



OPENING DOORS

A Strategy to Transform the
Screen Industries in Northern Ireland

PHASE 1 | 2014-19

Opening Doors: A Strategy to Transform the Screen Industries in Northern Ireland: Phase 1 2014-18

Chair's Introduction

10 years ago in April 2003, with funding secured from Invest NI, Sir Kenneth Branagh as Honorary President launched the newly renamed Northern Ireland Film and Television Commission. I doubt that Sir Ken expected his reference to the value of ***Lord of the Rings*** to New Zealand to be quite so prophetic, but prophetic it was, as HBO's ***Game of Thrones*** - now in its 4th Season and probably the most talked about television drama in the world - is doing for Northern Ireland through the small screen what ***Lord of the Rings*** did for New Zealand on the big screen.

Turning to the next 10 years for the screen industries in Northern Ireland, we've drawn inspiration from another cultural icon with strong connection to here – Lewis's Narnia. Just as the children in Lewis's *The Lion, the Witch and the Wardrobe* opened the wardrobe door to step into a wonderful fantasy world, so, through this Strategy, we will help thousands of people open an equally exciting door; a door to richer and deeper cultural experiences; a door to more useful and contemporary educational experiences; and, most importantly of all, a door to more satisfying and valuable work.

Opening Doors to opportunity is the sole purpose of Northern Ireland Screen. In the past 10 years much has been achieved but that was merely the beginning; the next 10 years must be wholly transformational. While the first 10 years created a platform – a physical platform with the Creative Learning Centres and Titanic Studios; a credibility platform with awards including the Camera D'Or and an Oscar; and a skills platform which in 2012-13 created 46 modern apprentices and supported 116 other training opportunities – the next 10 years must develop and confirm Northern Ireland as the strongest screen industry economy outside London in the UK and Ireland; as providing the most integrated and dynamic educational provision and the most confident and diverse cultural voice.

Phase 1 2014 – 18 is outlined in this document.

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1.0 The Vision

Northern Ireland is experiencing an explosion of creative possibility within the screen industries, having appeared on a national and international stage like a bolt out of the blue as an exciting new centre of creativity¹. Northern Ireland Screen needs to exploit this once in a generation opportunity to make Northern Ireland a long term centre of excellence for the screen industries.

It must simultaneously have the courage and vision to truly embrace digital and creative technologies within our education system and ensure that Northern Ireland Screen's developing Education Strategy, already the envy of the UK and Ireland², delivers social change and economic advantage in the near future.

Creating opportunities across the full range of the screen industries is the central theme of the Strategy and is the most effective means of ensuring that opportunities in the screen industries are open to the widest possible range of people. Reaching the widest range of people is also at the centre of both the Education and Cultural Strategies.

The creation of those opportunities will inevitably require public finance.

Northern Ireland Screen has been facilitating the delivery of an ever increasing portfolio of value to Northern Ireland from the screen industries at a public cost that compares favourably with any of the international comparators; from China to New Zealand, and from Singapore to Canada.

Given the unique platform already created, Northern Ireland Screen will, through this Strategy, ensure that:

- Northern Ireland has the strongest screen industry outside of London in the UK and Ireland within 10 years;
- Supported by vibrant and diverse cultural voices that are recognised and celebrated equally at home and abroad;
- And, underpinned by the most successful screen and digital technologies education provision in Europe, ensuring that the education is within reach and of value to the most socially disadvantaged.

The opportunity to deliver this Strategic Goal is time bound. The introduction of the new tax credits is a truly disruptive influence on the screen industry and Northern Ireland must mobilise its resources to ensure that this moment of disruption falls in its favour.

Northern Ireland Screen, principally supported by Invest Northern Ireland and DCAL, seeks through this Strategy to provide the strong leadership necessary to link the many diverse elements impacting on the growth of the screen industries and to ensure that the economic, cultural and educational elements remain appropriately linked and supported.

¹ <http://www.bbc.co.uk/news/entertainment-arts-22852314>; <http://www.ft.com/cms/s/0/fe727f90-d678-11e2-9214-00144feab7de.html#axzz2X8NWGaEm>

² The BFI rated Northern Ireland Screen's framework for screen education the best in Europe.

2.0 Executive Summary

Opening Doors is a 4 year Strategy designed to make the Northern Ireland screen industry the strongest in the UK and Ireland outside of London, supporting vibrant and diverse cultural voices that will be recognised and celebrated equally at home and abroad, and underpinned by the most successful and universally accessed screen and digital technologies education provision in Europe.

This is an exclusively export focused Strategy with international connections at its core. A number of the sectors prioritised – animation and large-scale production in particular – have no market other than an export market.

The Strategy sits on a platform of unimaginable success. Primarily, **Game of Thrones**, the most celebrated television show in the world; **The Fall**, a record breaker for BBC and Netflix; an Oscar for **The Shore**; and the staggering celebrity endorsement of **Good Vibrations** by Ron Howard, Bono and Mark Kermode. But also the substantial investment already made in skills, writers and every type of screen project, and the huge strides already made towards the delivery of the best screen and digital technologies education provision in Europe³.

Aligned with the platform of success, the investment in skills and talent and the developing education provision, the introduction in the UK of new tax credits for Animation, High End Television Drama and Gaming present a once in a generation opportunity to grab market share for Northern Ireland. This Strategy can be a ‘game changer’ for Northern Ireland but the opportunity is time bound.

By supporting the widest range of screen industry sectors, ‘Opening Doors’ is designed to maximise opportunity for individuals; deliver a geographically spread return⁴; create opportunities for the relatively unskilled⁵ alongside the highly skilled who populate many aspects of the screen industries; and maximise the reducing effect of the screen industries on the talent drain from our schools and colleges⁶.

The Strategy is primarily an economic intervention but with the success of cultural projects like **The Shore** and **Good Vibrations**, the audience appreciation for the Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund, the development of the exhibition sector including the Belfast Film Festival, Cinemagic, Foyle Film Festival, CultureTech and the After School Film Clubs, it is also a Cultural Strategy. Northern Ireland Screen’s education activity, through the Creative Learning Centres in particular, is also social, cultural and economic all at once.

³ The BFI rated Northern Ireland Screen’s framework for screen education the best in Europe.

⁴ For example, Mobile and Web Content production is well spread out in Northern Ireland; factual television and Irish Language is focused on Derry- Londonderry, Newry as well as Belfast.

⁵ Large scale production employs drivers, security guards and extras in considerable numbers, while significant numbers of academically low achieving students could be trained as composers and colourists for the animation sector.

⁶ Animation, television drama, entertainment television, gaming and web content attract very different people. If we wish to retain a higher proportion of our talented students, we must create opportunities in all these fields, especially when we are encouraging them in this direction through our Education Strategy.

Developing the screen industries has an almost unrivalled fit with the Programme for Government with the creative and cultural mix of the sector impacting on multiple priorities simultaneously⁷. This Strategy will make a considerable contribution to ***Growing a Sustainable Economy; Creating Opportunities and Tackling Disadvantage***; and, ***Building a Strong and Shared Future***.

This Strategy has an increased cost but it delivers much greater value. International and near neighbour comparisons illustrate that Northern Ireland Screen's cost/return ratios compare favourably with market leaders like New Zealand⁸ or near neighbours, the Republic of Ireland⁹, an assertion corroborated by Olsberg SPI¹⁰.

Elements of the value proposition are difficult to measure but the simple cost/return ratio for the economic element of this Strategy is a cost of £43 million and an immediate cash return of £250 million. To achieve this return, it is critical that the funding and support detailed in this Strategy is committed, visible and stable for at least the 4 year period without annual cut offs¹¹.

Over 10 years, the evaluations of Northern Ireland Screen have been consistently strong. The most recent evaluation confirmed that the activities were strong Value for Money with very high additionality, very low deadweight and a clear picture of market failure¹². Northern Ireland Screen has exceeded its cash return targets during each of the last 2 Strategy periods. The present Strategy, 'Driving Global Growth', will deliver a direct and immediate return of £121 million at a total cost of £27.3 million.

Alongside the development of the many sectors that make up the screen industries, Northern Ireland Screen, with the support of DCAL, will continue to develop and expand its Education Strategy. This Education Strategy – deemed by a BFI European survey to be the most coherently developed screen education strategy in Europe – will over the course of this Strategy begin to impact on the screen industries as well as industry more generally. Skills and confidence collected within the schools system will start to impact in the sector. Continuing and expanding this work through the Creative Learning Centres is of equal, if not greater, importance than the direct sectoral interventions.

As well as creating more opportunities by extending the Strategy to cover the full range of the screen industries, there is also a greater focus on individual opportunity. Much was learnt over the last Strategy period about how best to enhance skills, encourage writers and develop projects. This Strategy – as reflected in its title 'Opening Doors' – is extremely focused on creating these individual opportunities.

⁷ For example, the Irish Language and Ulster-Scots Broadcast Funds contribute to a Shared Future but also create job opportunities; film and television production contribute to a Sustainable Economy but also market Northern Ireland and through international exposure and the attraction of Oscars, Emmys and BAFTAs contribute to Building a Strong and Shared Future.

⁸ New Zealand's Large Budget Screen Production Grant (LBSPG) offers a 15% rebate on production expenditure over a certain value. Since the inception of the LBSPG in 2003, overseas movie and TV productions, including Avatar, have spent more than \$1.42 billion in New Zealand, received state support of \$189.4 million.

⁹ See the list of public interventions detailed in Creative Capital: Building Ireland's Audiovisual Creative Economy at Appendices 1: Learning from Elsewhere tab 1.

¹⁰ Olsberg SPI.

¹¹ Olsberg SPI stress the greater success of funding mechanisms that are stable and provide producers with assurance that they will continue to exist for the foreseeable future.

¹² Cogent Management Consulting's Interim Evaluation of Driving Global Growth.

Northern Ireland Screen seeks through this Strategy, and the strong support of Invest NI and DCAL, to provide the strong leadership necessary to link the many diverse elements impacting on the growth of the screen industries, and to ensure that the social and economic outcomes are simultaneously supported.

3.0 Mission and Values

Northern Ireland Screen's Mission

3.1 Northern Ireland Screen will accelerate the development of a dynamic and sustainable screen industry and culture in Northern Ireland.

Northern Ireland Screen's Principles

- Act as a champion for the screen industries in Northern Ireland.
- Deliver an integrated Strategy tying together economic, cultural and educational objectives.
- Prioritise interventions that deliver the widest reach and contribute positively to social inclusion.
- Embrace all screen product.
- Be customer-facing and build on previous success.

Northern Ireland Screen's Strapline

3.2 Boosting our economy, enhancing our children's education and celebrating our culture.

The New Context – A strong platform

3.3 Northern Ireland is experiencing an explosion of creative possibility within the screen industries – ***Game of Thrones***, the most celebrated show in the world; ***The Fall***, a record breaker for BBC and Netflix; an Oscar for ***The Shore***; and celebrity acclaim and rave critical reviews for ***Good Vibrations*** come together to present Northern Ireland to the global industry as the new creative and cultural hot spot.

3.4 The substantial investment already made in skills, writers and every type of screen project, and the huge strides already made in creating the framework necessary to deliver the best screen and digital technologies education in Europe, combine to create considerable opportunity for growth.

3.5 Alongside the market excitement for our screen industry and the developed skills platform and pipeline, the potential competitiveness of our screen industry has been enhanced by the introduction of the UK tax credits for High End Television Drama, Animation and Games.

4.0 Past Performance

Introduction

- 4.1 The screen industry in Northern Ireland has grown significantly over the last 10 years. A decade ago the sector was made up almost exclusively of work associated with BBC Northern Ireland¹³ and UTV, with almost no international profile to the work undertaken. Today most of the leading production companies here are export focused and the sector is bolstered by considerable inward investment activity from the United States of America. 10 years ago the industry was almost exclusively within the factual/entertainment television sector – there was no large-scale production, television drama and gaming, mobile, e-learning or web content. There was also extremely little animation, Irish Language or independent film.
- 4.2 As a result of significant investment from the Northern Ireland Executive through Invest NI and DCAL, Northern Ireland Screen has been able to deliver a dramatic expansion of the breadth of the screen industries here.
- 4.3 Each of the 3 strategies undertaken by Northern Ireland Screen over the past 10 years has been evaluated as delivering **strong Value for Money** with extremely **high additionality**, very **low deadweight** and demonstrating a **clear picture of market failure**¹⁴. The evaluation of each strategy has also indicated that the companies and individuals we support are highly satisfied with the service provided by Northern Ireland Screen¹⁵ and believe that the interventions being made are the right ones for the development of the screen industries in Northern Ireland¹⁶.
- 4.4 ‘Driving Global Growth’ is projected to deliver a direct and immediate return of £121 million at a total cost of £27.3 million.
- 4.5 Northern Ireland has in the last few years been associated with considerable international critical success including an **Oscar, Camera D’Or, BAFTAs** and **Emmys**, while **Game of Thrones**, now in its 4th year and 4th season in Northern Ireland, is arguably the most talked about – both by critics and fans – show in the world today.
- 4.6 Equally important, new talent from Northern Ireland is beginning to come to the fore; for example, Screen International, the film industry trade magazine, named 2 young local directors, Cathy Brady and Stephen Fingleton, amongst their UK Stars of Tomorrow in their June 2013 edition¹⁷.

¹³ Including its demand for independently produced content.

¹⁴ Cogent Management Consulting’s Interim Evaluation of Driving Global Growth.

¹⁵ Cogent Management Consulting’s Interim Evaluation of Driving Global Growth.

¹⁶ Cogent Management Consulting’s Interim Evaluation of Driving Global Growth.

¹⁷ <http://www.screendaily.com/5057694.article>

4.7 Northern Ireland Screen’s Education Strategy, detailed in ‘A Wider Literacy’ published in January 2004, has also come a long way in 10 years. Centred around the outputs of the Creative Learning Centres (CLCs), and more recently After School Film Clubs, the Education Strategy received strong endorsement from the BFI European Survey which singled it out as the only film education strategy surveyed that had a fully developed framework with the necessary buy-in across education and culture. The Strategy and delivery has received regular evaluation through the Education and Training Inspectorate while the Education Policy Working Group, on behalf of Northern Ireland Screen, continually reviews the policy and outputs including through an update evaluation by BDO Stoy Hayward in 2008 which is re-appraised in summary later in this chapter.

4.8 The activities of our exhibition partners – Belfast Film Festival, Cinemagic, Nerve Centre/Foyle Film Festival and QFT – and Northern Ireland Screen’s own development of the Digital Film Archive make up our cultural activity. The outputs from both exhibition and archive have been extremely strong and compare favourably to other UK and Ireland comparators.

Evaluations of Northern Ireland Screen

Interim evaluation of Driving Global Growth 2010-14

4.9 The most recent evaluation of Northern Ireland Screen, Cogent Management Consulting’s Interim Evaluation of Driving Global Growth 2010-14, August 2012, was extremely positive.

4.10 Cogent found that:

- The considerable monetary benefits (both in GVA and employment terms) deriving from the production activity supported by Northern Ireland Screen provided **Value For Money** in respect of the support provided by Invest NI;
- 98% of the companies and individuals supported by Northern Ireland Screen expressed a high level of satisfaction with Northern Ireland Screen’s application processes, describing the organisation as pro-active in its support;
- The companies and individuals indicated that the support mechanisms provided by Northern Ireland Screen were wholly suitable for continuing the expansion of the Northern Ireland Screen industry;
- The Northern Ireland Screen Fund had **very high additionality** in comparison to appropriate benchmarks, and very low deadweight in comparison to similar benchmarks:

	Additionality	Deadweight
Northern Ireland Screen support average	88	12
UK Regional – All Interventions	57	43

- There was full or partial market failure in relation to 68% of the Northern Ireland Screen Fund awards (over 95% of the funds) and 22% partial market failure in the skills awards (less than 5% of funds). The evaluation team found that affordability rather than market failure was the primary reason not to undertake skills development.
- The Northern Ireland Screen Fund had a gross GVA of £3.29 and a net additional GVA of £2.66 for every £1.
- Other wider benefits and regional benefits including a significant contribution to the attraction of Foreign Direct Investment, Skills Development, Knowledge Transfer, Entrepreneurship, reduction in the Brain Drain and Innovation.

4.11 One limitation on Cogent’s evaluation was that they had difficulty assessing some of the formal targets set in the previous economic appraisal due to a lack of access to the economic model developed by the previous consultants. Consequently, Cogent recommended that Invest NI and Northern Ireland Screen remodel the targets for Driving Global Growth. The outputs and KPIs associated with this strategy use Cogent’s new measurement framework.

Previous Evaluations and Appraisals

4.12 Excepting the change in GVA measurement techniques and models between the interim and final evaluations of Building On Success, the evaluations and appraisals of Northern Ireland Screen activity have been very consistent, each capturing strong monetary returns, measuring high additionality, low deadweight, good value for money and a very positive picture from the consultees.

The chart below briefly summarises the findings:

	Value for Money	Additionality and/or Deadweight	Monetary Outputs/GVA	Consultations on NI Screen service
<i>The Most Powerful Industry in the World 2003-07: Evaluation by Deloitte</i>	‘The return on investment of the NIFTC’s strategy 2003-2006 has provided value for money and represented a good use of public funds.’	‘Expenditure across all funds has been either wholly or partially additional.’	Leveraged a direct spend in Northern Ireland of £14.3 million by 31 March 07 GVA impact of £14.4m, plus £7.4m of indirect and induced GVA impacts	Consultees ‘have provided very positive feedback regarding the quality of services provided’
<i>Building On Success 2007-10: Interim Evaluation KPMG and Oxford Economics, March 2009</i>	‘Overall, it is concluded that the NISF continues to provide good Value for Money in the expenditure of public funds.’	‘Consultations would indicate that in eight out of ten cases the support is fully additional and in two out of ten cases is partially additional.’	‘The NISF has performed very strongly generating £20m of direct spend in the NI economy for an investment of £4.8m, which is a considerable achievement.’	‘It was felt that they lobby very hard for the sector and continually strive to represent and promote NI internationally.’

Building On Success: Final Evaluation 2012 by Cogent August 2012	'Northern Ireland Screen's Invest NI funded support interventions have represented value for money during the period 2007-2010.'	Average NI Screen deadweight of 16% and deadweight on main Screen Fund extremely low at 2.94%.	£54.7m returned at a ratio of £5.08 to £1 committed. Gross GVA of £32.2m and £29.5m net additional GVA.	'A high level of overall satisfaction has been expressed by companies/ individuals in receipt of support by Northern Ireland Screen.'
Driving Global Growth: Interim Evaluation by Cogent August 2012	The considerable monetary benefits (both in GVA and employment terms) deriving from the production activity supported by Northern Ireland Screen provided Value For Money in respect of the support provided by Invest NI.	Cogent assessed the Northern Ireland Screen Fund as having very high additionality in comparison to appropriate benchmarks and very low deadweight in comparison to similar benchmarks.	The Northern Ireland Screen Fund was assessed by Cogent as having a gross GVA of £3.29 and a net additional GVA of £2.66 for every £1.	Cogent found that 98% of the companies and individuals supported by Northern Ireland Screen expressed a high level of satisfaction with Northern Ireland Screen's application process.

Performance of Large Scale Production

- 4.13 Northern Ireland has been extremely successful in attracting large-scale film and television production in recent years within the context of the infrastructure available. Northern Ireland Screen's focus on large-scale production will deliver by the end of the 4 year period of Driving Global Growth¹⁸ over £100 million of inward investment to Northern Ireland.
- 4.14 The stand out success of that Strategy is HBO's high end television series **Game of Thrones**, which, with 11 Emmy nominations and the Television Critics Association's 'Programme of the Year Award' for 2012, *is probably* the most talked about television drama in America, and *certainly* carries the biggest economic punch of any drama production in Europe.
- 4.15 **Game of Thrones** has provided the justification for the public/private financing and building of 40,000 square feet of sound stages at Titanic Quarter beside the Paint Hall¹⁹; has catapulted Northern Ireland into the premier league of global production locations²⁰; and underpinned the argument for the newly created UK High End Television Drama Tax Credit²¹. The local, national and international significance of **Game of Thrones** must not be underestimated when considering the potential future growth of the screen industries in Northern Ireland.
- 4.16 At the same time, Northern Ireland has carved out market share in the US studio film marketplace with Walden Media's production of **City of Ember** in 2007 providing the first transformation of the Paint Hall at Titanic Quarter, and Universal Pictures producing **Your Highness** here in 2009 and **Dracula** in 2013. It was extremely encouraging that Northern Ireland re-entered the large-scale film production market place in 2013 with Universal Pictures' **Dracula**, having stepped out of the market to ensure a positive experience for HBO's **Game of Thrones** during the first 3 seasons between 2010-13.

¹⁸ See Northern Ireland Screen's Driving Global Growth strategy.

¹⁹ See Economic Appraisal Additional Studio Facilities by Cogent Management Consultants for Invest Northern Ireland.

²⁰ See Variety 'Scout and About in Northern Ireland' and Location UK.

²¹ See Game of Thrones - the Northern Ireland case study for a cinematic television tax credit.

- 4.17 However, the facilitation of **Dracula** has been greatly challenged by the lack of purpose built sound stages or suitably refurbished build spaces.
- 4.18 Large-Scale Production has consistently delivered the highest monetary returns within the screen industry.

Performance of Animation

- 4.19 Northern Ireland has a tradition of talented animators. John McCloskey's work with the Nerve Centre in Derry~Londonderry, most recently seen at the launch of Derry~Londonderry UK City of Culture 2013²², is a good example, as is Alastair McIlwaine's 30 year career spanning Pink Floyd's **The Wall** to **Lifeboat Luke's** immortalisation of Donaghadee²³.
- 4.20 The number of credible companies within the animation sector has grown considerably in recent years. Firstly, Flickerpix came to the attention of local audiences through, in particular, **On The Air**²⁴ and, more recently, Sixteen South has been blazing a trail in internationally co-financed children's shows in partnership with industry legends The Jim Henson Company and Sesame Workshop²⁵. The sector also includes the experienced Dancing Girl, with recent international co-production **Joe and Jack**, and exciting Derry~Londonderry based start-up Dog Ears²⁶. Lastly, the sector has just been strengthened with the introduction of Jam Media, the BAFTA award-winning and Dublin-headquartered animation studio²⁷.
- 4.21 That Northern Ireland hosts an animation cluster of more than 6 companies is a minor miracle given that until very recently it lacked 3 of the 4 main infrastructural ingredients for an animation sector to thrive, that is: an underpinning tax credit; a local broadcaster commissioning or pre-buying children's content; and an animation school. The 4th infrastructural requirement is a local screen agency supporting the development and production of animated content – Northern Ireland Screen has performed this role over the last 10 years, funding all of these companies in development and production. The need for, or value of, these underpinning factors is best exemplified by the success of the animation sectors in Dublin and in Vancouver where all 4 factors are in place.
- 4.22 Animation production has delivered reasonable economic return but, with the exception of Sixteen South, the companies struggled to secure a steady flow of commissions.

²² <http://www.nervecentre.org/news/nerve-centre-animation-features-launch-city-culture-2013>

²³ <http://www.lifeboatluke.tv>

²⁴ http://www.flickerpix.com/portfolio_mod/on-the-air-fainting-hen/

²⁵ <http://www.sixteensouth.tv>

²⁶ <http://cheersdogears.com>

²⁷ <http://www.jammedia.ie/#/about/home/>

Performance of Television Drama²⁸

- 4.23 Excepting the large-scale production *Game of Thrones*, the majority of television drama series or serials produced in Northern Ireland have been commissioned by the BBC. In the last couple of years, the quality and range of this drama has increased, with *Hidden*, *Line of Duty* and *The Fall* all attracting positive reviews and strong audience following²⁹. Comedy drama series *Blandings* was also a success resulting in a re-commission for a 2nd series, while children's drama *Dani's Castle* was also re-commissioned. It is worth noting that these projects have also utilised a great deal more local crew and resources than previous projects.
- 4.24 *The Fall* has particular importance as a story set in Northern Ireland featuring characters from Northern Ireland – and therefore actors from Northern Ireland – and has already been re-commissioned.
- 4.25 Northern Ireland Screen provided considerable support for *The Fall*, *Blandings* and *Dani's Castle* but only relatively modest support for *Line of Duty* and no support for *Hidden*, *Wodehouse In Exile* or *Jamaica Inn*. It is encouraging that the BBC's obligations to produce television drama in Northern Ireland are finally driving drama production activity here and that it no longer falls exclusively to Northern Ireland Screen to lever in this work.
- 4.26 Given the BBC's obligation to commit 3% of its network production budget in Northern Ireland by 2016 with a focus on television drama, Northern Ireland Screen has throughout Driving Global Growth considered carefully the rationale for its support of drama projects that are primarily targeted at the BBC. Northern Ireland Screen asserts that it has plotted the right path between avoiding propping up the BBC's obligations and ensuring that the drama production sector continues to grow. The additional findings in our most recent appraisal support this assertion as does the production of BBC dramas *Hidden*, *Wodehouse In Exile* and *Jamaica Inn* in Northern Ireland without Northern Ireland Screen support. That recoupment to Northern Ireland Screen from international sales of *The Fall* is projected to reach 75% of the funding provided within the next 12 months also strengthens that assertion.
- 4.27 While Northern Ireland Screen will continue to be alert to the need to justify funding committed in support of BBC drama productions, there remain many scenarios where the development of the television drama sector will be best served by Northern Ireland Screen supporting drama projects for the BBC.
- 4.28 In summary, the shift in Northern Ireland Screen's position is from a presumption that we will support television drama projects primarily for the BBC, to a presumption that we will not fund drama projects for the BBC without a clear rationale as to the added value we are supporting. That rationale will in most instances focus on the export potential of the project, the skills development opportunities associated with the project, the relevance of the project to a local company's development and any cultural or tourism value that may be associated with the project. A clear understanding of our policy with regard to projects for the BBC could

²⁸ For the purposes of this strategy, television drama includes comedy drama, factual drama and children's drama.

²⁹ <http://www.guardian.co.uk/tv-and-radio/video/2013/may/21/week-in-tv-game-of-thrones-mad-men-the-fall-video>

be facilitated by an overarching agreement with the BBC on all aspects of our partnership with it³⁰.

Performance of Irish Language and Ulster-Scots

- 4.29 The ***Irish Language Broadcast Fund*** has supported the production of almost 500 hours of Irish Language content across a range of genres in Northern Ireland for broadcast on TG4, RTÉ and BBC Northern Ireland, putting Ulster Irish on television in a consistent way for the first time and creating an almost instant creative hub for Irish Language production. More recently the ILBF has supported digital content through mobile phone applications and website content, and radio content through a new training initiative with Raidió Fáilte.
- 4.30 The successes have been considerable for a fledgling production sector. The feature film ***Kings*** became Ireland's Foreign Film Oscar nomination. ILBF content has been recognised with numerous nominations at the Celtic Media Festival and wins for ***Kings*** (2008), ***Na Dódaí*** (2009) a pre-school educational series, and teen drama ***Seacht*** (2009 and 2010). The fund has also been instrumental in the development of a local low budget drama sector with Stirling's ***Seacht*** and ***Scúp***.
- 4.31 The ILBF has become a critical tent pole of the growing independent production sector in Northern Ireland, contributing approximately £3.5 million (£2.5 million direct investment and approximately £1 million levered) in turnover to a sector that is only approximately £20 million in total.
- 4.32 The Fund has also strongly supported a number of companies seeking to work exclusively in Irish - Tobar, Sonas, Dearcán, Indee and Bóthar Ard.
- 4.33 The ILBF has been extremely broad in its reach – the FGS McClure Watters report³¹ captured a total of 832 Irish speakers who had been employed in some capacity by the Fund. The total number of people employed, albeit as short term freelancers, would far exceed this figure with many of the production personnel and technicians non Irish speaking. Before the ILBF 5 people were employed in the freelance Irish Language sector!
- 4.34 The Fund has provided or supported the training of 185 individuals across a range of areas including in particular an annual modern day apprenticeship scheme. A recent internal report reveals that of the apprentices who have come through the apprentice schemes since 2005, 72% still remain working in the sector.
- 4.35 Since the inception of the ***Ulster-Scots Broadcast Fund*** (USBF) in 2011, it has funded the production of 40 hours of Ulster-Scots content across a range of genres for broadcast on BBC Northern Ireland, RTÉ and UTV.
- 4.36 13 Independent production companies have received funding to produce a range of programming including historical and factual documentaries, animation, light entertainment

³⁰ See page 68 Priority Partnerships – BBC. The possibility of an overarching agreement with the BBC is a key element of this strategy.

³¹ FGS McClure Watters Final Evaluation Report on ILBF, May 2010.

and digital content. This programming has consistently reached audiences of over 40,000 in Northern Ireland.

- 4.37 Programming highlights include *Dan Cruickshank's Written in Stone*, a 4 part series on Ulster architecture which has been repeated on BBC4; *The Ulster Covenant*, a documentary telling the story of the half a million men and women who signed the Ulster Covenant; and *An Independent People*, a series on the turbulent and dramatic history of the Presbyterian Church in Ireland
- 4.38 Audiences for USBF funded projects have been very strong peaking at over 110,000 on BBC1, 45,000 on BBC2 and 160,000 on UTV.
- 4.39 The present funding package for the *Irish Language Broadcast Fund* and the *Ulster-Scots Broadcast Fund* comes to an end in March 2015. Northern Ireland Screen is in discussions with DCMS, DCAL and the NIO about the timely renewal of this funding. For a smooth progression a new funding package must be agreed by March 2014.

Performance of Factual Television

- 4.40 Factual television³² is the core of the independent television community in Northern Ireland. As such, it remains enormously important to the future success of the screen industry here. This core segment of the sector had a relatively disappointing performance across the last Strategy, impacted by significant reduction of BBC NI's local commissioning budget and RTE's even greater reduction in their television commissioning budget. There were a considerable number of important successes but the overall turnover of the factual television community is stubbornly flat.
- 4.41 The lack of growth is primarily the result of the BBC's Out of London strategy failing to impact on this sector in Northern Ireland, compounded by low levels of commissioning from Channel 4 from Northern Ireland. This is an extremely long-standing problem on which Northern Ireland Screen has had limited impact. In our view, considering BBC driven development in Salford, Wales and Scotland, the solution to this persistent challenge is at a political level.
- 4.42 As a consequence, Northern Ireland based factual television companies do not feature strongly in the UK league tables³³ and mergers and acquisitions activity has been very limited in Northern Ireland while extremely active elsewhere.³⁴
- 4.43 While the overall figures present a disappointing picture within factual television, there has been a considerable shift in the makeup of the overall factual television turnover that is encouraging. There is a strikingly more pronounced international profile to the work undertaken in Northern Ireland than in Salford and Pacific Quay. Wild Rover, Waddell Media and 360 all focus much more on international markets than UK markets, while DoubleBand,

³² For the purposes of this document, Factual Television is a catch-all term for television other than drama/fiction. It includes all entertainment programming, documentaries, and factual entertainment.

³³ See Broadcast Indie Survey 2013 at tab 6 in Appendix 1.

³⁴ Ten Alps bought Below the Radar but then returned it to local management.

Stirling and Green Inc are all regular suppliers to RTÉ. *As the local market has shrunk and the UK market has proven impenetrable, the sector here has become more export focused*³⁵.

- 4.44 The sector has also made notable breakthroughs in digital content – 360 secured one of the first YouTube Channel commissions, while Waddell Media’s **4Thought** introduced web-developers Atto and Johnston North to Channel 4.
- 4.45 Northern Ireland Screen has made a very small number of production awards to factual television projects during the last Strategy. This does not reflect a lack of willingness on the part of Northern Ireland Screen but a paucity of projects to support.
- 4.46 We’ve already noted the limited impact of the BBC’s Out of London initiative; it is also the case that Northern Ireland Screen does not actively market its funds to UK-based factual television producers in the way it has done for television drama – amongst other reasons this was to avoid displacement from other parts of the UK. Instead, we have pursued a policy of supporting the local independent companies. Northern Ireland Screen did try and attract super-indies to Northern Ireland in a previous Strategy period but we found it impossible to sustain value beyond the individual projects supported³⁶.
- 4.47 The projects that have been supported have been successful with a very international profile; for example, Waddell Media’s **How Jaws Changed My Life** had the highest ratings during Discovery’s annual Shark Week. They also include Titanic and City of Culture projects produced in support of a wider Northern Ireland agenda.
- 4.48 Given the number of companies that focus on factual television, the number of development awards, while greater than production awards, is also modest. The direct trackable impact is reasonable, sitting already at a ratio just under 3:1. It should also be noted that all of the supported companies provide a positive narrative regarding the indirect value of the development funding support.
- 4.49 It is also worth noting that Northern Ireland Screen makes a significant contribution to the factual television sector through other mechanisms. The Ulster-Scots Broadcast Fund commits over £900k per annum to this sector while many of the companies are also beneficiaries of support from the Irish Language Broadcast Fund. These funds are primarily designed to support language and culture but they also contribute to the sustainability of the production sector.
- 4.50 We also develop and commission a significant Landmark Documentary on an annual basis – DoubleBand’s **Road** being the commission for 2012-13.

³⁵ Wild Rover’s entertainment formats Take the Money and Run and Secret Fortune, Waddell Media and 360’s work for Discovery.

³⁶ Endemol was supported to produce children’s series Bels Boys and EMU in Northern Ireland. While important projects for Northern Ireland they did not lead to Endemol setting up an ongoing satellite office in Northern Ireland. Had the ‘pull’ of BBC quota for Northern Ireland been greater, Endemol might have been more inclined to create a permanent base in Northern Ireland.

Performance of Independent Film

- 4.51 Supporting independent film was the founding purpose of Northern Ireland Screen. Despite committing fewer funds to independent film than our peers at the Irish Film Board, Creative Scotland and the BFI, we have had successful outcomes – the Oscar for *The Shore* best illustrates the extent of the public value that can come with a successful independent film. *The Shore* made as big a contribution to tourism and to Building a Shared Future as it did for the screen industries.
- 4.52 *Good Vibrations* also strongly illustrated the power and potential of independent film, capturing as it did a local subject that has the potential to resonate universally. *Good Vibrations* was written, directed, and produced by Northern Ireland resident talent and featured an up-and-coming Northern Ireland resident actor. Projects like this are important totems for the whole of the screen industries, not just independent film, and provide, along with public highlights like *The Shore*, the high profile encouragement that can inspire a new generation of talent and energise our Education Strategy.
- 4.53 Northern Ireland Screen’s ‘Opening Doors’ Strategy 2014-18 will prioritise the nurturing of the independent film sector in Northern Ireland. We will place a particular focus on the most talented local writers and directors seeking to make a creative contribution to our economy and society. It is very exciting that much of our development work is beginning to pay off with, for example, 2 young local directors highlighted by Screen International as hot properties for the future.
- 4.54 While independent films have returned considerable value – including an economic return of 3:1 over the last Strategy and very considerable skills development opportunities for directors, writers and Heads of Department – developing stable independent film companies has been difficult. This is not a problem unique to Northern Ireland, as illustrated by Olsberg SPI’s “Building Sustainable Film Businesses: The Challenges for Industry and Government”³⁷. The next Strategy period is focused on achieving a reasonable level of stability for production companies – what Olsberg calls ‘Maintained Stability’ – while maximising the potential opportunities for the most talented writers and directors from Northern Ireland.

Performance of Gaming, Mobile, E-Learning and Web Content

- 4.55 Northern Ireland is relatively under-developed in these sectors often grouped as Digital Content. Unfortunately, we do not have the gaming companies that have been long-established in Scotland, or the social media giants that have European headquarters in the Republic of Ireland – although we do have a number of significant software companies that require some of the same skillsets as these sectors³⁸.

³⁷ Included at Appendices 1 at Tab 4.

³⁸ The connections between the needs of the software industry and the modern screen industries has more importance within Northern Ireland Screen’s Education Strategy.

4.56 The sector lacks companies of scale. However, there are a number of companies and projects that have sufficient credibility and creativity to act as the beginnings of sectoral development. For example:

- Learning Pool is a significant and stable company in the E-Learning sector;
- Inlifesize produced an augmented reality mobile game *Fairy Magic*, which sparked considerable interest;
- 360 was amongst the first companies in Europe to be commissioned by YouTube to produce a channel called *Head Squeeze*;
- The purchase of design studio and font owner Design by Front by Monotype for £3.2 million in 2012;
- Filmtrip's development of Sensum, emotional response technology for cinema and television.

4.57 There is also considerable generic web content experience, primarily in the broadcasters BBC NI and UTV, the newspapers the Irish News and the Belfast Telegraph, and in the independent current affairs company Below the Radar with web news services *The Detail* and *Meon Eile*.

4.58 Beyond this there is a ground swell of micro businesses many of which are networked through Digital Circle and its Derry~Londonderry equivalent Digital Derry. This network of micro businesses has received seed funding from the Creative Industries Innovation Fund. There is no doubt that a number of these companies will develop a niche for themselves but, at the moment, they are, in general, embryonic and mostly struggling to find a commercially viable model.

4.59 Mindful of the high priority Invest NI places on these sectors, Northern Ireland Screen has targeted a fairly large number of development awards in this area. These awards have delivered very limited commercial outcomes but the majority have – similar to the Creative Industries Innovation Fund awards – delivered skills development and company business plan outcomes for the applicant companies. While these seem modest, there is a strong argument that they are consistent with the early development phase that characterises most of the sector.

4.60 Northern Ireland Screen has seen considerably more success where it has supported gaming, mobile or web content that has a close association with some aspects of the more traditional screen industries. Each of our larger production awards detailed below reflects this scenario, with the factual television company 360 branching into web content with YouTube and others; Johnston North designing the web platform for Waddell Media's Channel 4 Series *4Thought*; and Below the Radar seeking to repackage long form journalism through a web platform with *The Detail*. These projects have all delivered very reasonable direct economic return as well as providing the sort of reference projects we require. For example, Johnston North/Atto have undertaken further work for Channel 4 as a result of their work on *4Thought* while it is expected that a successful partnership between 360 and YouTube will led to bigger and better things.

BDO Evaluation of Northern Ireland Screen's A Wider Literacy 2008		
	BDO RECOMMENDATIONS	PROGRESS TO 2013
1	Develop a clear "top-down" strategic vision and Action Plan for integrating moving image media within education	<ul style="list-style-type: none"> • EPWG working closely across the education sector and with government departments to obtain buy-in on A Wider Literacy. • DCAL, DE and OFMDFM involved. • Revised action plan to be agreed as part of AWL review.
2	Undertake a full audit of moving image media activity provision	<ul style="list-style-type: none"> • Audit taking place as part of CLC work with schools and CCEA on Moving Image Arts uptake and statutory ICT assessment.
3	Provide information on the nature of moving image media and how it can be integrated within education	<ul style="list-style-type: none"> • 2013 CLC Future Classrooms conference for 400 decision makers and head teachers, to be repeated in 2014. • Printed and online resources for school SMTs produced. • Head of Education workshops with teachers, beginning teachers and film education forums nationally and internationally.
4	Provide information on the benefits of integrating moving image media within education	<ul style="list-style-type: none"> • As above • The Education and Training Inspectorate evaluate the work of the CLCs, after school Film Clubs and the specialist exhibition sector programmes.
5	Review of Continuing Professional provision in the area of moving image media	<ul style="list-style-type: none"> • Consultations have taken place with QUB, Stranmillis, St Mary's and University of Ulster as part of AWL Review and CLC programmes. • GTCNI consulted and agreed mechanism for input to Review of Teacher Competences Framework.
6	Undertake a formal assessment and subsequent provision of accreditation to individuals involved in providing and undertaking Continuing Professional	<ul style="list-style-type: none"> • A number of initiatives have been undertaken including a Masters module for teaching MIA at University of Ulster as part of PGCE course.

	Development training in the area of moving image media.	<ul style="list-style-type: none"> • Discussions with Film Nation and BFI on further accreditation initiatives in this area taking place. • Adobe and Apple accreditation for CLC trainers has been introduced.
7	Encourage inter-school collaboration, for the purpose of sharing moving image resources, best practice and more general technical expertise, in the area of moving image media.	<ul style="list-style-type: none"> • CLC extended partnership programmes with schools build in elements of collaboration and sharing with schools. • The latest C2k upgrade allows more collaboration for schools.
8	Ensure that all activity being undertaken by independent providers of moving image media is linked to the objectives of the curriculum and strategic policy	<ul style="list-style-type: none"> • The CLCs have devised a strategy that supports the Northern Ireland curriculum. • 70% of activity is directed at schools in disadvantaged areas in support of DCAL priority. • CLCs providing support for Coder Dojo and FabLab as part of STEM/STEAM agenda.
9	Undertake ongoing monitoring of the C2K infrastructure	<ul style="list-style-type: none"> • C2k consulted in AWL review. • Regular input by C2k to CLC management meeting. • Regular training for CLC staff and trainers on C2k upgrades.
10	Undertake measures to influence government policy in relation to the construction of new schools to allow the integration of new ICT infrastructure.	<ul style="list-style-type: none"> • Regular dialogue and advice being provided to C2k and CCEA through EPWG and CLC groups to reinforce the need for improved bandwidth and mobile wireless technology in all schools. • Consultations with DE and DCAL as part of AWL Review.

5.0 Policy Context

Introduction

- 5.1 The challenges we face in creating a vibrant, sustainable film and screen sector in Northern Ireland are not unique. The structure and economics of screen production do not fit neatly into traditional public policy intervention strategies due to the characteristics of investment and production flows within the sector. Large screen investment in Northern Ireland is most likely to be project-led and dependent on a range of funding mechanisms, while indigenous businesses face a constant challenge to secure an ongoing flow of commissions.
- 5.2 Notwithstanding the general characteristics of the sector, governments throughout the world recognise the enormous economic, cultural and social value of the screen industries. Screen production is identified as a major driver of activity in the creative economy which is in turn a core part of the knowledge economy. This is increasingly so as we move towards a convergence of digital technologies.
- 5.3 Olsberg SPI's report "Building Sustainable Film Businesses: The Challenges for Industry and Government" outlines the benefits arising from government support for the film sector. These are outlined as follows:
- Production spend - the 'Multiplier Effect';
 - Employment generation;
 - Direct investment return;
 - Export earnings;
 - Increased tourism;
 - National brand building;
 - Film as driver of the creative economy.
- 5.4 'Brand Northern Ireland' is well positioned to capitalise on the success delivered over the last 10 years. However, the opportunity is time bound and it is important that we signal our plans for the next 4 years to both international and local investors to maintain both confidence and growth.

Consistency with Northern Ireland Public Policy Framework

- 5.5 Northern Ireland Screen's 'Opening Doors' Strategy is rooted in the objectives outlined in the Programme for Government 2011 to 2015; the Northern Ireland Executive Economic Strategy 2012; The Department of Enterprise Trade and Investment Corporate Plan; Invest NI Corporate Plan; the Department for Culture Arts and Leisure Corporate Plan; Invest NI's Digital Media Strategy; and the draft Northern Ireland Tourism Strategy to 2020.

5.6 In order to illustrate how we plan to contribute to the different but connected strategies, the table below summarises the key policies to which the proposed Strategy will make a contribution.

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen’s Opening Doors Strategy 2014-18 (‘the Strategy’)
<p>Northern Ireland Executive Programme for Government Priorities and Budget 2011 – 2015</p>	<p>In the Programme for Government, the Executive has indicated that growing the economy is its key goal. In order to achieve this goal it has identified five key priorities. The priorities are as follows:</p> <ul style="list-style-type: none"> ■ Priority 1: Growing a Sustainable Economy and Investing in the Future; ■ Priority 2: Creating opportunities, Tackling Disadvantage and Improving Health and Wellbeing; ■ Priority 3: Protecting Our People, the Environment and Creating Safer Communities; ■ Priority 4: Building a Strong and Shared Community; and ■ Priority 5: Delivering High Quality and Efficient Public Services. 	<p>The Strategy will make a significant contribution to Priority 1, Priority 2 and Priority 4.</p> <p>Priority 1: The strategy will contribute significantly to a sustainable economy through the development of the screen industries through:</p> <ul style="list-style-type: none"> ■ Increased GVA; ■ Increased employment; ■ New businesses & FDI; ■ More profitable businesses. <p>Priority 2: The education and skills elements of the Strategy will create many new opportunities with the education activity in particular highly targeted at disadvantage.</p> <p>Priority 4: The cultural and education aspects of the strategy will contribute to Building a Strong and Shared Community.</p>
<p>Northern Ireland Executive Economic Strategy: Priorities for Sustainable Growth and Prosperity March 2012</p>	<p>The overarching goal of this Strategy is to improve the economic competitiveness of the Northern Ireland economy via:</p> <ul style="list-style-type: none"> ■ Increasing the level of exports and external sales as a proportion of Northern Ireland output; ■ Increasing the proportion of the working age population in employment; ■ Increasing Northern Ireland private sector output growth to exceed the UK average; and ■ Increasing Northern Ireland’s economic competitiveness to improve relative to other developed economies. <p>In order to achieve the longer term priority of the Strategy, five strategic rebalancing themes were developed. These themes are:</p>	<p>The Strategy is highly focused on exports. Driving Global Growth has already greatly increased the overall proportion of screen industries’ turnover in Northern Ireland emanating from exports.</p> <ul style="list-style-type: none"> ■ Increasing the size of the screen industry and continuing to develop the skills base will contribute to the overall proportion of the working age population in employment.

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<p><u>Theme 1:</u> Stimulating innovation, R&D and creativity</p> <p><u>Theme 2:</u> Improving employability and the level, relevance and use of skills</p> <p><u>Theme 3:</u> Competing in the global economy</p> <p><u>Theme 4:</u> Encouraging business growth</p> <p><u>Theme 5:</u> Developing our economic infrastructure</p>	<p><u>Theme 1:</u> The evaluation of Driving Global Growth noted its contribution to innovation; the screen industries have creativity at their centre; the Strategy includes a strong focus on development which is the screen industries equivalent of R&D.</p> <p><u>Theme 2:</u> The Strategy has skills development and, in particular, <i>on the job modern apprenticeships</i> as a core element.</p> <p>The focus on digital technologies in Northern Ireland Screen's education activities should improve employability for many in the near future.</p> <p><u>Theme 3:</u> The screen industries are global in nature – Northern Ireland Screen is attracting blue chip companies like HBO and Universal Pictures as FDI and supporting indigenous companies to produce content for global markets.</p> <ul style="list-style-type: none"> ■ <i>Game of Thrones</i> produced by HBO is the largest TV drama production in Europe and spends in excess of £20m in the Northern Ireland economy across several areas of activity. It is the largest single project broadcast on the Sky Atlantic platform. This scale of production utilising the crew and facilities in Belfast cements the credibility of the local industry for future inward investment negotiations <p><u>Theme 4:</u> Strategy will deliver a total NI spend of £249m at an additionality rate of 90% or over.</p> <p><u>Theme 5:</u> The Strategy is designed to facilitate through increased demand the improvement of economic infrastructure; for example, increased production underpinned the rationale for the development of sound stages at Titanic Studios.</p> <p>Dual key elements of the strategy are the pursuit of large-scale external projects and the continued support of local content projects:</p>

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<p>Additionally, as the recession has had a significant impact on our economy, in particular on the local labour market, the economic strategy also includes the following short to medium term labour market rebuilding themes:</p> <p><u>Theme 1:</u> Improving employment opportunities and employability; and</p> <p><u>Theme 2:</u> Promoting employment.</p> <p>Under each of the above themes the economic strategy details a number of actions associated with the same.</p>	<p><u>Theme 1:</u> Opening Doors is focused on creating immediate employment opportunities. The strategy, created very close to the industry it supports, seeks to match the skills development very closely with the sectoral growth; for example, the AIM HIGH apprentices in 2012-13 are all presently employed while the ILBF apprentices have a high retention rate within the sector.</p>
<p>Department of Enterprise Trade and Investment - Corporate Plan: 2011 – 2015</p>	<p>The aim of DETI's Corporate Plan is to outline the main economic priorities of the Department. DETI's stated Departmental goal is to: <i>"promote the growth of a competitive and export led economy"</i>. The five relevant priority areas DETI has identified in its corporate plan are:</p> <ul style="list-style-type: none"> ■ Stimulate innovation, R&D and creativity; ■ Support 500 companies to undertake in R&D for the first time; ■ Help Northern Ireland businesses compete in the global economy; ■ Promote 5,900 jobs from inward investors with 75% paying salaries above the NI private sector mean; ■ To encourage business growth: <ul style="list-style-type: none"> - Support 60 new start-ups selling outside UK markets. 	<p>Opening Doors has a strong strategic fit with DETI aims and objectives and remains focused on innovation and creativity designed to compete in global markets.</p> <p>The evaluation of Driving Global Growth found that other wider and regional benefits included a significant contribution to the attraction of Foreign Direct Investment, skills development, knowledge transfer, entrepreneurship, reduction in brain drain and innovation.</p> <p>City of Ember, Your Highness, Game of Thrones, and Dracula have catapulted Northern Ireland into the premier league of global production locations. This impacts significantly on the potential future growth of the NI Screen industries internationally.</p> <p>Growth and development of production is the core aim of the Strategy. Development of local companies is central to the success of the NI industry.</p> <p>Factual television created in NI has developed an international profile and has become more export focussed.</p> <p>The ILBF and USBF play a significant role in supporting the development of the Northern Ireland independent television sector, including the growth of new businesses.</p> <p>The number of Northern Ireland based companies within the animation sector has</p>

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<ul style="list-style-type: none"> ■ To improve employment opportunities; ■ To improve, in conjunction with DEL, employability and the level, relevance and use of skills: <ul style="list-style-type: none"> - Secure £100m investment in skills. 	<p>grown considerably in recent years and further development of the sector is supported in this Strategy.</p> <p>We will continue to support companies in the embryonic stage of development at the cutting edge of innovation and creativity in the gaming, mobile and web-content sector.</p> <p>A key element of the Screen Fund continues to be the prioritisation of skills. Skills gaps are identified by continual assessment of the skills needs on Screen Fund projects. An apprenticeship scheme will be created, supported by Creative Skillset, to invest more than £300k in new talent for the animation sector. Productivity within evaluation of the Building On Success Strategy was captured as £53k per FTE against a Northern Ireland average of £41k.</p> <p>Production based training has been prioritised, including work shadowing, mentoring and acting up.</p> <p>Data from Creative Skillset indicates that workforce qualification levels in the UK film industry are much higher than the economy average – three fifths are graduates compared to one-quarter for the economy as a whole.</p>
<p>Invest NI Corporate Plan 2011 – 2015</p>	<p>Invest NI <i>"Will contribute to the rebalancing and rebuilding of our local economy to increase the overall standard of living by driving productivity growth and increasing employment."</i></p> <p>The Plan sets out the role Invest NI will play <i>"to support wealth creation in NI as an enabler and catalyst to grow innovation, exports, productivity and employment throughout the business base, resulting in increased living standards for all."</i></p> <p>The plan sets out key economic growth drivers including:</p> <ul style="list-style-type: none"> ■ Stimulating innovation and creativity; ■ Improving employability and skills; ■ Competing in the global economy; ■ Encouraging business growth; 	<p>Growing the creative industries through increased GVA, increased skills development and deeper sustainability will contribute towards the growth of the Northern Ireland economy.</p> <p>The Strategy will be successful in attracting and maintaining FDI in NI. It will impact positively on the development of local companies through production support, marketing support and skills development.</p> <p>The growth and expansion of the screen industry will help to retain skilled individuals within NI. Skills will be developed further through individuals working side by side with leading national and international production companies.</p>

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<ul style="list-style-type: none"> ■ Developing infrastructure; ■ Promoting employment. 	<p>Development funding is focused on assisting companies to break into new export markets.</p> <p>New technologies in post production and visual effects are at the core of industry developments.</p>
<p>Department for Culture, Arts and Leisure – Corporate Plan 2011-2015</p>	<p>DCAL's mission is <i>"To protect, nurture and grow Northern Ireland's cultural capital by providing strategic leadership and resources for the promotion and sustainable development of the culture, arts and leisure sectors."</i> They have an overarching vision to create <i>"a confident, creative, informed and prosperous community"</i>. To achieve this vision, DCAL has identified a number of strategic goals, two of which have a direct relevance to the Strategy:</p> <ul style="list-style-type: none"> ■ Enabling as many people as possible to improve their quality of life by experiencing, participating and accessing the excellence of Northern Ireland's cultural assets; ■ Helping to grow a dynamic and innovative economy. <p>DCAL has also recently prioritised Social Inclusion, Equality and Tackling Poverty.</p>	<p>The Wider Literacy Strategy, the Creative Learning Centres and Moving Image Arts A Levels and GCSEs are all designed to make education relevant to the economy and in particular the creative industries.</p> <p>The Wider Literacy Strategy and the on-going work of the Creative Learning Centres and Moving Image Arts qualifications within it, continue to contribute significantly to developing a culture of innovation and creativity in schools and among the youth of Northern Ireland.</p> <p>Over 3,000 teachers participated in courses in creative digital technology.</p> <p>Central to all CLC programming is the responsibility to tackle social disadvantage and promote social inclusion and equality. For nearly a decade CLC programming has actively addressed sectarianism and division in our society with the creation of innovative education programmes designed to promote mutual understanding and celebrate our shared history. In addition the CLCs have also successfully delivered a number of programmes targeting marginalised young people, using digital technology to encourage them to re-engage with education.</p> <p>After School Film Club is an initiative involving 236 schools in receipt of Extended Service Funding and offers children in the most disadvantaged primary and post primary schools the opportunity to watch and discuss age appropriate films and to upload reviews to the FILMCLUB website.</p>
<p>Invest NI Draft Digital Media Strategy 2013-15</p>	<p>Invest NI are developing a Digital Content strategy. Key growth areas identified are digital animation and post production, mobile and web content, film and television content and gaming.</p> <p>The strategy proposes to develop a programme of work across themes</p>	<p>Animation, post production, mobile, web content and gaming are all prioritised in the Strategy.</p> <p>The Strategy seeks to strengthen collaboration across the creative industries by drawing</p>

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<p>including:</p> <ul style="list-style-type: none"> ■ Active collaboration; ■ Value through innovation; ■ Internationalisation; ■ World class talent; ■ Enabling infrastructure; and ■ Smart investment. 	<p>Digital Circle, the Music strategy, the Creative Industry Innovation Fund, the Ulster Orchestra and, most importantly, individual talents and companies closer together.</p> <p>Cogent's evaluation noted that innovation was a key output of Driving Global Growth. With a similar commitment to development funding the Strategy will make a similar contribution to innovation.</p> <p>It is impossible to conceive of a project more international than HBO's <i>Game of Thrones</i>, while Northern Ireland Screen's marketing activity and production funding for indigenous companies is all focused on international markets.</p> <p>Northern Ireland Screen intends to continue to work with world class talent from at home and abroad – an Oscar, Camera D'Or, Emmys and BAFTAs illustrate this.</p> <p><i>Enabling Infrastructure:</i> by increasing the demand for services and creating a more stable and sustainable screen industry, the Strategy is creating the environment where public and private investment in infrastructure can take place.</p> <p><i>Smart Investment:</i> the Strategy investment mechanisms have been proven over many years to be customer friendly, industry friendly and effective at delivering the companies' objectives and Northern Ireland Screen's objectives.</p>
<p>Committee for Culture, Arts and Leisure</p> <p>Inquiry into Maximising the potential of the Creative Industries</p>	<p>The Inquiry found that there is considerable potential for the creative industries to contribute to the economy of Northern Ireland but also to the development of all our people as well as our schools colleges and universities. The Committee recommended:</p> <ul style="list-style-type: none"> ■ Improved collaboration and effective branding of the creative industries in NI, including streamlining of support; ■ Clear leadership with increased co-operation between departments, ALBs, industry and education; 	<p>Opening Doors advocates the development of a set of guiding principles between invest NI and Northern Ireland Screen to maximise the effectiveness of resources to grow the industry.</p> <p>Northern Ireland Screen will work with NITB and Tourism Ireland to maximise the opportunities through film tourism.</p> <p>Northern Ireland screen will take the lead in the development of the screen industries.</p>

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
	<ul style="list-style-type: none"> ▪ Further refinement of the CIIF. 	Northern Ireland Screen will continue to work to develop the value of CIIF.
<p>Northern Ireland Draft Tourism Strategy to 2020, DETI and NITB corporate plan.</p>	<p>The aim of the draft Tourism Strategy for Northern Ireland 2020 is to provide a clear and inspiring vision for the development of Northern Ireland's tourism experience and an action plan to deliver it.</p> <p>Priorities for action are identified under three themes: People, Product and Places, and Promotion. They are the building blocks to delivering the vision of 'Getting it on everyone's destination wish list'.</p>	<p>The Strategy recognises the role that the screen industries can play in supporting this vision in partnership with NITB and others.</p> <p>While not all screen content contributes to the development of tourism, the production of internationally distributed television and films such as <i>Your Highness</i> and <i>Game of Thrones</i>, has the potential to have a catalytic impact on local tourism. During the Strategy term, Northern Ireland Screen will seek to extend and develop its partnerships with NITB and Tourism Ireland to ensure that we capitalise on the tourism potential of all screen production.</p> <p>International film production is also high value added tourism in its own right, making a very substantial contribution to hotel bed nights and restaurant turnover.</p>
<p>Department of Education – Northern Ireland Curriculum</p>	<p>Every School A Good School. Focusing on improving learning experiences in every classroom.</p> <p>Numeracy, literacy and ICT have been identified as key areas linked to school improvement.</p> <p>“Report of the STEM Review” highlighted the need for young people's STEM learning to be more investigative and enquiry-based, and the need for the provision of a programme of support for primary teachers to develop the confidence and enthusiasm to teach science. It also recommended the need to provide professional development opportunities for teachers to update them on STEM development and issues globally in order to promote best practice and the need for action on raising the achievements of poorer performing pupils in STEM subjects.</p>	<p>The work of the CLCs is grounded in ICT, learning and literacy content. Strong connections are evident between these contexts and the employability element of the Northern Ireland Curriculum. This programme of innovation and expansion will further develop the role of the CLCs with regard to school improvement and further demonstrate how new challenges in the roll-out of mobile technologies can be overcome to further improve schools' ability to provide a modern, relevant education for our young people.</p> <p>Programmes delivered by the CLCs have contributed directly to schools being able to deliver CCEA's new ICT Accreditation Scheme at Key Stage 2 and Key Stage 3.</p> <p>The development of the Moving Image Arts GCSE and A Level qualifications has ensured that the full learning value of creative technologies is specifically recognised within the NI Curriculum.</p> <p>Northern Ireland Screen's Education Strategy supports:</p> <ul style="list-style-type: none"> - Child-centred provision; - High quality teaching and learning;

Government report/ strategy	Relevant Priority/Objective	Northern Ireland Screen's Opening Doors Strategy 2014-18 ('the Strategy')
		<ul style="list-style-type: none"> - Effective Leadership; - A School connected to the local community. <p>Our education policy seeks to support the delivery of the Success Through Stem policy. By delivering a new, innovative and internationally recognised route to STEM learning in schools and hard to reach communities, we seek to use a creative learning approach to the delivery of STEM related learning.</p>
DCAL Learning Strategy	To contribute and support the creativity and life-long learning agenda by developing the capacities of all our people for creativity and innovation and so promote and sustain the social, cultural and economic well-being of Northern Ireland.	Northern Ireland Screen has achieved this through the establishment of a set of Quality Indicators agreed with the Education and Training Inspectorate and adopted by DCAL arms length bodies and funded organisations. DCAL's Learning Strategy is also supported by After School Film Clubs for extended service schools and by our Digital Film Archive outreach programme that works directly and indirectly with partner organisations to provide life-long learning for those experiencing exclusion.
OFMDFM Anti-Poverty and Social Inclusion Strategy	In Section 3 "Children and Young People" the department outlines that <i>"Our goal is to ensure all children and young people experience a happy and fulfilling childhood while equipping them with the educational skills and experience to achieve their potential to be citizens of tomorrow."</i>	A key element of CLC work each year is their hard-to-reach programme which includes targeted initiatives that use new technologies to help the most vulnerable young people get the most from their educational experience and introduce new innovative approaches to encourage young people to re-engage with learning. After School Film Club is providing free access to film culture in Extended Service Schools for the most disadvantaged young people and helps develop their confidence, their literacy skills and encourages participation in cultural activities.
Creative Industries Strategy	Their strategy is "To contribute to the growth of Northern Ireland's cultural capital by supporting creativity and creative talents and in particular their expression in business activities and the 3 core Priorities for Action."	The CLCs have a key role to play in the practical delivery of the 3 core Priorities for Action, particularly the development of innovation through people.

6.0 Market Influences

General Market Considerations

- 6.1 The global screen industries market continues to grow strongly with increasing demand in emerging markets contributing strongly to the sustained overall growth.
- 6.2 In 2011 PwC reported that the global Entertainment and Media sector³⁹ was estimated at \$1.4 trillion and was projected to grow to over \$1.8 trillion by 2015.
- 6.3 In 2012, PwC reported that global spending on Entertainment and Media had risen by 4.9% in the previous year and 4.5% in 2010. PwC's projection for the next 5 years is an increased compound annual growth rate of 5.7% resulting in an overall sector worth \$2.1 trillion.
- 6.4 Within this general growth, PwC noted that:
- Total global spending on video games would continue to grow to \$83 billion by 2016;
 - Electronic books are surging, rising by 64.9% in 2011 and expected to rise to \$20.8 billion in 2016;
 - Global spending on filmed entertainment will rise at 3.1% compound annual rate reaching \$99.7 billion in 2016;
 - Global spending on music rose for the first time in several years strengthened by business models for streaming music maturing.

European Market Conditions

- 6.5 The European market for cultural and creative industries⁴⁰ has growth from 2.6% of EU GDP to 3.3% of EU GDP between 2009 and 2012, with the 3.3% representing 6.7 million people.

UK Market Conditions

- 6.6 In the context of the general recession, the screen industries have performed strongly. Broadcast Indie Survey 2013 reported that the UK indie sector had exceeded a combined value of £2 billion for the first time since 2008. The Survey noted that, while 70% of this market was controlled by large production companies – “superindies” – much of the growth was with the truly independent companies. Northern Ireland is not well represented in the indie production league tables. While it has three companies in the top 100, it has no representation in the top 20 and only one company in the top 50.

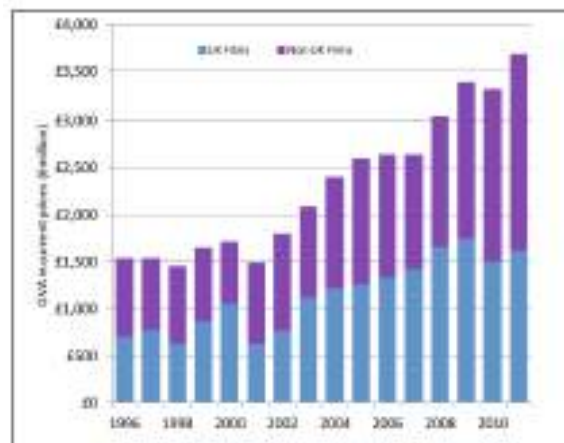
³⁹ The definition of Entertainment and Media is wider than the screen industries supported by Northern Ireland Screen but the majority of the activity captured defined as Entertainment and Media is within the screen industries.

⁴⁰ Cultural and Creative Industries is also a wider category than the Screen Industries but again the Screen Industries make up a high proportion of the Cultural and Creative Industries.

6.7 Meanwhile, the UK film industry has grown strongly over the last decade – with inward investing production making up over half of the sector – as illustrated by this table for Oxford Economics – The Economic Impact of the UK Film Industry 2012.



Figure 2: Gross value added in the UK film industry⁵



International Comparators

6.8 It is accepted right across the world from China to New Zealand, and from Singapore to Canada that the screen industries can deliver an unrivalled portfolio of economic and cultural value. Europe sets aside the single market principle in acknowledgement of the importance – particularly cultural - of the screen industries.

6.9 These very different economies each accept that the screen industries require on-going and considerable public financial support. China is raising public investment in the creative sector by 27% annually, New Zealand is extremely aggressive in courting international production⁴¹; the Canadian government provides a portfolio of tax incentives, grant schemes and marketing support for its screen industry; while Singapore provides unrivalled public support for screen industry companies willing to set up there.

⁴¹ New Zealand's Large Budget Screen Production Grant (LBSPG) offers a 15% rebate on production expenditure over a certain value. Since the inception of the LBSPG in 2003, overseas movie and TV productions, including Avatar, have spent more than \$1.42 billion in New Zealand and received state support of \$189.4 million.

6.10 These countries provide this support to the screen industries because they appreciate the value they receive in return. Olsberg SPI lists the value of screen industries as including Production Spend, Employment Generation, Skills and Talent Development, Direct Investment Return, Export Earnings, Increased Tourism, National Brand Building and Driver of the Creative Economy generally⁴².

6.11 Northern Ireland Screen has been facilitating the delivery of an ever increasing portfolio of value to Northern Ireland from the screen industries at a public cost that compares favourably with any of these international comparators, or with our near neighbours, the Republic of Ireland⁴³.

International Competition for Mobile Production

6.12 The international competition for mobile film and television production is considerable as illustrated by the following table of available support. This table illustrates strongly that the introduction in the UK of the High End Television Production Tax Credit, the Animation Tax Credit and the potential Gaming Tax Credit to sit alongside the Film Tax Credit levels the playing field for the UK, allowing it to compete internationally. Their introduction does not on its own provide any competitive advantage.

Country	Maximum Rebate (%)
Czech Republic	20
France	20
Germany	20
Hungary	20
Ireland	28
Italy	25
Malta	22
United Kingdom (large budget)	20
Non-Europe	
Australia (international)	16 ½
Singapore	40
South Africa	20
South Korea	25

⁴² Olsberg SPI – Building Sustainable Film Businesses: the challenges for industry and government, page 15.

⁴³ See the list of public interventions detailed in Creative Capital: Building Ireland’s Audiovisual Creative Economy at Appendices 1: Learning from Elsewhere tab 1.

BRIC Countries

- 6.13 The BRIC countries are all experiencing strong growth within the entertainment and media/cultural and creative industries sectors and in each of these countries there is strong public and private interest in the value of these sectors.
- 6.14 Notably these countries, along with countries including Israel, South Korea and Singapore, are taking considerable interest in the further development of the creative sector and, in many cases, are investing considerable public funds for that purpose. For example, China has increased public investment in the creative sector by 27% annually since 2007 and plans to raise the sector's share of GDP from 2.5% to 5-6% by 2015.
- 6.15 The USA and EU (including the UK) are taking a considerable interest in the increased consumer demand for consumer goods within the BRIC countries and are developing both public and private strategies to take advantage of these fast growing consumer markets.
- 6.16 The screen industries are no different to other consumer products and there is huge growth in consumer demand for screen content in Brazil, Russia, India and China.
- 6.17 However, it is important to understand how and/or whether it is possible for the Northern Ireland screen industry to capitalise on the growing consumer demand in BRIC countries.
- 6.18 The growth of these markets does not directly influence the large-scale production strategy for Northern Ireland, with that type and scale of production still exclusively dominated by the USA. Notably, the British Film Commission focuses almost exclusively on the USA for both large-scale film production and high end television production. There are considerable indirect impacts; for example, *Game of Thrones* is enormously popular in Brazil. This demand is remote from Northern Ireland's relationship with *Game of Thrones* but the international sales of *Game of Thrones* do indirectly finance the budget of the television series spent in Northern Ireland. The popularity of *Game of Thrones* in Brazil may also have a tourism dimension for Northern Ireland.
- 6.19 Most of the potential activity within the screen industry in Northern Ireland will replicate the *Game of Thrones* scenario; for example, independent films and television dramas may be sold in the BRIC countries along with many other countries in the world, but these sales are likely to be handled by sales agents or distributors at arms length from the production company in Northern Ireland. Similarly, television formats are likely to be sold in ever increasing numbers to all of the BRIC countries but, again, these sales are likely to be negotiated by international distributors rather than independent production companies directly. The situation is different for games and mobile content, which may be sold directly into these countries, with the exception of China.
- 6.20 Northern Ireland Screen, responding to leads generated by Invest NI, has attracted an Indian film to Northern Ireland and a second Indian film with connections to the first has also filmed in Northern Ireland. Across the UK, the appetite for attracting Indian films has diminished due to the poor economic returns associated with these projects and concerns

about the working practices associated with some Indian productions. Our experience to date is that Indian films do not deliver attractive economic returns, largely because Indian productions tend to bring their crew with them and often employ low budget techniques. Accordingly, Northern Ireland Screen would not intend to prioritise Indian film projects for the purpose of developing the screen industry in Northern Ireland.

- 6.21 However, Northern Ireland Screen is mindful of wider policy goals and would pursue Indian film projects if they deliver value to other parts of the Northern Ireland economic strategy. This value might be as cultural exchange/soft diplomacy in advance of stronger economic links or in support of tourism. NITB has indicated that India is a potential major market that Northern Ireland has limited penetration in at present. On that basis, we do not propose to target Indian film. This position will be kept under review and would be reconsidered if either *Ek Tha Tiger*, which filmed in Dublin, or *Nenokkadine*, which filmed in Belfast, prove to have demonstrable impact on tourist numbers from India.
- 6.22 China is the biggest of all of the emerging markets. However, as is simply explained in the NESTA report 'Crossing the River Feeling for Stones: A New Approach to Exporting Creative Content to China?'⁴⁴ June 2012, accessing this market with western orientated content is extremely difficult. At this point, China is largely impenetrable for the Northern Ireland screen industry with the exception of potential secondary sales of content or entertainment format sales that could be brokered through experienced and connected international sales agents or distributors. It is possible that this position could change with the development of the Confucius Institute at the University of Ulster. With the Confucius Institute likely to include considerable student exchange, it may be that Northern Ireland can develop stronger links into a region of China.
- 6.23 The lead-in time to engage meaningfully with China is likely to be very considerable – a minimum of 5 years seems reasonable. This makes it extremely unattractive for the private sector, other than the largest of companies, and does increase the argument for public intervention.
- 6.24 There are undoubtedly further opportunities in all of these countries and it is difficult in policy terms to reject the importance of these fast growing markets. However, with the exception of their indirect impact on secondary sales brokered at an arm's length from Northern Ireland, the BRIC countries do not offer the immediate opportunities available elsewhere. Accordingly, Northern Ireland Screen does not propose to prioritise them. However, Northern Ireland Screen will react to changes in circumstances or market opportunities that arise and will remain vigilant on the potential of the BRIC countries.

⁴⁴ The NESTA Report is contained within Appendices 1: Learning from Elsewhere.

Regional Distribution of UK content

6.25 This position relating to BRIC countries is supported by this table on UK film sales.

Regional Distribution of UK Film Exports 2006-2010

Region	% of total
European Union	36.3
Other Europe	7.7
USA	43.0
Asia	6.1
Rest of World	7.0

6.26 These sales figures for UK film are taken from Olsberg SPI's International Territory Review for the BFI prepared in December 2012. While film sales are possibly more traditional than other content sales, they do illustrate that the primary markets for UK content remain in Europe and the USA.

Local Export Focus

6.27 One of the strengths of the screen industry in Northern Ireland is that it is comparatively more export focused than would be the case in other nations or regions of the UK outside London. This distinguishes our sectoral growth from the BBC-driven initiatives in Salford, Pacific Quay and Cardiff. Book-ended by *Game of Thrones* at one end and the opportunities with broadcasters in the Republic of Ireland at the other, the extent to which the Northern Ireland production sector is more export focused than elsewhere in the UK is extremely pronounced.

6.28 This Strategy, with its focus on high end television drama (which is always a global product), studio film (a global product), animation (which is internationally co-financed and sold), and international entertainment formats is exclusively focused on exports and foreign direct investment.

Market Influences on Large-Scale Production

6.29 The large-scale production market will always be volatile, but Northern Ireland's position with a track record in both large-scale film production and high end television places it in a more stable position than many other competing nations or facilities; for example, the Republic of Ireland has been very strong in high end television in recent years but has not secured a studio scale film production in the recent past, while the Pinewood Group, the top performing film studio in Europe, has limited experience in high end television drama. Maintaining, as far as possible, a presence in both the studio film production market and the high end television

drama market should assist in protecting Northern Ireland from the volatility in both markets. There are recent developments that will assist with this aim.

- 6.30 In April 2013, the UK government introduced a High End Television Drama Tax Credit in support of television drama projects with a budget exceeding £1 million per hour. Northern Ireland Screen was at the forefront of lobbying for this tax credit and its introduction can be a significant lever for Northern Ireland. Its first tangible impact is that it allowed Northern Ireland Screen to reduce its incentive to HBO's ***Game of Thrones*** from £3.2 million to £1.6 million. This in turn released the budget for Northern Ireland Screen's support of Universal Pictures' ***Dracula***.
- 6.31 In light of the series' ongoing success, Northern Ireland Screen is working on the assumption that ***Game of Thrones*** will run for 7 seasons; that is, 3 years out of the 4 years of this Strategy. It is possible that it could be 6 or 8 seasons, but 5 seasons seems relatively unlikely at this stage.
- 6.32 The exchange rate between Sterling and the Dollar remains favourable for American inward investing projects, even more so given the ongoing strength of the Euro against both the Dollar and Sterling. While this can't be relied upon as an ongoing factor, it is likely to be helpful at the outset of the Strategy period. While the exchange rate is a highly significant factor in attracting inward investment, we note that Walden Media's ***City of Ember*** was attracted to Northern Ireland at an exchange rate very close to \$2 to £1. From this we assume that, while a strengthening of Sterling would make it more difficult to attract inward investing studio scale production, it would not make it impossible.
- 6.33 The single most influential factor impacting on Northern Ireland's ability to attract large-scale production is the present level of success. The level of global acclaim for ***Game of Thrones*** has impacted extremely positively on the reputation and standing of Northern Ireland as a production base for large-scale production. Northern Ireland Screen has worked extremely hard at ensuring that Northern Ireland is included within the narrative of the production of ***Game of Thrones*** – this time-consuming marketing and communications exercise has been very successful.
- 6.34 The production of Universal Pictures' ***Dracula*** will also have a big impact on Northern Ireland's ability to attract further productions. This is a much less certain factor. With the development of a second set of sound stages delayed, Universal Pictures has had to make do with old factories and other convertible warehousing. While it was critical to the attraction of a large-scale film project alongside ***Game of Thrones*** that the producers accepted temporary build spaces, it presents an additional risk for Northern Ireland Screen. The securing of these temporary spaces and the arrangements to make them fit for purpose has been far from smooth, and it is very clear that for Northern Ireland to increase Large-Scale Production from one large-scale project a year to two projects a year, more sound stages must be available.
- 6.35 ***Dracula*** has proven clearly that either newly built sound stages or converted build spaces is a pre-requisite.

Market Influences for Animation

6.36 In the last 12 months two of the key limitations to growing the animation sector here have fallen away making the animation sector a top priority for growth:

- Most importantly, the UK government has introduced an internationally competitive tax credit for animation available to any animation company working in Northern Ireland – or anywhere else in the UK - on a qualifying project. This revolutionises the competitiveness of animation companies based in Northern Ireland giving them both an opening financial percentage for their own projects and a trading financial contribution for international co-production. *This is a game changer;*
- Professor Greg Maguire’s development of a suite of animation qualifications within the School of Art and Design at the University of Ulster is also addressing the need for an animation school to act as the focal point and centre of excellence for training and skills development for the sector. Professor Maguire’s informal network, Toody Threedy, also provides a spring board for the cluster;

6.37 Assuming that Northern Ireland Screen continues to support the animation sector, this leaves the lack of a home broadcaster as the remaining key competitive weakness. This weakness cannot be fully overcome but is, or can be, limited to a certain extent:

- The local animation companies are all attracting greater interest from the UK children’s content buyers than in the past, while the inward investing Jam Media is a key supplier to the BBC;
- Northern Ireland Screen can create a very modest local market by prioritising locally produced animation when seeking to support animation for re-versioning in Irish within its Irish Language Broadcast Fund. The Ulster-Scots Broadcast Fund may also be in a position to support appropriate projects;
- It may be possible to persuade the BBC that it should prioritise the animation sector in Northern Ireland as a key genre in its network production quota from Northern Ireland;
- The companies are all well placed to pitch to RTÉ and TG4 as a pre-sale.

6.38 These 4 points do not fully compensate for the lack of a home broadcaster for the animation sector but, combined with the new animation tax credit and the developing academic/skills offer under Professor Maguire, the landscape is greatly improved.

6.39 That Flickerpix, Sixteen South and Jam Media have all won significant creative awards recently also provides room to be optimistic: Flickerpix won an Irish Film and Television Award for **Macropolis**; Sixteen South won an Irish Film and Television Award, BAFTA and an award at KidScreen for **Big & Small**; and Jam Media won a BAFTA for **Roy**.

Market Influences on Television Drama

- 6.40 Like all aspects of the screen industries, the television drama market place is fluid and fragile. However, with a very strong UK market for television drama and the introduction of the UK High End Television Drama Tax Credit there are reasons to believe that there is strong growth for Northern Ireland in this sector.
- 6.41 There is no reason to expect that the pressure to produce BBC drama in Northern Ireland will abate over the next 4 years, while there is considerable evidence – *The Fall* in particular – that the BBC Northern Ireland drama department is steadily increasing its influence within the BBC.
- 6.42 The new UK High End Television Drama Tax Credit will have an influence on television drama beyond the truly large-scale projects. We expect a growth in projects with budgets at just over £1 million per episode made up of a UK license fee, a significant sales advance or pre-sales, and the tax credit. There may be a market for Northern Ireland Screen to attract projects like this from ITV, Channel 4 or, most likely, Sky.
- 6.43 While the volume of television drama produced in Northern Ireland is growing strongly, the majority of this work is being undertaken by production companies based in England. Successful local drama production companies are limited to Stirling Productions (producers of *Scúp* and *Six Degrees*) and Mammoth Screen (producers of *Blandings*) who, while headquartered in London, have a regional office in Belfast. There is an urgent need to assist these two companies to grow their presence in Northern Ireland and/or develop a number of other drama production companies.
- 6.44 While *The Fall* represented a considerable breakthrough by representing Northern Ireland on screen, Northern Ireland's drama projects have yet to offer considerable opportunities for local writers and directors. While Northern Ireland should always be open to talent from anywhere, we must find ways to attach local talent to projects produced here. That local talent has been steadily developed through support from Northern Ireland Screen over the past 5 years, and it is important that it is connected to local projects or it will be lost to other production hot spots in the world, most likely London.

Market Influences on Independent Film

- 6.45 Finance for independent feature films remains extremely difficult with the private sources of finance continuing to reduce and the dependence on public funding sources if anything increasing. While the overall market is not getting any better with sales and distribution still very challenging, the outlook for Northern Ireland talent has improved considerably over the last few years.
- 6.46 Through a constant presence at the Cannes Film Festival and a track record of supporting independent films, Northern Ireland Screen has a good reputation as a partner within the co-finance models used for Independent Film.

- 6.47 Northern Ireland Screen has good relations with all of the other potential public funders in the UK and Ireland – Irish Film Board, Creative Scotland, Film Agency Wales, Creative England and the BFI.
- 6.48 A strengthening of Northern Ireland Screen’s relationship with the BFI has opened up further opportunities for local talent including a joint initiative to provide new Northern Ireland talent with their next step up the ladder.
- 6.49 Northern Ireland Screen has consistently encouraged production models that seek to deliver a steady flow of independent films rather than single films. Presently, we are pursuing 2 further slate projects: **Ridley Scott Presents**⁴⁵ and **The Fyzz Slate**. Both of these ambitious projects have the potential to deliver a degree of stability and sustainability that is hard to achieve within Independent Film anywhere in Europe.
- 6.50 During Driving Global Growth, Northern Ireland Screen designed and funded simple finance plans for two low budget features designed to showcase new writers and directors. These opportunities have clearly paid off providing credibility and track records for the producers, writers and directors involved.
- 6.51 There were 8 local independent film production companies selling their ideas at the Cannes Film Festival in 2013. This is an encouraging increase, and while all 8 companies cannot achieve Maintained Stability – at least from independent film alone - it does indicate a growing vibrancy in the sector.
- 6.52 It is worth noting that a micro budget feature produced in Northern Ireland recently secured significant funding using crowd sourcing. Crowd sourcing is a viable solution for some types of micro budget project.
- 6.53 Northern Ireland Screen supported the development of around 40 scripts a year using Lottery funds from the Arts Council. The conversion rate from these scripts is not strong but local projects like **Jump** and **Good Vibrations** would not come to fruition without local support for scripts, and writers have to be encouraged and nurtured.

Market Influences on Gaming, Mobile, E-Learning and Web Content

- 6.54 The Creative Industries Innovation Fund (CIIF) continues to prioritise gaming and mobile providing a large number of £10k seed fund grants capable of testing an idea. These awards should begin to bring to light individuals and companies that have the raw talent to grow. A weakness with CIIF is that there is no real mechanism to track the successful projects and explore how to develop them further, and equally to dismiss those projects that have failed.

⁴⁵ <http://www.hollywoodreporter.com/news/ridley-scott-executive-produce-six-genre-films-385069>

- 6.55 In recent years, Digital Circle has been an energetic focal point for companies in these areas. Having developed a network and a level of expertise and trust there is an argument that Digital Circle should be continued. Northern Ireland Screen will seek to strengthen its relationship with Digital Circle so as to help identify the projects and companies best placed to develop further.
- 6.56 Invest NI's inward investment team have facilitated a number of familiarisation trips with significant international companies in the gaming and mobile space. These potential inward investing companies have generally shown some interest with a strong focus on the financial support available and, even higher in priority, the available skills.
- 6.57 Professor Greg Maguire at the University of Ulster is seeking to play a leading role in addressing the skills demands for gaming and mobile alongside animation and computer effects. The NextGen⁴⁶ report provides some guidance as to the skills needed. It is clear that a limited skills pool is going to be a critical limiting factor in this sector along with animation and computer effects. However, as with all of the screen industries there is a difficult chicken and egg scenario between focusing on skills development as the primary solution, and focusing on project or company development as the solution. Northern Ireland Screen has some experience of trying to balance these two key needs in a way that ensures a growing pool of talent becomes available for projects without generating a talent pool that is given no choice but to leave Northern Ireland to seek attractive work. The key to this successful balance is on the job training and, in particular, modern apprenticeships like the AIM High Scheme.
- 6.58 Digital Derry has helped create a sense that a cluster is developing in Derry~Londonderry assisted by the presence of 360 and the fast developing animation/children's content company Dog Ears. This is aided by the UK City of Culture status. The newly created festival CultureTech looks set to become a focal point for the creative industries generally, not just in Derry~Londonderry but for the whole of Northern Ireland.
- 6.59 Alongside the UK tax credits for High End Television Drama and Animation, the Chancellor announced a tax credit for gaming. While the gaming tax credit has yet to be successfully notified to Europe, there is an expectation that it will become available within the next 12 months.

⁴⁶ <http://www.nesta.org.uk/library/documents/NextGen32.pdf>

7.0 The Strategy

Introduction

7.1 Opening Doors is a 4 year Strategy designed to ensure that Northern Ireland has the strongest screen industry outside of London in the UK and Ireland within 10 years. While it is designed to deliver long term sustainability, it is primarily an immediate economic strategy with a direct achievable levered value of £250 million over 4 years.

7.2 It is also an education and cultural development strategy. Northern Ireland Screen is committed to taking an integrated approach to the intertwined development of the economic, cultural and educational value of the screen industries⁴⁷.

The Goal

7.3 This Strategy will achieve three inter-connected economic, cultural and educational goals:

- It will make Northern Ireland the strongest screen industry outside of London in the UK and Ireland;
- It will ensure that that industry supports vibrant and diverse cultural voices that will be recognised and celebrated equally at home and abroad;
- And it will mainstream across Northern Ireland the most successful screen and digital technologies education provision in Europe, ensuring in particular that that education provision is within reach and of value to the most socially disadvantaged.

The Platform

7.4 These 3 goals are possible because Northern Ireland has an almost unimaginably strong platform upon which to build:

- Northern Ireland is experiencing an explosion of creative possibility – ***The Fall*** broke audience records on BBC2 and Netflix; ***Game of Thrones*** is the biggest show in the world; Ron Howard, Bono and Mark Kermode declared ***Good Vibrations*** the greatest film of the year⁴⁸ and ***The Shore*** won an Oscar. These smash hits have created a ‘halo effect’ around the whole of the screen industries – Northern Ireland is, for the moment, ‘cool’;
- Invest NI, DCAL and Lottery investment in Moving Image Arts GCSE and A Level; in short film development; in writers; in mobile games; in television entertainment formats and

⁴⁷ Please note that the elements of this strategy with a greater focus on education and culture funded by DCAL and DCMS are not as yet fully detailed in this Strategy. This does not reflect on their importance but on the differing processes and timeframes applied by these departments.

⁴⁸ <http://www.bbc.co.uk/news/entertainment-arts-22852314>; <http://www.ft.com/cms/s/0/fe727f90-d678-11e2-9214-00144feab7de.html#axzz2X8NWGaEm>

much more, all means that Northern Ireland has positioned itself well to further develop the screen industries;

- The framework and delivery mechanism for the education provision has already been created with the Creative Learning Centres and Moving Image Arts GCSE and A Level. As evidenced by the BFI's European Survey's high praise for Northern Ireland's screen education.

Diversification

7.5 The Strategy is designed to exploit to the full the potential of this platform and, by doing so, make the screen industries as diverse and as strong as possible. Diversifying our focus is the key element of this Strategy which seeks to focus equally on each of 7 priority sectors, each of which is addressed in detail in this Strategy. These sectors are Animation, Large-Scale Production, Television Drama, Irish Language, Factual/Entertainment Television, Independent Film, and Gaming, Mobile, E-Learning and Web Content.

7.6 *Creating opportunities across the full range of the screen industries is the central theme of the Strategy.*

7.7 As well as providing protection against the vagaries of international markets and avoiding an 'eggs in one basket' scenario, supporting the fullest range of sectors within the screen industries is the most effective means of ensuring that opportunities in the screen industries are open to the widest possible range of people.

7.8 It is only through supporting a wide range of screen industry sectors that Northern Ireland Screen can deliver a geographically spread return⁴⁹; it is also the only way to create opportunities for the relatively unskilled⁵⁰ alongside the highly skilled who populate many aspects of the screen industries; and, most importantly, it is the only way to maximise the reducing effect of the screen industries on the brain or talent drain from our schools and colleges⁵¹.

Skills, Writers and Development

7.9 As well as creating more opportunities by extending the Strategy to cover the full range of the screen industries, there is also a greater focus on individual opportunity. Much was learnt over the last Strategy period about how best to enhance skills, encourage writers and develop projects. This Strategy – as reflected in its title 'Opening Doors' – is extremely focused on creating these individual opportunities.

⁴⁹ For example, Mobile and Web Content production is well spread out in Northern Ireland; factual television and Irish Language is focused on Derry- Londonderry, Newry as well as Belfast.

⁵⁰ Large-scale production employs drivers, security guards and extras in considerable numbers, while significant numbers of academically low achieving students could be trained as composers and colourists for the animation sector.

⁵¹ Animation, television drama, entertainment television, gaming and web content attract very different people. If we wish to retain a higher proportion of our talented students, we must create opportunities in all these fields.

Leadership

7.10 Northern Ireland Screen, principally supported by Invest NI and DCAL, seeks through this Strategy, to provide the strong leadership necessary to link the many diverse elements impacting on the growth of the screen industries, to ensure that the economic, social, cultural and educational elements remain appropriately linked and supported⁵², and to maximise the opportunity that presents itself.

Time Bound Opportunity

7.11 The opportunity to deliver the Strategic Goal is time bound. Without continued and increased public support the investment already made in talented local people will benefit the screen industries elsewhere in the UK, Europe and further afield but will not return value to Northern Ireland.

7.12 The Strategic Goal is also time bound because it relies on not only the reflected glory of other projects, but the introduction within the UK of the High End Television Drama Tax Credit, the introduction within the UK of the Animation Tax Credit and the anticipated introduction in the UK of the Games Tax Credit.

7.13 Northern Ireland has an opportunity to grab market share across the full range of the screen industries. However, it would be a grave error to assume that the new UK tax credits could on their own deliver value to Northern Ireland. Northern Ireland is yet to achieve the critical mass in any of the industry sectors detailed in this Strategy that would be necessary to consider reducing the level of public support. The new tax credits create a once in a generation opportunity in animation and high end television drama but they do not replace the need for public intervention in Northern Ireland.

⁵² For example, Northern Ireland Screen's responsibility for the Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund has ensured that the considerable economic value, skills development and job creation impact of these funds is maximised alongside the cultural importance of the content supported.

a. Sectoral Priorities

Large-Scale Production

- 7.14 Assuming a limitation on public funding available to screen industries, and the many competing demands within this Strategy, Northern Ireland Screen proposes to limit the Northern Ireland Screen Fund support for large-scale production to the historical level of £3.2 million per annum.
- 7.15 Despite this limitation on budget, Northern Ireland Screen believes that it can increase the number of projects and the economic return for this investment across the Strategy period. During the 4 years of Driving Global Growth, the direct investment in large-scale production delivered an inward investment of £102 million at a ratio of 8.21:1, we project that this Strategy could deliver an inward investment of £136 million at a ratio over 10 to 1.
- 7.16 Our intention is to attract 2 large-scale projects (\$30+ million) in each of the first 2 years and to increase that to 3 large-scale projects in the subsequent 2 years.
- 7.17 ***Game of Thrones*** is the anchor tenant of our large-scale production activity and should not be taken for granted in any way. The global market place remains extremely competitive and the High End Television Drama Tax Credit is applicable to the whole of the UK and not only Northern Ireland – the Northern Ireland Screen Fund remains Northern Ireland’s main and critical differentiating factor.
- 7.18 We will seek to extract further value from ***Game of Thrones***. This will not increase the overall spend figure but will help to strengthen our infrastructure and skills base, and will ensure added value for Northern Ireland. Further value could include: a focus on stepping up the grades for local crew; further development of the facilities at Titanic Studios and The Linen Mill Studios; other mentoring and outreach opportunities; and a continuing development of the tourism capital associated with ***Game of Thrones***.
- 7.19 Northern Ireland Screen will seek to reduce the level of its investment in individual feature films with an ultimate target of reducing the investment in any given film to less than £1 million. This is an extremely challenging target and is dependent on continuing assistance from the exchange rate. The experience on ***Dracula*** confirms that successful attraction of further large-scale production over and above ***Game of Thrones*** is dependent on the availability of new sound stages, or the availability of suitably refurbished build spaces. Without this increase in infrastructure Northern Ireland cannot compete in the Large-Scale Production sector beyond ***Game of Thrones***. As well as Titanic Studios’ proposed expansion of its sound stage capacity, the Britvic Factory, if appropriately refurbished, could facilitate further Large-Scale Production.
- 7.20 Subject to available sound stages/build space, Northern Ireland Screen will continue to work extremely closely with key line producers capable of connecting Northern Ireland to studio

projects. These producers will continue to be supported with a budgeting service, location scouting and familiarisation trips.

- 7.21 Northern Ireland Screen will continue to work closely with the British Film Commission which now takes an equal interest in film and high end television drama production. Northern Ireland Screen has a seat on the board of the British Film Commission and will continue to strongly support the British Film Commission's activities both in the UK and in LA. ***Game of Thrones*** is likely to remain the most visible US-produced high end drama project produced in the UK for some time and it is important that Northern Ireland Screen continues to maximise the value of this including its value to Northern Ireland Screen when engaging with other institutions.
- 7.22 The balance of focus between targeting studio film production and high end television drama will depend on market conditions at any given time. However, with the combined impact of Northern Ireland hosting ***Game of Thrones*** and the introduction of the UK High End Television Drama Tax Credit, securing a further high end television drama project will be a priority. Therefore, Northern Ireland Screen will consider supporting television pilots – as happened with ***Game of Thrones*** – where the series would be an attractive prospect for Northern Ireland.
- 7.23 We also wish to encourage the development of large-scale projects within the sector in Northern Ireland as opposed to exclusively servicing inward investing projects. Our target is to facilitate a large-scale project by the end of the Strategy period that has been developed in Northern Ireland and has an intellectual property value to a company in Northern Ireland. We will target development funding at this ambition and seek appropriate partners to achieve this aim. These partners may include the Irish Film Board, HBO, BBC, RTÉ or other private investors. This is an extremely ambitious target and will certainly depend on strong alignment with and support from at least one of HBO, Irish Film Board, BBC, RTÉ or a significant private investor.
- 7.24 While recent experience with ***Game of Thrones*** and ***Dracula*** illustrates that Northern Ireland, using the Northern Ireland Screen Fund, can win large-scale business when in competition with the Republic of Ireland, we will seek to pursue a combined all-island pitch for some large-scale projects, particularly high end television projects. This will allow a combination of the two tax credits giving a potential 100% eligible spend for tax credit purposes and allows direct support from both the IFB and Northern Ireland Screen. While this will certainly reduce the potential economic value of any given project, it may be the only means by which we can secure our target of attracting 3 large-scale projects in the final 2 years of the Strategy.

7.25 Large-Scale Production Invest NI Costs and Return 2014-18

Year	Company	Projects	Return (£)	Awarded (£)	Cost/Return Ratio
2014-15	HBO/ANOTHER	2 projects	32,000,000	3,200,000	10
2015-16	HBO/ANOTHER	2 projects	32,000,000	3,200,000	10
2016-17	HBO/ANOTHER x2	3 projects	36,000,000	3,200,000	11.25
2017-18	ANOTHER x3	3 projects	36,000,000	3,200,000	11.25
			£136,000,000	£12,800,000	10.62

Animation

- 7.26 Northern Ireland Screen will more than double the development budget for animation projects from an average of approximately £110k per annum to £250k per annum. Without this considerable investment, the animation sector may thrive as a service industry but will not develop the intellectual property that has the potential to lead to higher returns and greater company sustainability. This increase in development funding for animation can be justified by the high conversion rate of previous animation development awards, despite the inherent weaknesses of the animation landscape for local companies in recent years – the table indicates a 50%+ conversion rate during the last Strategy.
- 7.27 Double the production funding to the animation sector against the last Strategy with an overall 4 year budget of £4.5 million. Evidence from the animation hotspots – Vancouver, Dublin – clearly illustrates that screen agency production funding remains critical to the successful growth of a vibrant animation sector. This increased funding to the animation sector will be targeted to have a return that rises throughout the Strategy from 5:1 in 14/15 in increments of 1 to 8:1 in 17/18 (overall rather than by individual project).
- 7.28 Seek to ensure that Derry~Londonderry strengthens its representation within the animation sector either through the Nerve Centre, Dog Ears or other growing company – an indicative £1 million of the budget to be targeted at (but not guaranteed for) Derry~Londonderry companies/production.
- 7.29 Further develop Northern Ireland Screen’s marketing support for the animation sector; for example, continue and strengthen the marketing presence at KidScreen, MIP Junior and such other forums as the animation companies indicate are key.
- 7.30 Encourage co-production partnerships with animation producers in the Republic of Ireland where tax credits in both jurisdictions can be utilised. Explore the possibility of local companies becoming members of Animation Ireland and by doing so promote and encourage an all-island approach to animation sectoral development.
- 7.31 Press the BBC to align with this strategic priority and target animation/children’s content produced in Northern Ireland within the BBC Network quota for Northern Ireland.

- 7.32 Continue to prioritise animation skills for Skills Funding support in response to the specific requests and needs of the developing animation companies.
- 7.33 Ensure that a skills training scheme funded by Creative Skillset’s new Skills Investment Fund is targeted at the animation sector in Northern Ireland – possibly an AIM High for animation.
- 7.34 Increase Lottery funding for animation projects with a view to strengthening skills. Consider undertaking an animation shorts scheme and explore whether this could be by combining with the Irish Film Board’s animated shorts scheme.
- 7.35 Encourage the relevant government departments, and most particularly DEL and the University of Ulster, that Professor Maguire’s suite of animation qualifications is an educational and economic priority. Provide whatever support is possible to encourage the coming to fruition of Professor Maguire’s courses with a significant modern day apprentice/on-the-job training element to them.
- 7.36 Ensure that the animation sector is well represented within any media village or creative cluster that may be developed. This could allow for the easy pooling of resources and the sharing of equipment.

7.37 Animation Development Invest NI Costs and Return 2014-18

Year	Fund	Projects	Return (£)	Awarded (£)	Conversion Rate
2014-15	Development	Up to 6 projects		250,000	1 in 6
2015-16	Development	Up to 6 projects		250,000	1 in 6
2016-17	Development	Up to 6 projects		250,000	1 in 6
2017-18	Development	Up to 6 projects		250,000	1 in 6
				£1,000,000	1 in 6

7.38 Animation Production Invest NI Costs and Return 2014-18

Year	Company	Projects	Return (£)	Awarded (£)	Cost/Return Ratio
2014-15	Production	Up to 6 projects	5,625,000	1,125,000	5
2015-16	Production	Up to 6 projects	5,625,000	1,125,000	5
2016-17	Production	Up to 6 projects	9,000,000	1,125,000	8
2017-18	Production	Up to 6 projects	9,000,000	1,125,000	8
			£29,250,000	4,500,000	6.5

Television Drama

- 7.39 Our Strategy will prioritise support to locally based production companies, local writers and local directors in order to create greater cultural and economic value within Northern Ireland.
- 7.40 This approach may reduce the overall level of funding that the Northern Ireland Screen Fund commits to BBC drama projects unless such projects are consistent with the objectives outlined above.
- 7.41 We will seek to attract television drama production that is commissioned for broadcasters other than the BBC with Sky the number 1 target. Explore the possibility of attracting projects that have budgets just over £1 million per episode seeking top-up finance.
- 7.42 Prioritise returning series where there is a willingness to increase the local spend and local talent contributions year to year.
- 7.43 Prioritise children’s drama that can bolster our general development of the children’s content sector.
- 7.44 Encourage local writers to develop ideas and scripts capable of production in Northern Ireland, and support the production of television pilots from local companies where the market shows interest in their ideas.
- 7.45 Continue to support local television drama for the opportunities it provides to new local writers, directors and actors.

7.46 Invest NI Development Costs and Return 2014-18

Year	Fund	Projects	Awarded (£)	Conversion Rate
2014-15	Scripts	Up to 6 projects	200,000	1 in 6
2015-16	Development	Up to 6 projects	200,000	1 in 6
2016-17	Development	Up to 6 projects	200,000	1 in 6
2017-18	Development	Up to 6 projects	200,000	1 in 6
			£800,000	1 in 6

7.47 Invest NI Production Cost and Return 2014-18

Year	Fund	Projects	Return (£)	Awarded (£)	Cost/Return Ratio
2014-15	Production	Up to 6 projects	9,600,000	1,600,000	6
2015-16	Production	Up to 6 projects	9,600,000	1,600,000	6
2016-17	Production	Up to 6 projects	9,600,000	1,600,000	6
2017-18	Production	Up to 6 projects	9,600,000	1,600,000	6
			£38,400,000	£6,400,000	6

Irish Language/Ulster-Scots

- 7.48 The Irish Language Broadcast Fund will continue to balance the respective needs of audience, companies, broadcasters and trainees through the support of 60 hours of programming a year and the continuation of the training programmes.
- 7.49 The Fund will continue to support a wide range of genres including a specific interest in both drama and children’s programming.
- 7.50 We will seek to extend the value and audience for Irish Language content by encouraging international co-production opportunities within the portfolio of projects supported.
- 7.51 Northern Ireland Screen will explore the possibility of enhancing audience choice for Irish Language content through the development of an iPlayer type portal for Irish Language content. Ideally this would be undertaken in collaboration with both TG4 and BBC NI.
- 7.52 The Fund will continue to deliver apprenticeship opportunities for new entrants and will regularly review the sectoral skills demands to best match the apprentices with the opportunities available.
- 7.53 The **Ulster-Scots Broadcast Fund (USBF)** has reviewed its priorities and will focus more particularly on projects that have ambition, scale and editorial depth. Projects with these characteristics – for example, **An Independent People** – are more likely to make a greater impact and are more clearly additional to a broadcaster’s own schedule and commissioning.
- 7.54 The USBF will continue to seek commissioning partnerships with both BBC NI and UTV, mindful that a blend of both regional broadcasters delivers the widest reach for Ulster-Scots.
- 7.55 The USBF will seek to extend its reach by encouraging co-productions with BBC Scotland, RTE and others. The USBF will also encourage secondary sales to international markets and the rebroadcasting of USBF supported programming on BBC network, as was the case with **Dan Cruickshank’s Written in Stone**.
- 7.56 Both the USBF and the ILBF will continue to support local animation as and when that support is consistent with the objectives of the Fund; for example, Flickerpix’s **Five Fables**, animated fables written by the medieval Scots poet Robert Henryson, translated by Seamus Heaney and voiced by Billy Connolly, and the ILBF’s support for an Irish Language version of local company Dancing Girl’s **Jo & Jack**.

	Support	Awarded (£)	Programming Hours
2014-15	Irish Language Broadcast Fund	3,000,000	60
2015-16	Irish Language Broadcast Fund	3,000,000	60
2016-17	Irish Language Broadcast Fund	3,000,000	60
2017-18	Irish Language Broadcast Fund	3,000,000	60
2014-15	Ulster-Scots Broadcast Fund	1,000,000	12
2015-16	Ulster-Scots Broadcast Fund	1,000,000	12
2016-17	Ulster-Scots Broadcast Fund	1,000,000	12
2017-18	Ulster-Scots Broadcast Fund	1,000,000	12
		£14,000,000	

Factual/Entertainment Television

7.57 Northern Ireland Screen should increase the level of development funding support to factual television from an average of less than £200k per annum to £400k per annum. Allocation of this funding should prioritise pilots and taster tapes over general slate development due to the clear evidence that supporting pilots and tasters more regularly delivers a return.

7.58 Northern Ireland Screen will continue to prioritise international content proposals ahead of projects designed exclusively for the UK market. Development finance provided by an international distributor is the highest currency and rates higher than UK broadcaster development finance.

7.59 Northern Ireland Screen should retain a budget of £200k per annum for stand-out international co-financed projects and/or projects with a cultural/tourism importance similar to the Titanic/City of Culture projects supported. This funding should not be accessible by projects that are targeted at the UK and Ireland alone.

7.60 Development and production funding will give highest priority to projects designed as internationally sellable formats.

7.61 We will increase our focus on international markets including, but not limited to, MIP, MIPCOM, RealScreen and Sheffield Documentary Festival. Market attendance from a factual television point of view will focus further on engagement with international distributors.

7.62 Invest NI Development Costs and Return 2014-18

Year	Fund	Projects	Awarded (£)	Conversion Rate
2014-15	Development	Up to 6 projects	400,000	4:1
2015-16	Development	Up to 6 projects	400,000	4:1
2016-17	Development	Up to 6 projects	400,000	4:1
2017-18	Development	Up to 6 projects	400,000	4:1
			£1,600,000	4:1

7.63 Invest NI Production Costs and Return 2014-18

Year	Fund	Projects	Awarded (£)	Conversion Rate
2014-15	Production	Up to 6 projects	200,000	1 in 6
2015-16	Production	Up to 6 projects	200,000	1 in 6
2016-17	Production	Up to 6 projects	200,000	1 in 6
2017-18	Production	Up to 6 projects	200,000	1 in 6
			£800,000	1 in 6

Independent Film

- 7.64 Northern Ireland Screen will focus more of its attention on the writers and directors seen to have the greatest potential. Only by really championing talent will we make an impact. Concern to be seen to support a wide range of applicants and a wide range of cultural subject matter has led to Northern Ireland Screen spreading its resources too thinly. A more focused approach is likely to draw criticism, however, it is important that we maximise potential returns.
- 7.65 We will continue to encourage the development of connections between local talent and agents and producers from elsewhere. While we would like local producers attached to projects, we cannot restrain the development of writers, actors and directors by pursuing an exclusively local producer strategy. Ideally we will partner local producers with more experienced international producers as occurred on *Good Vibrations*.
- 7.66 We will sustain the Northern Ireland Screen Fund budget for independent film at approximately £1.2 million per annum. Within this budget we will seek to increase the number of films produced by local writers and directors. We will continue to support the entry level first feature opportunity created by the New Talent Focus scheme and seek for these writers and directors to graduate to higher budgeted independent films. Northern Ireland will stay open to incoming projects of quality and profile like *Wipers Times* or *Miss Julie*.
- 7.67 Awards for independent film production will be assessed with less reference to the immediate economic return and greater reference to the wider potential value of the project to the key talent involved and to Northern Ireland more generally. Awards above £400k in this category will be highly unlikely in future, but awards of £400k to high quality local projects may be made where the economic return drops to less than 3 to 1.
- 7.68 We will prioritise projects like *Ridley Scott Presents* and *The Fyzz Slate* provided that the proposal is truly committed to utilising and showcasing local writing and directing talent.
- 7.69 We will continue to support short film production but with an ever-increasing challenge as to the quality of the project and developmental purpose of the short film. Awards above £5k for short films will have to pass a high creative bar.

- 7.70 The sales and distribution of local films *Good Vibrations*, *Jump* and *Grabbers* was disappointing despite the obvious merits of the films. Where possible, Northern Ireland Screen will seek to impact more positively on sales and distribution at the outset and by supporting sales and distribution where it appears that this can have an impact. We will not support films without genuinely strong commitment from a sales agent.
- 7.71 Northern Ireland Screen will as a matter of urgency seek formal or informal partners interested in investing in project development – probably wrapped in Seed EIS – and investors willing to cash-flow the tax credit. These relatively low risk private investments will strengthen the finance available in Northern Ireland.
- 7.72 We will continue to support a single Landmark Documentary on an annual basis. Again, priority will be given to projects that have international distribution attached rather than projects picked up only for the UK and Ireland.

7.73 Invest NI Costs and Return 2014-18

Year	Fund	Projects	Return (£)	Awarded (£)	Cost/Return Ratio
2014-15	Production	3-4 projects	3,600,000	1,200,000	3
2015-16	Production	3-4 projects	3,600,000	1,200,000	3
2016-17	Production	3-4 projects	3,600,000	1,200,000	3
2017-18	Production	3-4 projects	3,600,000	1,200,000	3
			£14,400,000	£4,800,000	3

Gaming, Mobile, E-Learning and Web Content

- 7.74 Northern Ireland Screen should continue to largely ignore the distinction between development and production in these sectors where it is less meaningful, with a combined budget of £400k per annum for gaming, mobile, e-learning and web content. This funding should be targeted at projects with the potential to act as exemplars – things that might look cool in a global market.
- 7.75 There will be a focus on taking companies that have received awards from the Creative Industries Innovation Fund to the next level of their development. Ideally, some thought would be given to strengthening the connection of the digital content aspects of the Creative Industries Innovation Fund to Northern Ireland Screen and bringing them closer to Digital Circle to allow a greater focus on providing additional support to the most attractive projects and companies.
- 7.76 Northern Ireland Screen will continue to seek out digital content opportunities close to more traditional film and television activity. The most recent example is our encouragement of mobile game production as marketing activity for the release of feature films.
- 7.77 The availability of the Northern Ireland Screen Fund to digital content projects is almost unique in the UK and Ireland. To date, we have failed to fully utilise this fact, with a large-scale inward investment initiative in these sectors rejected as an aspect of Driving Global Growth. This project should be reinstated for this Strategy with a target annual budget of £500k. The

Northern Ireland Screen Fund is the most flexible and powerful tool in attracting this sort of proposition.

7.78 Northern Ireland Screen will seek to develop a close alliance with Digital Circle to connect the presently separate worlds of television production and the digital content businesses. This alliance will be used to establish training needs and to develop appropriate international market programmes. We will also seek to broker a relationship between Digital Circle and PACT. Northern Ireland Screen will consider running further trade missions like the group of associate television producers and digital content producers taken to MIP Cube and MIPCOM in 2012.

7.79 Northern Ireland Screen will strongly support CultureTech over the Strategy period to develop it as a focal point for the whole creative industries in Northern Ireland but particularly a centrepiece for gaming, web content and mobile. This will take at least 3 further years.

7.80 Invest NI Costs and Return 2014-18

Year	Support	Return	Awarded (£)	Return Ratio
2014-15	Development	800,000	400,000	2
2015-16	Development	800,000	400,000	2
2016-17	Development	1,600,000	400,000	4
2017-18	Development	1,600,000	400,000	4
2014-15	Production	3,000,000	500,000	6
2015-16	Production	3,000,000	500,000	6
2016-17	Production	3,000,000	500,000	6
2017-18	Production	3,000,000	500,000	6
		£17,400,000	£3,800,000	4.5

b. Thematic Priorities

i. Skills

- 7.81 Skills remain key to the growth of this sector within Northern Ireland. As outlined in Driving Global Growth, Northern Ireland Screen prioritised modern apprenticeships over the past 4 years. In 2013-14, Northern Ireland Screen employed 46 new entrant trainees across the AIM High Scheme, *Game of Thrones*, local drama, VFX and post production, and the Irish Language sector.
- 7.82 At the heart of the Opening Doors Strategy is an even greater focus on skills development and the central plank of that is a continuation and extension of modern apprenticeships. The construction of these schemes will remain flexible as they have to piggyback on the production activity underway at any given time and we must seek to shift the area of focus according to opportunity and demand. Our experience to date indicates that skills development married with production activity yields the best results.
- 7.83 We will seek to continue the successful AIM High apprenticeship scheme with Creative Skillset and BBC NI.
- 7.84 We will develop a similar AIM High modern apprenticeship scheme focused on Gaming, Mobile, E-Learning and Web Content.
- 7.85 We will continue to use our flexible Skills Bursary Fund to support other professional training providers to deliver courses that are targeted at skills gaps clearly identified by Creative Skillset or individual production companies. We will continue to develop our own information on skills gaps through constant analysis of the crew lists on productions we support.
- 7.86 We will deliver, in association with Creative Skillset, an AIM High Scheme targeted at the animation sector, with support from Creative Skillset's Tax Credit aligned Skills Fund.
- 7.87 Having assessed the success of our skills development initiative with NVisible and Factory Pictures piggybacking on *Our Robot Overlords*, we will redesign and implement a further modern apprenticeship scheme within the area VFX/CGI.
- 7.88 Demand stronger and clearer career development opportunities within all funded productions, and, in particular, returning series like *Game of Thrones*, *Dani's Castle* or *Blandings*.

ii. Writers

- 7.89 During Driving Global Growth, Northern Ireland Screen committed more than £250k per year to over 40 scripts per year from Lottery funds⁵³. This funding provided a very wide range of opportunities for writers – many first time writers for screen – and delivered a number of very significant successes: for example, Northern Ireland Screen has supported Stephen Fingleton, whose script for ***The Survivalist*** was included in the LA Black List in December 2012, and topped the UK-based Brit List in March 2013, naming the best unproduced scripts of the year. ***The Survivalist*** is being produced in Northern Ireland by Jones Company Productions later in 2013.
- 7.90 Developing writers is absolutely critical to the success of the screen industries and this level of funding support is essential to further develop the skill base within Northern Ireland.
- 7.91 However, as the sector continues to develop and evolve, these script awards begin to look too narrow in their range and too loosely connected with the commercial market at which they should be targeted. A more targeted and commercially realistic approach will be implemented. It is important to note that this increased focus will be difficult to implement as Northern Ireland Screen comes under constant pressure to support projects for reasons other than the project's commercial potential.
- 7.92 We will seek to broaden the range of writing being supported through the Lottery fund to include more writing for children's content, more writing for television drama, and, if possible writing for games.
- 7.93 We will demand an immediate and clear market focus for writing. Who is the script targeted at? Why will that sales agent, broadcaster or other financier respond to this script/story?
- 7.94 We will also seek to shift first time writing opportunities away from speculative scripts and towards sample writing on commercial projects: for example, supporting even a shadow script on Hollyoaks could impact more positively on a writer's career than a speculative script.
- 7.95 With the support of the BFI, seek to connect up-and-coming Northern Ireland writers with high quality agents.

⁵³ Lottery funding appended at Appendix A.

iii. Development

- 7.96 Development is the life-blood of all aspects of the screen industries, and Northern Ireland Screen must continue to strongly support development. As with writers, we must ensure that the development we support is targeted at the areas of most opportunity and at the stage of the process that is most likely to deliver a result.
- 7.97 In many instances this means the support of pilots – animation pilots, entertainment format pilots or key scenes for film or even television drama – and at the point where a sales agent, commissioning broadcaster or television distributor is interested.
- 7.98 A singular and greatly increased focus on development is the most important progression between Driving Global Growth and Opening Doors. Northern Ireland Screen has taken a relatively passive approach to development in the past but, if we are to drive change, that position must change. The bar for development funding and the expectation as to the outcomes from that development funding will be raised considerably.
- 7.99 We will support animation development with a budget of £250k per annum as detailed in the Animation section.
- 7.100 We will support factual television as detailed in that section with a budget of £400k per annum. Development will be exclusively for projects that have potential in international markets in addition to, or instead of, the UK and Ireland markets.
- 7.101 Within gaming, mobile, e-learning and web content the quality threshold for support will be immediately implemented, but we will work with the applicant companies to seek out the commercial application of their ideas. As stated in the Gaming section, we are still seeking projects that act as creative exemplars – would be regarded as cool by the global sector – without necessarily having compelling and obvious commercial viability. This is consistent with the nature of this global market and with the point of development of the sector here.
- 7.102 Support television drama pilots where the market shows interest in them.
- 7.103 Support large-scale television drama pilots, as with *Game of Thrones*, where the scale of the production opportunity warrants it.
- 7.104 We will target development funding at the development of large-scale/high end drama projects with a target to have an indigenous large-scale drama project by the end of the Strategy period. This is an extremely ambitious target and will depend on strong alignment and support with at least one of HBO, Irish Film Board, BBC or a significant private investor.

iv. Infrastructure

- 7.105 The development of infrastructure for the screen industries is being addressed through different channels at DETI, Invest NI and the Strategic Investment Board⁵⁴. There are two key proposals at very different stages of development being considered, that is: new sound stages at Titanic Quarter; and the longer term possibility of BBC NI relocating to a new site where it would co-locate with other companies and organizations within the screen industries and creative industries more generally.
- 7.106 The outputs in Large-Scale Production cannot be achieved without the development of new sound stages at Titanic Quarter or elsewhere. The experience on *Dracula* suggests that Northern Ireland would find it difficult to attract large-scale projects without dedicated sound stages that have either been built to specification or been refurbished with film production in mind. The outputs detailed below reflect the scenario where new sound stages have been developed. Without further sound stages or refurbished build space, the Large-Scale Production forecasts reduce to *Game of Thrones* only.
- 7.107 There is nothing in this Strategy which is inconsistent with the proposals presently being explored in relation to a Media Cluster or Media Campus anchored by BBC NI.
- 7.108 This Strategy will need revised should the sound stages not be developed at Titanic Quarter or elsewhere, and when the Media Campus is further developed.

⁵⁴ See previous Economic Appraisal of Studio Facilities by Cogent 2011 and ITN Consultancy's Titanic Studios Investment Marketing Appraisal. See also NMP's Media Infrastructure Scoping Study 2013 for the Strategic Investment Board/DETI

v. Private Finance Initiatives

- 7.109 Northern Ireland Screen has already begun to try and stimulate local private finance for the development of the screen industries. Our early efforts have largely failed to deliver significant results and there is no doubt that the education of private investors as to the possibilities of investment in the screen industries is a considerable task.
- 7.110 However, with the rising profile of the screen industries in Northern Ireland, we have experienced a small but steady flow of private individuals seeking our guidance on the possible investment opportunities in our sector.
- 7.111 Public funding will have a limit in Northern Ireland no matter how successful the screen industries become, therefore attracting and developing private finance is a pre-requisite to continuing strong growth.
- 7.112 The introduction of Seed EIS in April 2012 created a potentially attractive vehicle for funding screen industry development, while the new UK High End Television Drama and Animation Tax Credits alongside the Film Tax Credit do offer simple investment opportunities with very low risk. During Opening Doors we will seek to raise awareness of the funding issues associated with the screen industries with financial institutions and professional advisors.
- 7.113 We will develop information and presentations on how Seed EIS might be used to invest in screen industry development.
- 7.114 We will develop a network of financial advisers and other professional advisers interested in the screen industries. Both the large accountancy/consultancy practices and smaller accountants have begun to take an interest in the screen industries; for example, facilitating the film tax credit on a number of recent projects.
- 7.115 We will develop information and presentations on the cash-flowing of the film, television drama and animation tax credits with the intention of encouraging the creation of a local fund for the purposes of cash-flowing tax credits on projects in Northern Ireland and elsewhere.
- 7.116 It is our view that Seed EIS and cash-flowing the tax credit are the two 'entry level investments' in the screen industries. Therefore we see them as the best offerings with which to educate the market.
- 7.117 The Halo angel network at the Science Park has already been supportive of the screen industries with investment for *The Shore* coming from that source. We will seek to strengthen our relationship with Halo as a pillar of our investor education initiative.

- 7.118 As has been the case elsewhere, there has been a noticeable appetite from successful local actors and musicians to invest in the sector here. Where possible, we will seek to encourage this growing trend.
- 7.119 We will seek, if possible, to align with the various Invest NI private investment schemes that have been developed.

vi. Support for Tourism

- 7.120 As detailed in the Priority Partners section, Northern Ireland Screen will continue to develop the tourist value of the screen industries in partnership with NITB and Tourism Ireland. Collaboration on the ***Game of Thrones*** Exhibition is the high water mark of our partnership with NITB.
- 7.121 We will continue to work with the NITB to develop both the tourist potential of ***Game of Thrones*** and the tourism dimension of the screen industries more generally.
- 7.122 We will continue to offer projects to Tourism Ireland that could have a value to them.
- 7.123 There is limited understanding of the Intellectual Property issues around using screen content like ***Game of Thrones*** to promote tourism services. Northern Ireland Screen will work with NITB to educate and manage the private sector on this issue. Where possible Northern Ireland Screen will seek to assist private sector tourism suppliers who wish to use screen content in their promotions, but permission must always be sought from the rights owners.
- 7.124 Northern Ireland Screen will seek to partner with NITB and/or Tourism Ireland on a Film and Television Tourism conference.

vii. Visual Effects

- 7.125 The computer generation of visual effects is an enormous and ever growing aspect of the screen industries – the budget for effects on ***Game of Thrones*** or ***Dracula*** would be in the millions. It is also an extremely competitive element of the screen industries with many countries worldwide competing to secure this economic activity. Notably, the UK Treasury announced a consultation in May 2013 on providing further support to the visual effects industry.
- 7.126 Northern Ireland has a very modest visual effects sector based around a few small and new companies – for example, Factory Pictures and Black North.
- 7.127 However, as we grow the overall screen industry in Northern Ireland, we must try and grow the effects sector. This is difficult, with productions like ***Game of Thrones*** or ***Dracula*** wishing to undertake their effects with tried and tested top quality suppliers, and top quality suppliers like the UK's Double Negative or Framestore seeking extremely attractive incentives to consider setting up satellite operations.
- 7.128 Northern Ireland Screen has created an effects training initiative with NVisible the effects supplier on a Northern Ireland Screen supported film called ***Our Robot Overlords***. The success or otherwise of this initiative, which is in partnership with Factory Pictures and supported by DCAL, will guide our future activities in this area.
- 7.129 Based on the learning from our effects training initiative with NVisible and Factory Pictures, we will develop further interventions designed to strengthen the effects sector.
- 7.130 We will also work with the University of Ulster on its development of short and long courses for the effects industry.

viii. Sustainability

- 7.131 The Opening Doors Strategy has been developed with a strong focus on delivering steady growth in a stable pattern.
- 7.132 Stable growth is the key to further investment in skills and infrastructure at a public, corporate and individual level.

Government Support

- 7.133 Evidence from around the world confirms that public intervention is required to underpin the steady and stable growth of the screen industries. There are few countries or regions of the world where a steadily growing and stable screen industry exists without considerable and enduring public intervention⁵⁵. This view is supported by Invest NI's independent consultancy on the market potential for Titanic Studios⁵⁶ and by Olsberg SPI's independent research report *Building Sustainable Businesses: the Challenges for Industry and Government*⁵⁷. Also by Creative Capital: Building Ireland's Audiovisual Creative Economy⁵⁸.
- 7.134 Accordingly, for the screen industry in Northern Ireland to succeed and flourish, stable and strong support from government must be forthcoming. A degree of that support must come from the UK government; for example, the system of tax credits recently expanded and Minority Language funding, as these matters are not devolved. But a high percentage of that support must come from the Northern Ireland Executive. While Northern Ireland Screen seeks at all times to maximise the economic value of its activities on behalf of the Northern Ireland Executive, it cannot develop a model that allows for a reduction of financial support over time without there being a corresponding reduction in economic value of the sector.
- 7.135 The role of Northern Ireland Screen is not exclusively a pump-priming role but is instead a constant underpinning role. This was illustrated in the analysis of what is required to sustain a successful Animation sector. It is also illustrated by KPMG's assertion that 70% of the UK film industry would disappear if public subsidy was removed. Creative Capital, which seeks to articulate the necessary landscape for the screen industry in the Republic of Ireland to thrive, makes it very clear that the sector requires a cocktail of support through both tax credits and the support of the Irish Film Board and the BAI's Sound and Vision Fund.

⁵⁵ India may be an exception to this rule.

⁵⁶ ITN Consulting – Titanic Studios Investment Marketing Appraisal, December 2012.

⁵⁷ Olsberg SPI report July 2012 attached at tab 3 in Appendices 1: Learning from Elsewhere.

⁵⁸ Creative Capital: A Report for the Minister of Arts, Heritage and Gaeltacht, April 2011 attached at tab 1 in Appendices 1: Learning from Elsewhere.

Diversity

- 7.136 This Strategy seeks to deliver stable growth by encouraging an appropriate level of diversity across the 7 sectoral priorities. Spreading the development of the industry across these 7 priorities protects Northern Ireland from decline or crisis in a particular area. This balanced approach is a key element of the Strategy including the intention to develop a pipeline of production in both High End Television Drama and Studio Scale Feature Film.
- 7.137 The wider focus on 7 sectoral priorities also allows for the greatest geographic spread of the value of the screen industries across Northern Ireland.

Sustainable Local Companies

- 7.138 Northern Ireland Screen will consider the impact on the stability of local production companies in all of its interventions, and will seek to strengthen the companies where possible. As an investor, Northern Ireland Screen will press the case that tax credits should be producer equity and will be flexible in relation to the timeframe for the return of development loans.

c. Priority Partnerships

- 7.139 Northern Ireland Screen sustains a large number of relationships of importance to the growth of the screen industries in Northern Ireland. While most of those relationships are very strong, there is a need to periodically review the nature of the relationships and explore whether there are improvements that can be made. The organisations listed below are not exhaustive, they are selective – these are the priority partnerships without which we cannot deliver the economic development (excluding private companies).
- 7.140 Across the broadcasters and funding agencies there will be an ever increasing need during the Strategy period to maximize the value of budgets available. This is creating collaborative opportunities that were not available in the relative boom times.
- 7.141 Within Northern Ireland, a consensus is developing that there is a need for organisations to work more closely together if we are to capitalise on the market opportunities that exist – this is articulated in Invest NI’s Digital Content strategy and in the CAL Committee’s Inquiry into the Creative Industries. Northern Ireland Screen submits that it should become the primary focal point for the support of the screen industries. Northern Ireland Screen will, where appropriate, umbrella or partner with other organisations.

Broadcasters

BBC, BBC NI and BBC Worldwide

- 7.142 The BBC remains the most important single partner and interface for both the screen industry and Northern Ireland Screen. For the independent companies, BBC NI still provides the local commissioning that is their bread and butter, and the elusive opportunity of considerable growth through promises relating to network quota contained within the Out of London strategy⁵⁹.
- 7.143 For Northern Ireland Screen there are multiple relationships relating to the Irish Language Broadcast Fund, the Ulster-Scots Broadcast Fund, AIM High, local drama, a whole host of individual projects including *The Fall*, *Blandings*, *Dani’s Castle*, *Good Vibrations*, many of the development deals, and much more.
- 7.144 Northern Ireland Screen’s relationship with the BBC is extremely challenging, collegiate and successful in many aspects, such as the Ulster-Scots Broadcast Fund and AIM High, but heavily overshadowed by the BBC’s failure to deliver its repeated promise to dramatically increase network production from Northern Ireland. In each of Northern Ireland Screen’s previous strategies, there has been a dependence on the BBC to deliver its promises and each time the BBC has failed to do so.

⁵⁹ See analysis of Network Spend outcomes to date, particularly in relation to local independent companies.

- 7.145 This is always a complex picture because there are many individual successes within the overarching failure. BBC-commissioned drama production has grown steadily over the last 2 years culminating in **The Fall** – a project notable because it is set in Belfast as well as filmed here – and there has been investment in local drama – **6 Degrees** – for the first time in 20 years.
- 7.146 Much of the difficulty is caused by the relative size of the organisations and the scale of the BBC bureaucracy.
- 7.147 Northern Ireland Screen will explore the possibility of an overarching agreement between Northern Ireland Screen and the BBC which sets out the terms for a wide range of our collaborations and potential future initiatives. While this would be extremely challenging, it might provide a backstop for the partnership, create a sense of collective purpose that is often absent, and reduce the need to renegotiate terms and conditions on a case by case basis.
- 7.148 This overarching agreement could be an opportunity to secure alignment with Northern Ireland Screen’s growth strategy; for example, a commitment to our animation strategy and a commitment to pursue large-scale drama projects designed for a global audience would be a key term for Northern Ireland Screen. This overarching agreement may have a relationship with discussions/negotiations presently underway between BBC NI and DETI/SIB regarding a collective property solution for the screen industries.

Channel 4

- 7.149 Northern Ireland Screen has a positive but limited relationship with Channel 4. We have successfully co-funded a number of significant projects – **4 Thought, Coming Up** and **Hunger** – but there is limited sense that Channel 4’s footprint in Northern Ireland is set to grow considerably in the future.
- 7.150 The strongest connections to Channel 4 are in the film/drama department and the digital content space.
- 7.151 We will explore whether there is any relationship beyond a project by project relationship that can be developed within either the film/drama space or the digital content space.

HBO/Time Warner

- 7.152 Northern Ireland Screen has a strong relationship with HBO on a single project. That project is big enough that it has also created a relationship with Time Warner.

- 7.153 We must explore expanding our relationship with both HBO and Time Warner beyond ***Game of Thrones*** either through ongoing production facilitation or through content development.

RTÉ

- 7.154 Northern Ireland Screen has good relations with RTÉ, collaborating through independent producers on a number of projects. The production sector in Northern Ireland has even stronger links to RTÉ, consistently producing a range of content for the broadcaster. It is well documented that RTÉ is in an extremely challenging financial position which is squeezing available budgets considerably and driving an appetite for new thinking.
- 7.155 Northern Ireland Screen will seek to work more closely with RTÉ in relation to co-financing the development of television formats with international potential.

Sky

- 7.156 The production sector in Northern Ireland has a limited relationship with Sky but we expect Sky to continue to grow in its significance to the overall screen industry in the UK. Northern Ireland Screen's relationship with Sky is also limited to key commissioning personnel moving across from other broadcasters, and connections around ***Game of Thrones***.
- 7.157 Northern Ireland Screen must, as an immediate priority, seek to extend its relationship with Sky to facilitate an expanding of the production sectors work for Sky

TG4

- 7.158 TG4 is Northern Ireland Screen's main partner in relation to the Irish Language Broadcast Fund. The partnership has been enormously successful.
- 7.159 Not wishing to take this relationship for granted, we will have an annual review of how the partnership is functioning. We will also explore with TG4 whether there is any opportunity for us to co-commission content that can attract additional revenue streams for the production companies from secondary sales or format sales.

UTV

- 7.160 Northern Ireland Screen's relationship with UTV has diminished over recent years although we did co-commission a number of series through the Ulster-Scots Broadcast Fund. UTV is a cornerstone of the local media and has always been very positive in its coverage of the screen industry and Northern Ireland Screen's part in the industry.

- 7.161 We will seek to ensure that Northern Ireland Screen's relationship with UTV does not diminish and we will explore new partnership activities: for example, the broadcast of short films.

Screen Agencies

Bord Scannán na hÉireann/the Irish Film Board

- 7.162 Northern Ireland Screen has a long standing and multifaceted relationship with the Irish Film Board. We have co-financed the development and production of many projects, most recently ***Good Vibrations, Grabbers*** and ***Jump***. However, there is a need to revitalise this partnership and side step the tensions that arise as Northern Ireland grows in stature within the large-scale production market in particular.
- 7.163 We will explore an all-island proposition to develop and produce, or attract high end television drama; seek to join with the IFB's Animated Shorts Scheme; and agree with the IFB the general parameters as to when we will co-finance both development and production.

British Film Commission

- 7.164 Since the British Film Commission was reconstituted under the umbrella of Film London, we have worked very closely and successfully with them. This has been facilitated by the role we played in securing the UK High End Television Drama Tax Credit.
- 7.165 Northern Ireland Screen strongly supported the BFC's familiarisation trip launching the UK High End Television Drama Tax Credit.
- 7.166 We will continue to invest time and resources in working with the British Film Commission.

British Film Institute

- 7.167 Northern Ireland Screen has a much deeper relationship with the British Film Commission than its predecessor the UK Film Council. We make considerable contribution to strategy debate across production, exhibition and, most particularly, education, and have secured greater support for activity in Northern Ireland across production, exhibition and education than was the case under the UK Film Council. The BFI is also the conduit for our funding of the Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund.

- 7.168 It is important that we retain strong links across the BFI corporately but more importantly within the Production, Exhibition and Education departments.

Creative Skillset

- 7.169 Creative Skillset's co-location at Northern Ireland Screen has impacted extremely positively on the working relationship between the organisations. Creative Skillset has in recent times contributed significantly to the skills agenda in Northern Ireland – AIM High and many other trainees are strongly supported by Creative Skillset.
- 7.170 Creative Skillset has secured a new £16 million funding stream for skills development associated with the new tax credits for Animation, Effects, Film and High End Television Drama. Our own strategy has prioritised all of these areas.
- 7.171 We must secure funding from Creative Skillset's new Skills Development Fund to a value of more than £600k for production in Northern Ireland.

Local Partnerships

DCAL

- 7.172 DCAL is the sponsor department for Northern Ireland Screen and holds a key governance relationship and responsibility with Northern Ireland Screen noted within the Financial Strategy.
- 7.173 DCAL is a critical partner and champion in relation to Northern Ireland Screen's mission and goal. Support from DCAL is critical to Northern Ireland Screen's ambition to mainstream its screen and digital technologies education provision and ensuring that it reaches and is of value to the most socially disadvantaged within society.
- 7.174 DCAL is an important champion in relation to the value Northern Ireland receives from the UK's public service broadcasters, in particular the BBC, and in ensuring the continuance of the Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund.
- 7.175 DCAL is also the lead department for the creative industries and Northern Ireland Screen will seek to work closely with DCAL to ensure that the creative industries are supported appropriately.

Invest NI

- 7.176 Invest NI is Northern Ireland Screen's largest funder and, like DCAL, there is a considerable governance role associated with that funding referred to in the Financial Strategy.
- 7.177 The value of exploring the possibility of agreeing a single strategy letter of offer – as opposed to an annual letter of offer – is an issue of high priority both within the Financial

Strategy and within the Strategy itself. We believe the transparency and security of secure funding for the strategy period would impact significantly on the value returned from the Invest NI investment⁶⁰.

- 7.178 Northern Ireland Screen and Invest NI are also partner organisations across a range of economic development activities as they relate to the screen industries – FDI, international markets, indigenous company support are all areas where we have similar ambitions. We will work with Invest NI to develop a set of Guiding Principles to clarify the leadership role of Northern Ireland Screen in the development of the screen industries and to ensure that we align our respective efforts most effectively and avoid unnecessary duplication.
- 7.179 Northern Ireland Screen will support Invest NI in wider economic agendas where relevant; for example, assisting with the use of successful projects for the purposes of Brand Northern Ireland⁶¹, and facilitating introductions to international companies Northern Ireland Screen has a relationship with where backroom opportunities might exist.

Animation Ireland

- 7.180 Animation Ireland is a grouping, and to a lesser extent a brand, made up of the very successful animation company cluster in the Republic of Ireland. We hope with the new UK tax credit, JAM Media's setting up in Northern Ireland and the all-island co-productions that have already occurred – ***Lifeboat Luke*** and ***Joe & Jack*** – that Animation Ireland will accept the companies based in Northern Ireland.
- 7.181 Northern Ireland Screen will seek membership of Animation Ireland for Northern Ireland companies and to provide finance in parallel to finance provided by Enterprise Ireland to facilitate this end.

Arts Council

- 7.182 Northern Ireland Screen will continue to report to the Arts Council on the Lottery funding delegated to Northern Ireland Screen by the Arts Council for the support of film. We will also seek to strengthen the dialogue in relation to the many areas of common interest for Northern Ireland Screen and the Arts Council, including the development of writers, actors and the growing number of artists and art students working through the medium of film and moving image.

⁶⁰ Olsberg SPI stress that long term secure and visible funding mechanisms are much more successful in delivering value in the screen industries than short term or sporadically available funding mechanisms.

⁶¹ ***Game of Thrones*** was used within joint economic development/tourism publicity around the G8.

- 7.183 Northern Ireland Screen works closely with the Arts Council in relation to the Creative Industries Innovation Fund (CIIF) providing project guidance, administrative support and decision making. At this stage in the evolution of CIIF there is a need to review the workings of CIIF.
- 7.184 Northern Ireland Screen wishes to work with CIIF to explore more effective ways to target projects that could be further developed and progressed towards full commerciality.

Digital Circle

- 7.185 Northern Ireland Screen has worked piecemeal with Digital Circle in recent years. The most recent example is Digital Circle's role in the development and running of our successful Games on Film scheme which connected mobile game producers with feature film distributors.
- 7.186 We now wish to work more closely with Digital Circle to identify the exemplar projects we are seeking to target within our Games, Mobile, E-Learning and Web Content Strategy and to identify appropriate candidates for international trade missions and to more generally steer out interventions in support of these activities.

Digital Derry/CultureTech

- 7.187 We have worked piecemeal with Digital Derry through our own funds and through the Creative Industries Innovation Fund as well as supporting the inaugural CultureTech.
- 7.188 Northern Ireland Screen wishes to take a strong supporting role in the development of CultureTech as a potential focal point for the creative industries in Derry-Londonderry for the whole of Northern Ireland.

Producers Alliance for Cinema and Television (PACT)

- 7.189 Northern Ireland Screen has always worked with PACT: for example, we supported their UKTI initiative to deliver exhibition space at MIP and MIPCOM. However, as the screen industry has expanded and developed in Northern Ireland, PACT's position as the voice of the independent sector in Northern Ireland has weakened with many significant companies unaffiliated to it. We see value in having a trade association that represents the majority of the sector and still believe that PACT should be this body. We also believe it should develop a partnership of some sort with Digital Circle and make stronger connections to the key players in film, large-scale production and television drama.

- 7.190 We will encourage companies to join PACT strengthening it as the authoritative voice of the sector and we will broker a partnership between PACT and Digital Circle to strengthen that voice further.

Northern Ireland Tourist Board

- 7.191 The Northern Ireland Tourist Board (NITB) has taken a considerable interest in the symbiosis between growing the screen industry and developing tourism. Collaboration on the ***Game of Thrones*** Exhibition is the high water mark of our partnership. It is important that we maximise the tourism value of ***Game of Thrones*** and develop the broader proposition.
- 7.192 We will continue to work with the NITB to develop both the tourist potential of ***Game of Thrones*** and the tourism dimension of the screen industries more generally.

Tourism Ireland

- 7.193 Northern Ireland Screen worked very successfully with Tourism Ireland on ***The Shore*** and 2 Titanic programmes. As Northern Ireland's tourism proposition continues to grow and the screen industry in Northern Ireland becomes more visible, we should continue to seek out opportunities to work with Tourism Ireland and, in particular, identify projects that could attract investment from Tourism Ireland.
- 7.194 We will continue to offer projects to Tourism Ireland that could have a value to them.

7.195 Economic Targets and Scale of Economic Impact 2014-18 (Invest NI funding)

Economic Targets 2014 -18				
Objective	DGG Target	Outcome at Interim evaluation	Northern Ireland Screen forecast to end of DGG strategy	Targets 2014-18
Direct Spend	6.03:1	5.52:1	6.15:1	6.91:1
GVA gross	4.5:1	3.29:1	3.45:1	4.30:1
GVA Net		2.66:1	2.80:1	3.47:1
Invest NI Funding	£18m	£27.3m	£27.3m	£42.8m
Actual direct spend	£95,955,000	£64,574,287	£120,767,000	£250,750,000
Gross GVA		£38,505,418	£71,252,000	£146,946,133
Net GVA		£31,123,544	£57,968,000	£118,080,919
Direct NI spend				
Large-scale production	10:1	7.24:1	8.80:1	10.63:1
Film	3.5:1	3.68:1	3:1	3:1
Television Drama	3.5:1	3.68:1	5:1	6:1
Factual/Entertainment Television	3.5:1	4.20:1	5:1	4:1
Animation	n/a	n/a	4:1	6.5:1
Gaming, mobile, web content	n/a	3.42:1	4:1	6:1
Development	5.0:1	2.48	3.5:1	3.5:1
Job Creation	852 direct FTE job years	350 direct FTE job years (confirmed)	1150 direct FTE job years	2800 direct FTE job years
Skills base - % NI residents working on productions	65%	63%	65%	65%

Scale of Economic Impact 2014-18			
	Invest NI Funding	Value of productions incentivised through Screen Fund	Estimated spend on direct employment in NI
Building On Success 2007-10	£10.8 million	£166,835,000	£24,933,632
Forecast to end of DGG 2010-14	£27.3 million	£293,749,000	£49,020,000
Estimate of Opening Doors 2014-18	£42.8 million	£580,000,000	£107,822,500

d. Northern Ireland Screen Financial Strategy 2014-2018

Introduction

7.196 Northern Ireland Screen's Financial Strategy sets out how the organisation intends to structure and manage its finances over the 4 year period 2014-18, thus ensuring its objectives are achieved. This approach reflects good business planning, sound financial management and demonstrates the stewardship of public money.

7.197 Critical to the success of this Strategy is that the funding and support detailed in this Strategy is committed, visible and stable for at least the 4 year period without annual cut-offs⁶². Northern Ireland Screen is seeking a Letter of Offer to extend for the Strategy period 2014-18.

7.198 The 2013-14 approved budget and funding provides the base position for the Financial Strategy. Projections of future expenditure and income levels have been made from this starting point.

7.199 Northern Ireland Screen wishes to consult with interested parties and the Financial Strategy provides an opportunity to begin this process.

External Influences

7.200 External factors to be considered in the financial strategy include:

- The lack of alignment between the timescale for the Strategy appraisal and the outcomes of other funding agreements;
- DCAL will embark on a zero-based budgeting process to review all funding from 2014-15;
- The current economic downturn and its impact on government financial resources.

Key Assumptions

7.201 To be able to produce a meaningful financial plan, a number of assumptions have to be made and kept under review.

7.202 Economic factors such as inflation rates have an impact on the organisation's financial position. Inflation rates of 1%, 1%, 2% and 2% (2014-18) have been factored into costs which are exposed to inflationary pressures or are not contractually fixed throughout the period.

⁶² Olsberg SPI stress the greater success of funding mechanisms that are stable and provide producers with assurance that they will continue to exist for the foreseeable future.

- 7.203 Northern Ireland Screen's staff terms and conditions are currently under review. There is no attempt to factor revised terms into this Strategy.
- 7.204 Overheads are funded on a percentage allocation basis and are shared across the main funders: Invest NI, DCAL, ILBF, USBF and Lottery funding. The allocation is based on a percentage of time spent on work associated with the funding programmes. The percentages are based on a revised time allocation exercise carried out for the Strategy.
- 7.205 Production legal fees for the Screen Fund are treated as a direct cost of production activity and are charged to production programmes funded by Invest NI. They were previously allocated to overheads.
- 7.206 Funding for ILBF and USBF has been held at the 2010-14 levels. Current funding agreements finish in March 2015. (This is now extended to March 2016.)
- 7.207 DCAL will embark on a zero-based funding exercise during 2013-14 for the final year of the CSR period 2014-15. DCAL programme funding has been included at the levels agreed in the CSR exercise in 2010 and any further funding which has been directly awarded for the period. Overheads funding is based on the revised direct allocation basis. Staff time directly associated with DCAL programme activity is charged as DCAL overhead.

Exchange rates and UK and Ireland Film and Television tax relief

- 7.208 While exchange rate fluctuations will not have a significant impact on costs, they will have a considerable impact on the ability of the organisation to attract international productions into Northern Ireland. They must therefore be considered within Northern Ireland Screen's overall delivery of objectives.
- 7.209 UK tax relief on film and other European tax relief on film and TV, and subsidy, will continue to create a competitive environment when attracting large-scale production.
- 7.210 The new UK High End Television tax credit will have an influence on high end television drama. We would also expect a growth in projects with budget at just over £1m creating an opportunity for Northern Ireland to attract projects from the main television broadcasters.

Regulatory Framework

- 7.211 There are 3 main regulatory frameworks affecting this Strategy. These are:
- European state aid notifications;
 - Strategic relationship with Invest NI;
 - Northern Ireland Screen's Management Statement and Financial Memorandum.

European State Aid

- 7.212 Northern Ireland Screen holds a UK notification for its development and production investments. This notification – State Aid n° N 593/2006 – United Kingdom as amended by notification N° N 70/2009 - covers both the Northern Ireland Screen Fund, the Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund.
- 7.213 The notification is valid until March 2015; that is, for the first year of this Strategy. Northern Ireland Screen will seek to extend this notification for a further 3 years to cover the 4 years of this Strategy.
- 7.214 As these state aid notifications are granted in support of cultural considerations as set out in Article 87(3)(d), they are not at present under risk of being phased out or reduced.
- 7.215 The levels of support proposed in this Strategy fall within the annual limits set by the notification.
- 7.216 The Lottery funds Northern Ireland Screen administers are covered by a separate European State Aid notification managed by BFI on behalf of all film related Lottery distributors in the UK. Again there is no foreseen difficulty with this notification.

Strategic Relationship with Invest NI

- 7.217 Critical to the success of this Strategy is that the funding and support detailed in this Strategy is committed, visible and stable for the 4 year period without annual cut-offs⁶³. The issuing of annual letters of offer presents a considerable administrative burden on both Northern Ireland Screen and Invest NI.
- 7.218 We will work with Invest NI to develop a set of **Guiding Principles** between Northern Ireland Screen and Invest NI to clarify the role of both organisations in the economic growth of the industry. In the development of FDI opportunities we will agree a co-ordinated approach to maximising the international resources available through Invest NI for the development of the industry.
- 7.219 Funding from Invest NI is issued subject to a set of detailed terms and conditions stated in the Letter of Offer issued on an annual basis. The Letter of Offer sets out provision for an overall package of funding to cover the period of the Strategy. Conditions include the agreement of a set of operating procedures relating to each of the funds which must be agreed in writing before any changes can be implemented.

⁶³ Osberg SPI stress the greater success of funding mechanisms that are stable and provide producers with assurance that they will continue to exist for the foreseeable future

Management Statement and Financial Memorandum (MSFM)

- 7.220 Northern Ireland Screen is required to operate under the terms of the MSFM. This document was drawn up by DCAL, in consultation with Invest NI who acts on behalf of DETI, and Northern Ireland Screen and is approved by DFP. The Management Statement sets out the responsibilities and accountability of all parties and outlines the roles of Invest NI, DCAL, the Chair, the Board and the Chief Executive. The Financial Memorandum sets out in greater detail certain aspects of the financial provisions which Northern Ireland Screen must observe. It sets out the framework within which Northern Ireland Screen is required to operate and deals specifically with issues relating to income and expenditure, risk management, staff costs, capital expenditure, budgeting process, banking arrangements and spending authority.
- 7.221 Northern Ireland Screen advocates a single point of departmental responsibility as an alternative to the present split responsibility between DCAL and DETI/Invest NI, on the basis that a single departmental structure would be more efficient.

Financial Management and Stewardship

- 7.222 The accounts and procedures of Northern Ireland Screen have been audited by ASM Chartered Accountants in 2011-12 and an unqualified audit report issued. Due to changes in legislation the 2012-13 audit will be completed by Northern Ireland Audit Office. Financial statements for 2012-13 are not expected to be available until Autumn 2013.
- 7.223 PWC, acting as internal auditors, has provided assurance to the Board on specified aspects of the corporate risks. Over the period of the previous strategy they have carried out reviews of the following areas:
- Financial Systems and Controls, Banking Arrangements;
 - Compliance with Financial Memorandum, Risk Management Operations, Performance monitoring arrangements;
 - Facilities Management, Disaster Recovery Arrangements, Health and Safety Review, Disability Discrimination Review;
 - Lottery funding procedures;
 - Review of procurement and contract management arrangements.
- 7.224 Satisfactory and substantial ratings were given and there are no major issues outstanding. An internal audit plan will be drawn up to cover the strategy period from 2014-18.
- 7.225 Invest NI continues to carry out a 100% inspection and vouching of all Invest NI funded activity.

- 7.226 Invest NI commissioned an Evaluation of the Building on Success Strategy and a mid-term evaluation of the Driving Global Growth Strategy. The evaluation team concluded that the strategy has provided value for money to date in respect of the support provided by Invest NI. DGG evaluation stated that given the positive economic impact made by the activity supported by Northern Ireland Screen to date, Invest NI should continue to offer support to Northern Ireland Screen.
- 7.227 DCAL is the sponsoring department for Northern Ireland Screen and as such has responsibility for overarching accountability arrangements. Invest NI, as a source of Northern Ireland Screen's government funding, also has a major role in the accountability arrangements. The responsibilities of DCAL and Invest NI are set out in the Management Statement and Financial Memorandum.
- 7.228 Northern Ireland Screen's Finance and Audit Committee, chaired by Brian McMahon, met 4 times during the year and reported to the Board. The Committee will continue to meet quarterly and follow the 'Audit Committee Handbook' guidelines.

Financial Position

- 7.229 The 2013/14 budget provides the base position for the Financial Strategy. Projections have been made from this base taking into account known factors that have a financial impact on the organisation, in order to give an overall forecast of expenditure and income levels for the next 4 years.
- 7.230 Excluding overheads the organisation has a funding allocation of £68m over the duration of this Strategy through which to support and grow the industry.

Funding Priorities

- 7.231 The economic case for investing in the screen sector remains strong and the Screen Fund remains the key funding priority for this Strategy. The organisation will continue to attract large-scale production to Northern Ireland for film and television in order to maximise economic returns. We will also continue to develop opportunities for the most talented writers, directors, producers and crew from Northern Ireland to grow the indigenous film and television sector. The ILBF and USBF continue to have a positive impact on economic and skills development of the Northern Ireland television sector. We will continue to focus on skills development to maximise the benefits which can be derived from increased production levels in Northern Ireland.

The table below shows the funding budget from all sources in 2014-18.

	2014-15	2015-16	2016-17	2017-18
	£'000	£'000	£'000	£'000
Invest Northern Ireland	10,597	10,703	10,730	10,786
Department of Culture, Arts and Leisure	1,424	1,175	1,180	1,185
Irish Language Broadcast Fund	3,000	3,000	3,000	3,000
Ulster–Scots Broadcast Fund	1,000	1,000	1,000	1,000
Lottery Film Fund	738	738	740	741
British Film Institute	150	150	150	150
Other Income	900	625	900	625
Total	17,809	17,391	17,699	17,487

A full budget can be found in [Appendix A](#).

	2014-15	2015-16	2016-17	2017-18
	£'000	£'000	£'000	£'000
Income	17,809	17,391	17,699	17,487
Project costs	17,129	16,708	17,004	16,779
Overheads	680	683	695	708
Surplus/(deficit)	0	0	0	0

Staff Resource

- 7.232 Northern Ireland Screen employs 25 full-time staff. We have a core team of specialists from within the industry and will continue to recruit from within the industry where possible. The increased activity and support identified in the Strategy will require an additional 3 posts to support the development of key areas.
- 7.233 Staff continue to be energised and committed to achieving the aims of the organisation. Staff absenteeism remains low at less than 2.5% and employee engagement remains high.
- 7.234 We will continue to invest in our staff providing challenging and rewarding opportunities to play an active role in the development of the growing industry in Northern Ireland. We will equip them with the skills and knowledge through continued active participation in the industry to bring value to those employed in the industry.
- 7.235 We will continue to invest in training for staff and have provided 1% salary costs towards training courses. We will seek opportunities for staff to develop through industry placements or projects in industry related areas.
- 7.236 Career development within the organisation remains limited due to capacity.

7.237 We will work with DCAL and Invest NI to agree terms and conditions analogous to other government NDPBs.

Capital Expenditure

7.238 The organisation has a very small asset base and capital spend is limited to replacement of office equipment, hardware and software associated with the administrative functions of the office.

7.239 Studio and production facilities in Northern Ireland are not owned or managed by Northern Ireland Screen.

7.240 Office accommodation at Alfred Street is limited in its present configuration and will require redesign in order to accommodate additional staff.

Challenging the Base Line Budget and Achieving Value for Money

7.241 Northern Ireland Screen has reviewed the cost and performance of all of its services to ensure that it is achieving the best outcomes from the budget. Every department has reviewed their spending plans and considered their ability to meet their objectives and targets for 2014-2018 against the income. Overheads have been examined and where under spends have occurred in past years, the budgets have been reduced.

VAT

7.242 A ruling by HMRC in December 2012 changed the basis for treatment of VAT on production awards. It was decided that there were no taxable supplies being made to Northern Ireland Screen by production companies for awards. VAT was not chargeable by the companies or reclaimable by Northern Ireland Screen. This revised ruling was welcomed by Northern Ireland Screen and safeguards the funds available to award.

7.243 Without taxable supplies Northern Ireland Screen is not in a position to recover VAT on costs. This increases the cost of all goods and services subject to VAT by 20%. The main cost areas affected are overheads, marketing, legal fees and training.

7.244 The increase in VAT accounts for an increase in budgeted overheads of £30k per year. VAT increases legal costs on Screen Fund, ILBF, USBF and Lottery awards.

Overheads

7.245 Overheads have been allocated based on time spent on work associated with each of the main funding areas. Funding from DCAL, ILBF, USBF and Lottery has been factored into the overhead allocation though confirmation of funding for each of these streams has not been awarded and does not align with the Strategy appraisal timeline. This funding will not be confirmed at the time of completion of the appraisal.

Financial Risk Management

7.246 Risk management is a central part of Northern Ireland Screen's Strategy and as such we have adopted a risk management strategy which identifies, evaluates and mitigates the risks which affect the organisation and have put appropriate financial and other arrangements in place to protect the organisation from the consequences of risk.

7.247 The Strategy ensures that areas of high risk are identified and appropriate remedial action is considered.

Risk Assessment

7.248 The Financial Strategy is based on a number of assumptions and uncertainties which create risk, including inflation rates and levels of government funding. However, these have been mitigated by:

- Adopting a prudent approach to forecasting;
- Continuous monitoring and review of key factors;
- Highlighting risks on expenditure and income levels, as outlined below;
- Aligning core costs more directly with funding programmes and activities.

Other Key Risks on Income and Expenditure

7.249 Reduction in level of support for overheads from key funders (see table below).

	2014-15	%	2015-16	%	2016-17	%	2017-18	%	2013-14	%
	£000		£000		£000		£000		£000	
Invest NI	602	56	603	56	615	56	626	56	611	60
DCAL	254	24	255	24	260	24	265	24	215	21
ILBF	103	10	104	10	106	10	108	10	100	10
USBF	44	4	45	4	45	4	46	4	45	4
Lottery Film Fund	67	6	68	6	69	6	70	6	55	5
Total	1,070		1,075		1,095		1,115		1,025	

Appendix A

Income and Expenditure Account

Income & Expenditure Account	2014-15	2015-16	2016-17	2017-18
	£	£	£	£
Invest NI	10,596,863	10,703,221	10,829,634	10,786,276
DCAL	1,424,196	1,174,770	1,179,641	1,184,608
ILBF	3,000,000	3,000,000	3,000,000	3,000,000
USBF	1,000,000	1,000,000	1,000,000	1,000,000
ACNI Lottery	737,492	737,844	739,528	741,245
BFI	150,000	150,000	150,000	150,000
Other income - BBC/Creative Skillset	900,000	625,000	900,000	625,000
TOTAL Income	17,808,551	17,390,835	17,698,803	17,487,129
PROGRAMMES				
Production Funds				
Screen Fund	9,075,000	9,075,000	9,075,000	9,075,000
Skills	1,340,000	1,070,000	1,460,000	1,130,000
Lottery expenditure	670,000	670,200	670,604	671,016
Marketing activity	410,000	510,000	410,000	510,000
Development activity	200,000	200,000	200,000	200,000
Direct production costs - legal	80,000	80,000	80,000	80,000
Production salaries	299,534	299,534	305,525	311,635
	12,074,534	11,904,734	12,201,129	11,977,651
Ulster-Scots Broadcasting Fund				
Production budget	905,577	905,007	903,518	902,003
Direct costs	50,000	50,470	51,116	51,773
	955,577	955,477	954,634	953,776
Irish Language Broadcast Fund				
Production budget	2,468,982	2,466,617	2,458,840	2,450,906
Salaries	75,505	75,505	77,015	78,555
Training	278,920	280,420	283,451	286,542
Direct costs and Marketing	63,115	63,746	65,021	66,321
	2,886,522	2,886,288	2,884,327	2,882,325
Exhibition	200,000	200,000	200,000	200,000
Education & Heritage				
Creative Learning Centres	795,417	545,417	545,466	545,514
Film Clubs	80,000	80,000	80,000	80,000
Digital Film Archive	39,955	39,910	39,817	39,724
Education activities	4,545	4,590	4,682	4,776
Education salaries	91,626	91,626	93,459	95,328
	1,011,543	761,543	763,424	765,342
TOTAL project costs	17,128,176	16,708,042	17,003,514	16,779,093
Administation				
Salaries & wages	421,962	421,961	430,400	439,008
Office overheads	81,325	82,466	84,115	85,797
Premises	96,043	96,509	97,281	98,068
Travel and board	81,045	81,855	83,493	85,162
Depreciation, less grant release	0	0	0	0
	680,375	682,791	695,288	708,035
Surplus / Deficit	0	0	0	0

INVEST NI FUNDING

	2014-15	2015-16	2016-17	2017-18	Total	DGG Strategy 2010-14
Large-scale production	3,200,000	3,200,000	3,200,000	3,200,000	12,800,000	9,250,000
Animation	1,125,000	1,125,000	1,125,000	1,125,000	4,500,000	1,216,224
TV Drama	1,600,000	1,600,000	1,600,000	1,600,000	6,400,000	3,530,000
Factual/Entertainment Television	200,000	200,000	200,000	200,000	800,000	617,237
Independent Film	1,200,000	1,200,000	1,200,000	1,200,000	4,800,000	3,554,000
Gaming, Mobile	500,000	500,000	500,000	500,000	2,000,000	917,359
Development	1,250,000	1,250,000	1,250,000	1,250,000	5,000,000	2,404,559
Northern Ireland Screen Fund	9,075,000	9,075,000	9,075,000	9,075,000	36,300,000	21,489,379
Marketing activity	400,000	500,000	400,000	500,000	1,800,000	859,000
Skills	440,000	445,000	560,000	505,000	1,950,000	770,000
Production legal costs - Screen Fund	80,000	80,000	80,000	80,000	320,000	0
Paint Hall						100,000
Overheads	601,863	603,221	614,634	626,276	2,445,994	2,462,500
	10,596,863	10,703,221	10,729,634	10,786,276	42,815,994	25,680,879
Game of Thrones Pilot Season 1 - supported through previous Strategy	0	0	0	0	0	1,600,000
Total Funding	10,596,863	10,703,221	10,729,634	10,786,276	42,815,994	27,280,879

DCAL FUNDING**DCAL FUNDING**

	2014-15	2015-16	2016-17	2017-18	2013-14
Education	44,500	44,500	44,500	44,500	44,500
Film Clubs	80,000	80,000	80,000	80,000	322,000
Creative Learning Centres	545,417	545,417	545,466	545,514	544,622
Extended CLC funding	250,000	0	0	0	550,000
Digital Apprenticeship Scheme	0	0	0	0	150,000
Development activity	50,000	50,000	50,000	50,000	50,000
Exhibition sector	200,000	200,000	200,000	200,000	237,000
Overheads	254,279	254,853	259,675	264,593	214,500
Total	1,424,196	1,174,770	1,179,641	1,184,608	2,112,622

The core funding package for programmes of expenditure has been held for this strategy at the rates agreed for the CSR period 2010-15. DCAL will embark on a zero-based budgeting exercise during 2013-14. It is expected that the funding for programme expenditure will change to reflect the areas where Northern Ireland Screen contributes to the DCAL priorities on tackling social disadvantage

Funding of Operating Costs	2014-15	%	2015-16	%	2016-17	%	2017-18	%	2013-14	%
	£		£		£		£		£	
Invest NI	601,863	56.2%	603,221	56.2%	614,634	56.2%	626,276	56.2%	611,000	60%
DCAL	254,279	23.7%	254,853	23.7%	259,675	23.7%	264,593	23.7%	214,500	21%
ILBF	103,478	9.7%	103,711	9.7%	105,674	9.7%	107,675	9.7%	100,000	10%
Lottery	67,492	6.3%	67,644	6.3%	68,924	6.3%	70,229	6.3%	55,428	5%
USBF	44,423	4.1%	44,523	4.1%	45,365	4.1%	46,224	4.1%	45,000	4%
Total overhead allocation	1,071,534	100%	1,073,951	100%	1,094,272	100%	1,114,998	100%	1,025,928	100%

Operating Costs	2014-15	2014-16	2014-17	2014-18	2013-14 Budget	2013-14 Actuals
Direct production costs - legal	0	0	0	0	60,000	82,445
Travel and board	81,045	81,855	83,493	85,162	80,400	68,148
General overheads	81,325	82,466	84,115	85,797	80,520	63,375
Establishment	96,043	96,509	97,281	98,068	95,750	77,120
Salaries	813,121	813,121	829,383	845,971	709,258	676,790
Total	1,071,534	1,073,951	1,094,272	1,114,998	1,025,928	967,878

Skills

	2014-15	2015-16	2016-17	2017-18	Total
Invest NI Skills funding					
Skills bursary	80,000	80,000	80,000	80,000	320,000
Other training	200,000	280,000	320,000	340,000	1,140,000
National Film TS/Lyric	10,000	10,000	10,000	10,000	40,000
AIM High (new entrant production)	90,000	45,000	90,000	45,000	270,000
AIM High (animation)	60,000	30,000	60,000	30,000	180,000
Invest NI	440,000	445,000	560,000	505,000	1,950,000
DCAL skills funding - Digital Apprenticeship Scheme					
CIIF	50,000	50,000	50,000	50,000	200,000
Other skills funding (AIM High animation)	300,000	300,000	300,000	300,000	1,200,000
AIM High - balance of funding from Creative Skillset and BBC	330,000	165,000	330,000	165,000	990,000
AIM High - funding from Creative Skillset/ DEL	220,000	110,000	220,000	110,000	660,000
Total Skills	1,340,000	1,070,000	1,460,000	1,130,000	5,000,000

Marketing

	2014-15	2015-16	2016-17	2017-18	Total
Key Marketing Discipline Activity	210,000	210,000	210,000	210,000	840,000
- Marketing and Advertising					
- Promotions and Events					
- Press and Publicity					
- Digital Marketing					
- Locations					
Sector to Global Industry - Active Engagement	100,000	100,000	100,000	100,000	400,000
Large-Scale expansion to include public private partnerships such as -					
- Film Tourism Conference					
- High profile exploitation of production eg international premiere	100,000	200,000	100,000	200,000	600,000
Total	410,000	510,000	410,000	510,000	1,840,000