000.
- 4.5** The ERDF applications have been approved, as have the full contributions from Scottish Enterprise Ayrshire, South Ayrshire Council. North Ayrshire Council is currently considering its position.
- 4.6** In addition to funding support, the Council is asked to continue to contribute to the Advisory Steering Group (meeting on a quarterly basis) through the commitment of officer time and also to assist with location identification, as and when required.
- 4.7** The view of the Head of Economic Development and Property is that an annual contribution of £1,500 be offered, totalling £4,500 over the 3-year life of the project, reflecting an assessment of the value of the programme to East Ayrshire and competing priorities for funding.

## **5 POLICY IMPLICATIONS**

- 5.1** The Ayrshire Film Focus project supports the achievement of the aims of the Council Plan in the development of new job opportunities and skills in the local economy.

## **6 FINANCIAL IMPLICATIONS**

- 6.1** The proposed funding contribution to the project of £1,500 in the financial year 2002/2003 should be met from the Grants to External Bodies Budget. Assuming continuation of that budget in future financial years, an “in principle” commitment should be made to the project for the succeeding financial years 2003/2004 and 2004/2005.

## **7 PERSONNAL IMPLICATIONS**

- 7.1** The only personnel implication is the continued provision of officer time to attend the quarterly Advisory Group meetings and to support location enquires.

## **8 LEGAL IMPLICATIONS**

- 8.1** There are no legal implications.

## **9 RECOMMENDATION**

- 9.1** That the Committee :

(1) approves grant funding of £1,500 as a contribution to the public sector matched funding for the Ayrshire Film Focus in the financial year 2002/2003; and

(2) indicates its commitment to continue this funding in the financial years 2003/2004 and 2004/2005, subject to budget resources being available.

**STEPHEN CHORLEY**  
**Director of Development Services**

5 March 2002/jrs

## **BACKGROUND PAPERS**

- 1. Ayrshire Film Focus : Review of 1<sup>st</sup> Year of Operation**

For further information please contact JOHN SPOONER, Business Development Manager on Extension 6143.

**Implementation Officer : JOHN SPOONER**

**AGENDA**