The Film Industry in London and UK
2018

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The Film Industry in London and UK

1. EXECUTIVE SUMMARY

This market appraisal delivers an outline on the present state of the creative industries and film industry in London, and the remainder of the UK. It investigates the shifts within job opportunities and establishes how jobs have been further established in London over the years (this will include graphs that display examples of this and economic comparisons), as well as by what means the negative impact of Brexit could influence and affect the film industry within the UK. This market appraisal also exposes the diverse benefits in the film industry in terms of jobs, in addition to, what manner production teams within film work together to create a final project.

2. TERMS OF REFERENCE

In this report there will be research into the current state of the film and television industries in Britain, this will include the current contribution to the economy, company types, structures and skill shortages. It will look into employment roles, their context, and employment status. This report will outline recent developments and changes in the industry, and provide an analysis of future developments, growth or changes in employment status and company types based on external influences such as economy, politics, technology and social factors. It will contain a market appraisal that also:

1. Investigates the present state of the London film industry with market focus, company types and structures
2. Observes employment roles, their context and employment status
3. Summaries modern developments and major modifications in the film industry
4. Delivers an analysis of future developments, growth or changes in employment status as well as company types based on external influences: economy, politics, technology or social factors.

3. METHODS INVOLVED IN STUDY

In this market appraisal, the report has been constructed on qualitative and quantitative resources which also incorporates secondary research. This is to ensure that sources are reliable, for instance using government websites for research, along with official industry sites such as Screen Skills, BFI and Stephen Follows, film data and education, for the research. The data is current and up to date, as well as valid. Furthermore, the research has been Harvard referenced.

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5. INTRODUCTION

5.1 The creative media sector has a wide assortment of trades, respectively intersecting one another with considerable numbers of people working in roles that cover numerous industries. These industries consist of; television, film, radio, interactive media, computer games development, photo imaging, press, marketing and advertising. This report will examine equally the present and past state of the media industry within London, as well as its overall influence on the British economy. It will correspondingly deliberate the diverse connections in the film industry, that allow necessary advancement of work, as well as the distinctive variety of employment exercises and corporations within the film industry, in addition to the possible forthcoming challenges that could be encountered as a result of governmental verdicts that were made such as Brexit. *(See Appendix 6 for examples)*

Areas of the creative industry include:

- advertising and marketing
- architecture
- crafts
- design
- fashion
- film, TV, video, radio and photography
- IT, software and computer services
• publishing
• museums, galleries and libraries
• music, performing and visual arts.

Areas of design include:

• exhibition
• games
• graphic
• industrial
• interior
• landscape
• product
• textiles
• theatre.

We will be focusing on the media-related sectors within this report.

5.2 The core UK film industry is a significant industry that directly employs 36,000 people just in the year 2009 (which is up 7% from 33,500 in the year 2006), backing a total of 100,000 jobs. The industry has in overall endured the recession favourably, partially in credits to the surfacing of 3D, and is sturdily positioned to resume its recent inclination of growth and expansion. Through the correct reinforcement, predominantly in skills improvement, the sector will continue to build a key contribution to UK plc. The film industry supplies jobs for some of the UK’s most highly experienced workers. 58% of the production employees are university cultured, and at £33,700 the average salary is expressively exceeding the national average. (See appendix 3)

5.3 UK films influence considerably to British cultural life. They are a crucial source of manifestation of UK individuality and tackle matters of diversity that are vital to meeting the challenges of the 21st century. Films representing the UK are answerable for producing approximately a tenth of overseas tourism revenues, accumulating roughly £1.9 billion a year. Exporters also profit from the part films play in forming and strengthening the UK’s image and ‘brand’ this is aided around a quarter of the topmost worldwide films appearing to be premiered or co-premiered in the UK, this produces considerable media publicity. Generally, the core UK film industry contributed more than £4.5 billion to UK GDP in 2009, taking into account its multiplier influences, and more than £1.2 billion to the Exchequer (gross of tax relief and other economic support). The film industry is amid the UK’s more carbon-friendly of the sectors. Emissions are lower than average compared to GDP and the sector is taking practical stages to gauge, control and decrease its carbon footprint. The Film Tax Relief is fundamental to supporting the competitiveness of film production in the UK. (See appendix 2)

6. Results

6.1 At an average of £20.38 per hour, the total median hourly salaries that are given to creative employees was nearly a third greater than for those employed independent of or outside from the creative economy in 2016. This mirrors the sector’s industrial structure – with the substantial majority of jobs located in higher-paid professional companies. Simultaneously, nearly more than 1 in 4 creative economy jobs are possessed by self-employed workers (27.8 per cent, paralleled to the 16.8 per cent within the non-creative economy), and these are not covered in the analysis of earnings.
6.2 In step with greater employee pay, London’s creative industries are additionally favourably productive. Founded on the GLA Economics assessment, it is calculated that the GVA per workforce job in London’s creative industries was approximately equivalent to that of £71,400 in 2015. This was 22.2 per cent greater than the average across all sectors of the London economy, and 35.5 per cent higher than the median for the creative industries in the UK all in all.

6.3 Conversely, there is a substantial difference in efficient productivity from corner to corner of the creative sub-groups. The more heavily productive portions of London’s creative industries have a habit of being in expertise intensive and tradable occupations. GVA per workforce job is predominantly in elevation in three sub groups: Film, TV, video, radio and photography (£83,200); Publishing (£89,400); and IT, software and computer services (£96,600). The lesser amount of productive sub-groups is further to be expected to concentrate on domestic marketplaces and be more labour intensive compared to their counterparts.

6.4 The creative industries accounted for an estimate of 284,400 businesses - or approximately over one in eight of each and every UK businesses - in 2016, with practically 18 per cent partaking in trading internationally paralleled to the average statistic for intercontinental exchange of 12.9 per cent transversely through all of the UK business sectors.

6.5 Brexit is one more colossal factor that will impinge on the film industry within the near future and ultimately, in the long run. The amount of influence will rest on whether or not Brexit actually takes place and assuming that it does, on what terms that the UK will leave the EU, by means of the no-deal exit remaining to be the worst-case development. This is due to the UK’s magnetism as a centre for film production is partially for the reason that it is in membership of the EU and its capability to appeal to talented employees amongst every corner of the EU to arrive and work without restrictions in London. As well the fact that, it indicates that filming on location through Europe will become progressively more expensive and challenging. Jeremy Thomas, a veteran British producer reminisces the awful “old days” prior to the UK’s EU membership, “There was the transportation of equipment. You’d have a truck containing maybe 1,000 little pieces of equipment, and every piece would have to be taken out and checked and put back in. It was rigmarole. It took days.” Brexit will entirely ruin borderless production, which unquestionably places an end to unrestricted interchange of talent, crew and even equipment all the while substituting this with a requirement for carnets and work permits thanks to all the new legislations likely to take place.

6.6 In terms of future developments, the film industry has demonstrated to be not predominantly reliant on the economy for its accomplishments and progress. In past economic recessions, films might have even benefited if individuals held back on spending in other areas while all the while still looking for a low-cost late afternoon of amusement. On the other hand, the minute the economy inflates, cinema and film could possibly not be an area to predominantly benefit. Regarding extended term, the triumph of the UK and London creative media industries is more vastly at the mercy of on tax rebates, Brexit and how it thrives in seizing advantage of the continued digital revolution.

7. Discussion
7.1 The UK is a firm global leader in media and likely will uphold its dominance on account of its capacity to revolutionise rapidly and generate content of exceptional quality. (See appendix 7 for an article on this)

7.2 Eight of the world’s top 10 studios in VFX are in a mile of one another in Soho; in 2014, expenses on UK film production surpassed £1.4bn, a 35% rise on 2013 which is the top documented figure as of yet. In 2015, UK box offices were securing £1.24bn, which is 17% up from the year 2014. These remarkable statistics are down to factors that include technology, talent, staff, substructure and eye-catching motivation programmes, as stated by Wootton. However, he considers that it is the film tax relief that was announced in 2007 – with comparable tax reliefs for high-end TV and animation consequently presented in 2013. (see appendix 9)

7.3 London has a wide range of popular TV channels, most favoured being that of Channel 4 which is also the third most famous channel in the UK. This is closely followed by BBC one coming in second and ITV coming in third in popularity ratings. Not only is British television popular throughout the UK but noticeably all over the globe, BBC News is recognised as one of the most popular TV channels in the entire world. (See appendix 10 and 11 for ratings)

7.4 A specific issue that media industries face is long-term unpaid internships. These are done by several of the large corporations that dominate British media. Long-term unpaid internships are a recognised training program within the industry, however, they endorse unjust admission by closing out individuals who cannot afford to fund their placements, as they must be in a stable financial position to enter an unpaid internship in the first place. This considerably restricts the group of talent obtainable to a division that desperately requires creativity and diversity to flourish. Along with this, it's understood that the rate of graduates receiving job offers following an unpaid internship (37.0%) is close to that of graduates that have not gone through the process of an internship (35.2%) which is almost less than half of the graduates that receive job offers subsequent to a paid internship (which is a significant 63.1%). See appendix 12 for a graph.

7.5 Graduates contemplating a creative career will similarly encounter a sector that is highly-qualified, but habitually under-skilled. Employers state an absence of skills and experience during enlisting. Furthermore, nearly half of the industry is self-employed and the majority of businesses are micro-businesses, causing it to be not as likely that a graduate will discover employment in the traditional long-established sense. This will mean graduates will consequently be required to accumulate typical trade skills and experience via paid internships or higher-level diplomas. (See appendix 13)

7.6 Back in 2018 a small quantity students gathered GCSEs in creative fields, which in turn may theoretically result in huge a shortage of qualified, skilled workers in the immediate future. The amount of GCSE music submissions was down 8% over the past five years, theatre by 14%, film and TV studies by 22% and performing arts was down a whole 26%. (see appendix 14)

7.7 Conventionally there have similarly been concerns surrounded by the creative industries in relation to the absence of diversity within the workplace. Just four years ago, in 2015, only 37% of jobs in the creative industries were occupied by women, whereas 11% were occupied by BAME (black and minority ethnic) workers. Nevertheless, the sector is working to deal with these matters. (see appendix 15 and 16)

8. Conclusion
Generally, the future for London’s film and television industry and the UK’s overall media industry itself has mutually optimistic and undesirable effects to occur in the creative industries, attributable to Brexit as well as the increase in jobs within the creative media trades, seeing that it is determined to possess up to 900,000 additional creative industry jobs in time for the year 2030. The quantitative research, in addition, has also assisted me to comprehend the growth of the creative jobs knowledgeably throughout the years and in what way London has had and will continue to have a colossal percentage of larger businesses in London. On top of allowing me to learn how it is creating a vast amount of additional money, coupled with how it is instigating a growth in many aspects, as well as further information in the film production area, in place of different production groups that come together in order to create a film. Additionally, the key fact on the whole that was the bewildering quantity of earnings made in the creative industries just in London, in comparison to the rest of the UK, this suggests London has a much more fruitful creative industry concerning their businesses.

The London film industry is sturdy and flourishing, enhanced by the twofold results of a tax rebate presented in 2013 for foreign film companies benefiting from UK firms in addition to the development of online streaming. On the other hand, progress is reliant on the international film corporations utilising the UK as a residence to create films. For the most part, London companies are small production companies involving around 1-10 people, retaining talent from one place to another all around Europe on a temporary employed or permanent foundation. At the end of the day, London continuing as a heart for the production of film is to be determined highly by its position as an organisationally straightforward location for hiring talent and the tax rebate that was introduced in 2013, hopefully, remains to make London a better value for money location or source of income than it otherwise could be. The unrelenting reality of both of these factors is to be influenced by, at least to some degree, on politics. The Brexit development very well likely could impend on London’s status as a location in which people can come to work without significant difficulty. Correspondingly, politics may possibly in due course get rid of the tax rebate system. In spite of these jeopardies, the fundamental industry gives the impression to be blossoming as a result of the superior quantity of content being created for streaming platforms, which are troublesome for both traditional (possibly soon to be outdated) TV as well as in conjunction with film.

9. APPENDIX

Appendix 1-
Rise of the UK film industry

Combined value of goods and services for the UK’s film, video and TV industries, £bn
The UK Creative Economy 2017

**JOBS**
The Creative Economy 2017

3.12 MILLION JOBS

1 IN 11 UK JOBS

80k CREATIVE ECONOMY JOBS ADDED IN 2017

**EMPLOYMENT**
Employment in the UK creative economy 2017

- 929,000 Non-creative/ support jobs within the creative industries
- 1,079,000 Creative occupations within the creative industries
- 1,113,000 Creative occupations outside the creative industries

Total 3.12m jobs in the UK creative economy

creative economy = A + B + C
creative industries = A + B

**REGIONS**

Percentage of UK creative industries jobs by region 2017

Figure rounded to total 100%

Appendix 4 -

The Value of the UK's Creative Industries

£101.5bn in 2017

£94.8bn in 2016

Source: DCMS Sectors Economic Estimates 2017: GVA
Film & TV's growing contribution to the UK economy
Gross value added of film, video and television companies in the UK (in billion GBP)

Source: Office for National Statistics

Appendix 5 -

Appendix 6 -
Appendix 7 -
https://www.campaignlive.co.uk/article/uk-global-leader-creative-industries/1297179

Appendix 8 -
https://londonist.com/2016/03/how-london-leads-the-world-in-movie-visual-effects

Appendix 9 -
https://www.gamedesigning.org/animation-companies/

Appendix 10 -
https://yougov.co.uk/ratings/media/popularity/tv-channels/all

Appendix 11 -

Appendix 12 -
Do Internships Lead to Jobs?
Percentage of 2013 college graduates who received job offers, grouped by internship experience. *NACE 2013 Student Survey*

- **Paid Internship**: 63.1%
- **Unpaid Internship**: 37.0%
- **No Internship**: 35.2%

Appendix 13 -
https://www.campaignlive.co.uk/article/digital-skills-shortage-drives-strong-marketing-media-m-a-levels/1455156

Appendix 14 -

Appendix 15 -
The Tech World Is Still a Man's World
Percentage of female employees in the workforce of major tech companies*

<table>
<thead>
<tr>
<th>Company</th>
<th>Tech Jobs</th>
<th>Leadership Jobs</th>
<th>Total Workforce</th>
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<tbody>
<tr>
<td>Netflix</td>
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<td>33</td>
<td>38</td>
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<tr>
<td>Amazon</td>
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<td>Microsoft</td>
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<td>31</td>
<td>27</td>
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* all data for 2018 or 2017 (latest available as of March 8, 2019)
Source: Company reports