Context for this Submission

Dr M. Franklin is an academic at the Institute for Creative and Cultural Entrepreneurship (ICCE), Goldsmiths College, University of London. His research fields include film finance, digital engagement, marketing and distribution, calculative devices, and the conceptualisation and management of risk in the audiovisual industries. He has experience working on projects in areas relevant to this Call with Scottish Screen / Creative Scotland, Sigma Films, and the Scottish Documentary Institute. He has also worked on film policy and film industry related projects for Film London, UK Film Council, BOP Consulting, and Nesta, and conducted research supported by AHRC, ESRC, Open Data Incubator Europe (Horizon 2020), and RCUK. Some elements of this response draw on 2016/17 postdoctoral research made possible through a 2014 donation to ICCE by its Chairman, see https://mcbfranklin.com/ for more details. The author has provided consultancy comments for EKOS' work on film policy comparisons for the Screen Unit in 2017.

Leadership, Strategy and Support

In the first instance, in relation to the presentation of information regarding this Call for evidence - as with the current state of affairs in the Scottish Film Industry, there is a need for clarity in roles and responsibilities.

As noted in the SSLG’s 2017 report foreword, responsibility for the sector is fragmented. It would be beneficial for public and industry knowledge that the lines of responsibility, spending authority and decision-making be explicitly set out.

The language of the Call’s website: “The Committee understands that the Scottish Government and Creative Scotland are working on the development of a screen unit for Scotland… The Committee is keen to understand progress made to date and to feed into the development of the unit following its inception” could be read to mean this Committee is disconnected to the field and the work of the SSLG. The Creative Scotland website states Creative Scotland will present their work on developing the Screen Unit to the Cabinet Secretary for Tourism, Culture and External Affairs in late Autumn¹, clarity and rigour of explanation of this review process, as well as in the forthcoming strategic output is required.

The action agenda of this Committee and its work should be made crystal clear, as should its understanding of selected terms being used. For example: definitions of sustainability; the choice of aim for the Screen Sector to be seen as an economic driver, as opposed to being an economic driver; and the focus on board band [sic] but not innovative areas such as AI and blockchain – all these choices should be

¹ http://www.creativescotland.com/resources/our-publications/scottish-government/screen-unit
fully explained.² This type of detail should also be provided by the SSLG in their work.

The (independent) film industry in the UK and in Scotland in particular continues to deal with fundamental and persistent challenges. These issues are regularly addressed in reports, inquiries, commissions and working groups, often with artificial deadlines and little legacy of continuous work e.g. in management processes or data analysis. A priority should be to articulate sector responsibility clearly and then fully resource those responsible to achieve their articulated goals on a continuous basis.

**How can we ensure that the Screen Unit has the remit and responsibility for providing the strategic vision and leadership across the sector?**

The expert film team currently housed at Creative Scotland should have clear backing from government and effective partnership support, especially in dealing with private companies’ investment / involvement in the sector. As set out in the SSLG report – the vital, increased funds required, designation of creative and commercial responsibility and sector accountability should be transparently and completely allocated.

With every newly announced film studio around the UK (Dagenham East, Suffolk etc.) the detrimental impact of Scotland’s lack of leadership and resource allocation to the sector is further amplified.

**What are your views on the availability of funding and support for all content development? How might Brexit impact the Scottish screen industry?**

The film industry is an international business. One of the most remarkable successes of the Scottish film industry has been Sigma Films’ collaboration with international partners e.g. Zentropa. Addressing environmental uncertainties including Brexit, the potential undermining of territorial financing models via the Digital Single Market, debates over the revision of the AVMSD – requires partnership at the UK and international levels. Whilst there are Scottish specificities, the fundamental dynamics of the film industry are so powerful that they require the greatest attention, most helpfully through deep, networked collaboration with partners at BFI, EFADs etc.

Development funding is one of many fundamental issues to address, as well as IP valuation and accounting standards, data collection and analysis, cross Film Value Chain (FVC) balance of power dynamics, and developing strategic plans to maximise inward investment benefits to domestic industry.

² N.B. Superfast broadband adoption will likely increase streaming adoption and rates of use, but simplistic connections between such entertainment engagement and domestic film sector impacts should not be made. Detailed understanding of audience demand, project distribution and marketing spend is required. See later points on film data analysis development. Improved Internet provision should not be conflated with keeping “pace with digital trends”. Delivering appropriate Internet access to the entire population is utterly vital for a raft of socio-economic necessities outside of domestic content consumption, including education and social service provision. See the work of Professor. M Graham at [https://www.oii.ox.ac.uk/](https://www.oii.ox.ac.uk/) on Internet geographies. The correlation between digital exclusion and social deprivation has been recognized, and attention to lowest rates of Internet use in social housing is an important issue for government to work on [http://www.gov.scot/Resource/0052/00525051.pdf](http://www.gov.scot/Resource/0052/00525051.pdf).
Multiple works, including those of Olsberg SPI and Northern Alliance have rigorously and repeatedly set out the core issues of the UK independent film sector.\textsuperscript{3} These problems connect to concepts that have been difficult to fully, acceptably define in context, including profit and sustainability and growth.

To meaningfully set out and execute any strategy, the Screen Unit must fully define its terms and ambitions, its means of management and measurement. This includes mapping out the application of such definitions to each relevant context. For example, in respect of development what does sustainability or growth mean for individual companies, for the sector, in terms of conversion rate, scale of individual productions, volume of productions, amounts returned from production budgets including premiums or improved negotiated returns etc.?

Exploration of cross FVC R&D support for content businesses would require UK strategy if, for example, tax advantaged schemes are considered. Provisions of extra public financial resources have helpfully been used as working capital for increased or diversified development spending, usually extra staffing or rights acquisition costs. [As opposed to producers’ provision of equity investment in their own films – the typical lack of which limits access to revenues high up the recoupment chart.]

Development is the FVC segment regularly cited to be where prospective value may be maximised, relative to intervention expenditure. Development is where unmediated risk often lies, and new entrants including FAANG-like\textsuperscript{4} companies tend not to invest, choosing rather to acquire finished content of more known quality, thus destabilising the overarching FVC architecture that relies on investment in production such that hits have a chance to emerge.

Examination of development support, especially that which might encourage increased scale of budget – and correlative release, would be advantageous. Scale of project ambition inherently interacts with budgetary dynamics, audience reach and distribution requirements – and these connections illustrate the different dimensions of risk at play. Getting above a threshold scale status in order to compete with other entertainment options is deemed vital in order for a film to stand a chance of delivering meaningful revenue, upon which distribution and production companies might progress toward ‘sustainability’. Pursuit of this aim requires support at the bottom of the industry pyramid – development.

Nesta assesses the recognition of R&D\textsuperscript{5} as a legitimate practice in the arts, arguing experimental development meets the systematic work requirement. This is becoming ever more pertinent as an innovation issue as technology / services companies which also produce content for film, VR, games, cannot access support to help produce content – which is utterly vital to the ecosystem.


\textsuperscript{4} Facebook, Apple, Amazon, Netflix, Google

The issue of development is an illustration that each aspect of each industry requires both holistic strategic thinking including partnership work, and fine-grained detailed examination.

**Talent Development, Skills and Training**

N.B. I will also comment on the question “What improvements to the current studio infrastructure are needed?” from the subheading: Infrastructure, Intelligence and Maximising Benefit to Scotland, in this section.

**What infrastructure, support and investment is required to ensure continuing development of talent in Scotland? Are there clear pathways from education through training to the workplace that deliver an industry-ready workforce?**

As noted in many publications, including the SSGL report, a film studio is crucial to Scotland’s film sector future. Delays in this area have seen Scotland continually slip behind numerous nations, cities and regions of the UK in terms of the scale and strength of its production and levels of inward investment.

An issue that more successful areas of the UK have encountered as a result of inward investment is the need to identify means by which inward investment productions can provide umbrella support to local companies. Across the world, the benefits of large-scale filmmaking, especially on technology companies that are then able to move into film creation and rights exploitation, are evident. How might similar benefits be derived for companies in other FVC positions? Could movement of talent across independent to major projects be reciprocated with corporate benefits e.g. co-signing of loans, provision of business expertise?

The decrease in mid budget independent filmmaking is recognised as a barrier to talent development. The complex relations between inward investments' pump primer utility, talent escalator role and the UK industry’s wish to avoid functioning purely as a service industry require mapping out. Scotland should bear these broader concerns in mind as it creates its studio infrastructure. For instance, setting out clear through-lines for e.g. potential career paths and business incubator support, from the new NFTS, right through to envisaged MPAA company productions must be established. Just as new facilities require appropriate funds for companies to access to incentivise location use, supportive environmental conditions for domestic companies are also required. Scotland should make best use of its particular advantages to join up innovation and the creative fields, and not just attempt to catch up with other nations and regions in traditional screen areas, but identify areas in which to excel.

**Infrastructure, Intelligence and Maximising Benefit to Scotland**

**The need for more reliable data about the sector and how it might be collected**

More, high quality data about the entire life cycle of each film project, company financial performance, and audience behaviour is critical to the life of the independent film industry. Areas of impact include: access to finance; audience targeting and engagement; and improvement in distribution / exhibition efficiencies. Without rich, analysable, transparent data, answers to the following questions become even harder to discern. What measures can be taken [to] grow audiences
and encourage participation in the sector more generally? How can we ensure/promote the consumption and production of domestic content in the digital age? Public agencies can lead in forming cross sector networks to address data issues.

Data accrue at different times and places along the FVC, and are rarely systematically combined, analysed or shared. Currently, through-lines of data-led work at larger companies or organisations with requisite data access are inhibited by team specialisms, or silo-ing, inertia, or HR legacies, whereas independents do not have the appropriate data or expertise. Public organisations often suffer many of these challenges.

Initiatives to combat the problematic (non)use of data through innovative adoption of technology could enable inclusive, long-term, evidence-led approaches to film policy. Such efforts require cross industry partnerships.

Technology and management models in other creative industries provide templates for adaptation. Projects such as the Open Music Initiative can inspire similar innovations in film. Such initiatives are ground-up and must start from simple building blocks to get necessary market actors on board, the OMI started with identifying a Minimum Viable Data & Metadata package for a song as a point to build upon. Progress requires sector-wide buy in.

The potential to address areas such as pooled anonymous data analysis, or networked trust to formalise derived due diligence in effect across devices mediating the FVC, are worth exploring. Steps can be taken by exploring decentralized data marketplaces, where data can be appropriately valued and computation may be effected on confidential, encrypted data at point of use. [In areas of discrete tasks, such as audience segmentation, film dating and pricing, technology-led probabilistic approaches to risk can apply. However, application of data must be done accepting the existence of certain blackboxes, and respect for creative processes led by professional intuition: not closed probabilistic risk calculation, but experienced insight driving action based on informed reasoning.]

A wealth of budget and finance plan information resides in different public organisations’ application and certification databases. Exploring how to harness this data, cognisant of technological, ethical, and practical application challenges is a key task - collaboration is crucial.

Scotland has great advantages to exploit in this endeavour, not least its talent pool that has enabled production of data-led digital businesses e.g. Skyscanner and Fanduel. The strengths of its research universities, allied to a Studio hub and a world-renowned film school potentially offer a huge opportunity to deliver a top quality film sector. Consider the role the University of Edinburgh’s, Edinburgh

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6 See the introduction and papers of the Big Data Big Movies Conference Proceedings of the Erich Pommer Institut and the Film University Babelsberg KONRAD WOLF, Marketing Center Münster at the University of Münster, https://en.epi.media/news/news.56.bigdata-bigmovies-conference-proceedings/

7 See http://open-music.org/

8 http://www.propellofilmtech.com/ Consider the ideas presented at Berlin on 1.1.17

9 See the work of Enigma on such systems: https://enigma.co/enigma_full.pdf ; https://blog.enigma.co/beyond-catalyst-enigmas-vision-for-the-future-of-data-22fbb5845556
Futures Institute could play: “We will mix our world-class expertise in data science with the arts, humanities and social sciences to better understand key issues. We will explore how data can improve civic services, catalyse creative sectors and address challenges in financial technology”. Establishment of a fully resourced and accountable Screen Unit integrated with Scottish partners such as the above mentioned, alongside e.g. Film City Glasgow and ECA Design Informatics, which works in alignment with BFI and other UK and international partners is vital to the future of the screen sector.

10 Bold - own emphasis https://efi.ed.ac.uk/wealth-of-expertise/