

Navigating success

Draft guidance for local authorities on setting filming fees

June 2021

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Agenda

- 1. Methodology: what we did
- 2. Findings: five key lesson to consider in fee setting
- 3. Recommendations: proposed approach to setting fees



Methodology: what we did

Developing guidance to support local authorities

The brief:

'Produce a guidance document on charging structures for on-location film and tv production to support local authorities across England – in informing approaches to setting fees and implementing film friendly measures.'



A combined method: breadth and depth

- 2 days familiarisation and desk research
- 80 completed surveys across all regions, sizes and types
- 21 interviews with local authorities and film offices
- 10 interviews with location managers and line producers
- 5 analysis workshops



Thank you!

1066 film officeCheltenhamKent Film OfficeRochdaleAllerdaleCheshire EastKing's Lynn and West NorfolkSedgemoor

Allerdale Cheshire West and Chester Lancaster Somerset County Council
Amber Valley Chorley Leicester Somerset West and Taunton

Ashfield Colchester Liverpool Film Office Southampton Basingstoke and Deane Copeland Luton Stockton-on-Tees Blackburn with Darwen Cornwall Maldon Stratford-on-Avon Blackpool Cotswold Malvern Hills Surrey Film Office

Bolsover Crawley Mansfield Teignbridge

Bolton Dacorum Mendip Telford and Wrekin

Bournemouth, Christchurch and Poole Dorset New Forest Tendring
Breckland East Cambridgeshire North Norfolk Thurrock
Brighton and Hove Eden North Somerset Film Office Torbay
Bristol Film Office Film Wight Northumberland Torridge

Broadland Forest of Dean Norwich Warwick
Broxbourne Gloucestershire County Council Oldham Watford

Buckinghamshire County Council Great Yarmouth Peterborough Welwyn Hatfield
Burnley Plymouth West Lancashire

Carlisle Herefordshire, County of Preston Wigan
Castle Point Hertsmere Ribble Valley Wiltshire



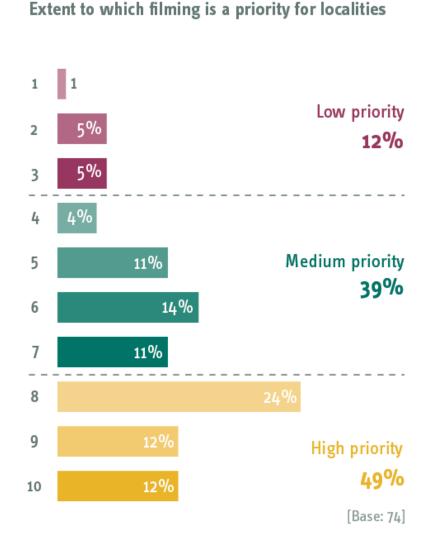
Findings: Five key lesson to consider in fee setting

1.

The wide range of sought benefits and local considerations means that a 'one size fits all' approach won't work

Filming is frequently a high priority for local authorities

"I will give 150% to help them to make sure they speak to the right people and they get the right locations."





The benefits sought in attracting filming are hugely varied





There is clear belief in the potential benefits

"It's really good because it's bringing money in and people want to see the council making money." LA interview

Direct income for the council

Short term

Local 'buzz'

"I think it's just a bit of a feelgood factor, you know, in recent months the country has been just a massive downer" LA interview

PR

opportunities

"There is an understanding that if you have a film production company here, even if it's just for a day, they're going to need to eat or stay somewhere.

That's likely a local business will benefit from that." LA interview

Supporting local businesses in the short term

primarily seen it as an opportunity to showcase the borough." LA interview

"We've always

Placemaking and awareness

"It's about sustainable development of the sector and how we intervene to make sure that we aren't just bringing productions in from London." Film office interview

Local jobs and training

Diversifying the industry

Supporting local businesses in the long term – (Screen) tourism

"It can bring in not only production income, it's the screen tourism income." LA interview Supporting the industry

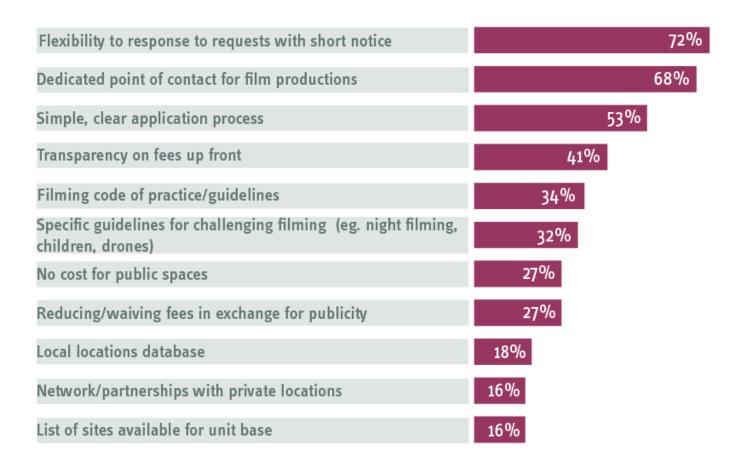
Long term



2.

Guidance needs to acknowledge complexity but be easy to use

Valuable film-friendly measures are often in place





But capacity is frequently a challenge

'It's quite likely I've been sent emails. They are quite active in reaching out to authorities, It's just a capacity issue here. It's having the time to sit down and and look through something with so many other competing demands on time.'

Local authority interview

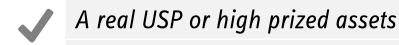


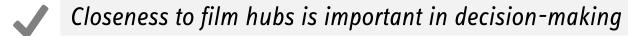
3.

Fees play into a fine balancing act: the 'value' of local authorities is key

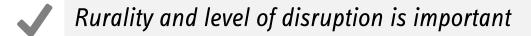
There are many factors that determine how 'valuable' your locality is to the film industry

Key factors that create value









'It's very, very sought after and completely empty. It gives productions the ability to spread out [...] it gives them everything they need: three floors of an empty listed building, stunning from the outside, fantastic from the inside. And I'm booked up.' Local authority interview



Shortcuts can tip the balance in decision-making – flexibility, responsiveness and relationships are key

'You only have so much prep time [...] so you want to use all the shortcuts that you've got. You've got, for example, council contacts, and you know can shut a road there, you know what it's going to cost you and can already feed that into the budget.' Local authority interview

Fee setting is gives an element of control: from wielding power to competitive advantage

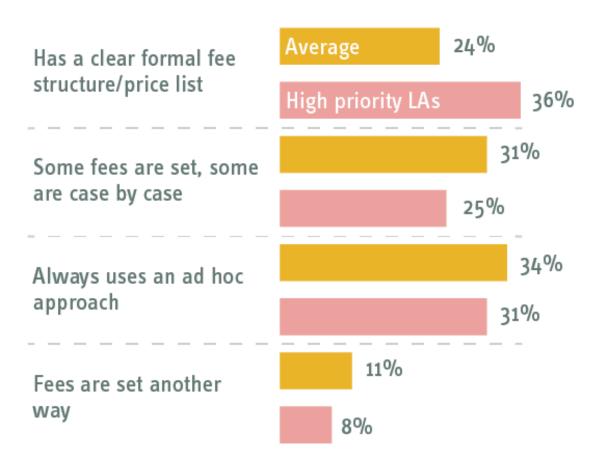
'The crews will always try and negotiate. I just say our fees are fixed. So that's what you pay. If you can't afford it, I'm afraid we can't accommodate.' Local authority interview

'We don't charge at all. It's seen as an economic benefit, the money invested from the production outweighs what we would charge." Local authority interview

4.

Guidance needs to offer support where needed and allow for flexibility

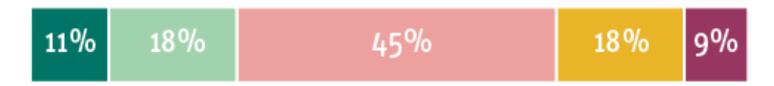
There are many different approaches to setting fees





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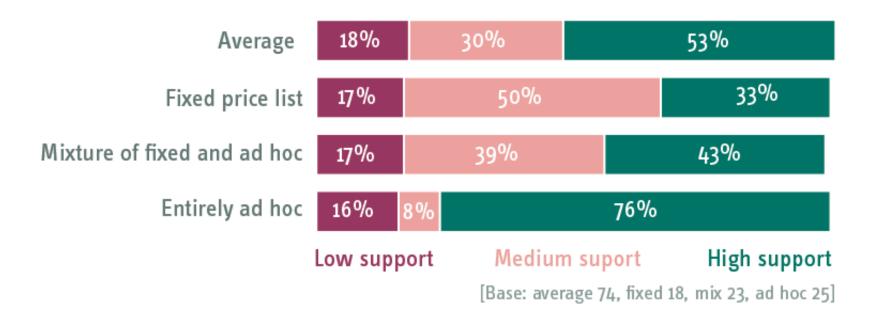
Local authorities ease/difficulty in setting fees for filming



Very easy Quite easy Neither Quite difficult Very difficult

[Base: 74]

A standard approach is appealing to those who need help



"At the moment we don't charge anything. And so we don't really have an offer. It's very ad hoc. I don't think we're maximising the potential. I think that the benefits of filming are massive and I don't think we're exploiting them."



5.

The inconvenience of filming can be measured by a number of proxies

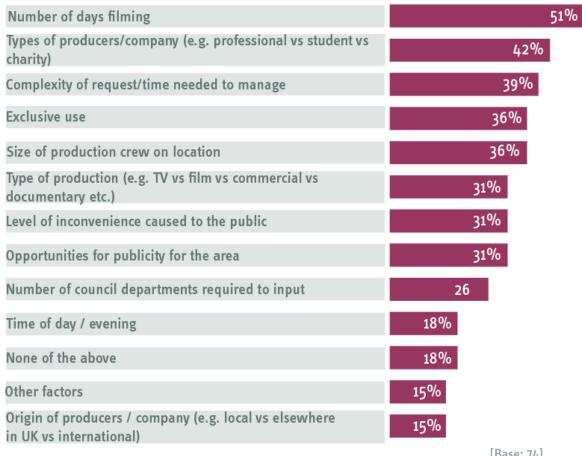
Cost recuperation is the most common among a range of fee setting strategies

"We're not looking to earn a lot of money. It's more of a sort of covering our costs. And the more work that is involved, the more potential cost there would be to us."

Small local authority interview



A number factors are currently used in setting fees





Crew size is the best proxy for impact and budget

"If the film was going on for three months, but actually it was only a crew of three people that's really little in terms of impact. Whereas if it's a major film production that comes in and takes over a relatively sizable space but they're only there for two days, the impact for those two days is going to be huge." Local authority interview

"The bigger the budget, the bigger the disruption, the more control we will need." Location Manager interview



Recommendations: proposed approach to setting fees

A standardised approach based on asset and ambition

Asset

Scarcity and availability of **assets dictate value**. We recommend this is the starting point in setting fees.

What do we have to offer?

Ambition

Filming ambition is crucial in fee setting. There are needs to be space to set fees that will serve your overall strategy.

What do we want to achieve?

Example set of questions to understand the value of your area to the filming industry

Outside of control:	Yes •				→ No
Are you within 30 miles of a major city in which filming takes place?	5	4	3	2	1
Is your area able to easily double up as other geographic regions/cities?	5	4	3	2	1
Do you have large, empty buildings?	5	4	3	2	1
Do you have locations that you know are one of a kind?	5	4	3	2	1
Have you had a large number of filming productions in the last year (25+)?	5	4	3	2	1
Do you allow road closures for filming?	5	4	3	2	1

High

SITTING PRETTY

Benefits: High income to the council and area with little investment in attracting or retaining filming Tactics: High, fixed fees; 'hands' off support; a clear and easy process for industry and council

MAKING THE MOST OF IT

Benefits: High income to the Local
Authority, sustainable economic
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Tactics: High, flexible fees; support;
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PUSHING BOUNDARIES

Benefits: Region-wide sustainable development; costs within Local Authority of sector support are easily covered by industry fees Tactics: Fees that reflect Local Authority investment/sustain department; full industry support

OPPORTUNISM

Benefits: Occasional unexpected income and benefits to local businesses

Tactics: High, fixed fees; 'hands' off support; a clear and easy process for industry and council

HAPPY TO ACCEPT

Benefits: Raising area profile; support for local businesses, local 'buzz'

Tactics: Cost recovery fees; some support when filming is present, assets kept up to date on location websites

MAKING HEADWAY

Benefits: Raising area profile; support for local businesses, loca 'buzz'

Tactics: Cost recovery fees; high levels of support when filming is present; strong promotion of assets

UNVALUABLE/UNINTERESTED

Benefits: Few

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Once the strategy has been set, there are four simple considerations to navigate complexity

- 1. What costs do we need to recover or formalise?
- 2. Should the fee be a one-off or day rate?
- 3. Is size or type of production a factor in inconvenience/cost recovery?

4. What are the best proxies for inconvenience caused?



1. What costs do we need to recover or formalise?

Cost element Application/Admin/Permit Fee General fees for filming, such as permits, admin or application fees Outdoor location hire/ exclusive (council owned) Indoor location hire (council owned spaces) Specific location hire to generate income where desired Income loss (eg parking bays or specialist support) Traffic notices Extras that will be required to recover direct or indirect costs to the local authority



2. Should the fee be a one-off or day rate?

Cost element	Rate
Application/Admin/Permit Fee	
Outdoor location bind and universal accessed	
Outdoor location hire/ exclusive (council owned)	
Indoor location hire (council owned spaces)	Is it a one
	off fee or a
Income loss (eg parking bays or specialist support)	day rate?
Traffic notices	
Extra licences (eg drone or cherry picker)	



3. Is size or type of production a factor in inconvenience/cost?

Cost element	Rate	Scaling		
Application/Admin/Permit Fee				
Outdoor location hire/ exclusive (council owned)				
outdoor rocation inter exclusive (council owned)		Should the fee		
Indoor location hire (council owned spaces)	Is it a one	be set, or scaled		
	off fee or a	depending on		
Income loss (eg parking bays or specialist support)	day rate?	production size/type		
Traffic notices				
Extra licences (eg drone or cherry picker)				



4. What are the best proxies for inconvenience caused?

Cost element	Rate	Scaling	Levels	
Application/Admin/Permit Fee				
Outdoor location hire/ exclusive (council owned)		Should the fee	What production types and crew sizes should be set to establish the fee on scalable charges?	
Indoor location hire (council owned spaces)	Is it a one	be set, or scaled depending on production size/type		
Income loss (eg parking bays or specialist support)	off fee or a day rate?			
Traffic notices				
Extra licences (eg drone or cherry picker)				



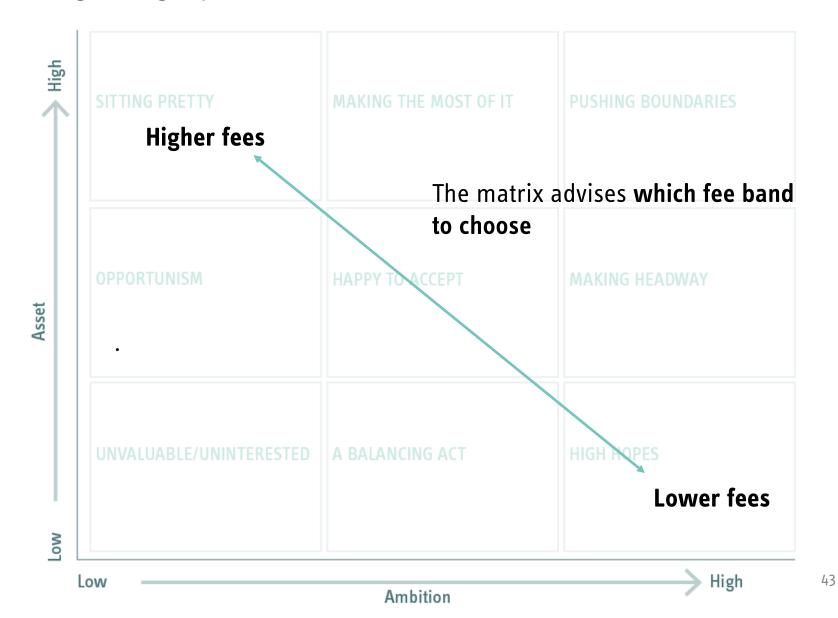
4. What are the best proxies for inconvenience caused?

Cost element	Level 1	Level 2	Level 3	Level 4
Application/Admin/Permit Fee				
Outdoor location hire/ exclusive (council owned)				
Indoor location hire (council owned spaces)	Student films,	Small crew	Medium size crew	Large crew
Income loss (eg parking bays or specialist support)	charities, good PR			
Traffic notices				
Extra licences (eg drone or cherry picker)				

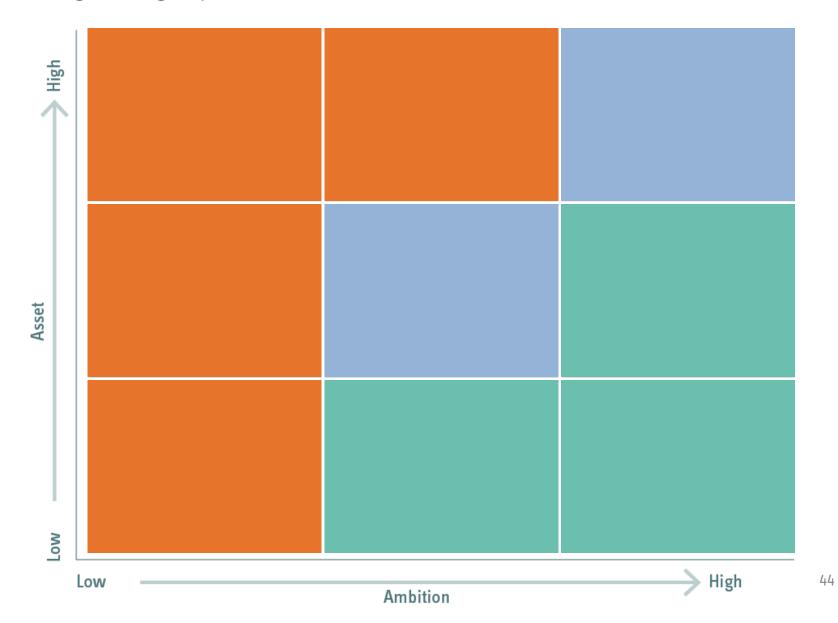
Note: for a major feature or very large crew (over 75) recommend assessing fees on a case by case basis.



Filming fee strategies by both asset and amibition



Filming fee strategies by both asset and amibition



A minimum fee creates a contract

'I've had conversations with location managers, certainly one has said to me, if you charge a bit of money, and you get taken more seriously, because it's perceived that you have that kind of wraparound support.' Medium local authority interview

'As soon as you pay something, you've got a contract. But the de facto contract exists between me and them. And their responsibilities for me and my responsibilities for them.' Location Manager interview



An example of a fee band (lower)

Cost element	Rate	Scaling	Level 1	Level 2	Level 3	Level 4
Application fee and permit	One-off	Part - scaled	£25			£25-£300
Outdoor location hire/ exclusive (council owned)	Day rate	Consistent	£0-800 (or as per local rates)			es)
Indoor location hire (council owned spaces)	Day rate	Consistent	£0-£900 (or as per local rates)			tes)
Income loss (eg parking bays or specialist support)	Day rate	Consistent	As per local rates			
Traffic notices	One-off	Consistent	As per local rates			
Extra licences (eg drone or cherry picker)	One-off	Consistent	£50-200 (or as per local rates)			tes)



An example of a fee band (medium)

Cost element	Rate	Scaling	Level 1	Level 2	Level 3	Level 4
Application fee and permit	One-off	Scaled	£25	£50	£100	£200-£300
Outdoor location hire/ exclusive (council owned	Day rate	Consistent	£300-900 (or as per local rates)			
Indoor location hire (council owned spaces)	Day rate	Consistent	£400-£1400 (or as per local rates)			
Income loss (eg parking bays or specialist support)	Day rate	Consistent	As per local rates			
Traffic notices	One-off	Consistent	As per local rates			
Extra licences (eg drone or cherry picker)	One-off	Consistent	£50-200 (or as per local rates)			rates)



An example of a fee band (higher)

Cost element	Rate	Scaling	Level 1	Level 2	Level 3	Level 4
Application fee and permit	One-off	Scaled	£25	£100	£200	£250-£500
Outdoor location hire/ exclusive (council owned)	Day rate	Consistent	£500-1000 (or as per local rates)			
Indoor location hire (council owned spaces)	Day rate	Consistent	£500-£2000 (or as per local rates)			ates)
Income loss (eg parking bays or specialist support)	Day rate	Consistent	As per local rates			
Traffic notices	One-off	Consistent	As per local rates			
Extra licences (eg drone or cherry picker)	One-off	Consistent	£50-200 (or as per local rates)			es)



Thank you!

"They effectively blew us up with the alien invasion. So that the whole High Street was mud, charred bodies, crushed stagecoaches.

It looked fabulous."

