

From: Mark Dance, Cabinet Member for Economic Development  
David Smith, Director, Economic Development

To: Growth, Economic Development and Communities Cabinet Committee - 15 September 2015

**Subject: Kent Film Office**

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: County-wide

**Summary:**

This paper looks briefly at the work of the Kent Film Office and options to increase the economic benefits from the film and TV industries.

**Recommendation:**

The Cabinet Committee is asked to consider the work of the Kent Film Office and make recommendations to the Cabinet Member for Economic Development on the proposals to increase the benefits from the film and TV sector.

**1. Introduction –The work of the Kent Film Office**

- 1.1 The Kent Film Office (KFO) was established by KCC in 2006. Since then, it has assisted filming activity in the county which has generated an estimated £40 million<sup>1</sup> in direct and indirect spend for the Kent economy. Additional benefits to the county include film tourism, PR and training opportunities.
- 1.2 KFO has assisted many high profile film and TV productions such as *Avengers: Age of Ultron*, *Les Miserables*, *Wolf Hall* and *The Tunnel*. Annex 1 to this report provides a more complete list of productions assisted by KFO.
- 1.3 The Kent Film Office has two staff members who provide a dedicated Film Commissioning Service, including a location finding and research service, obtaining film permits, facilitating traffic management requests, sourcing local crew and trainees and mediating any local disputes. This has helped to establish Kent's reputation as a film friendly region. Annex 2 contains a full list of the services provided by KFO.
- 1.4 Nationally, the Kent Film Office works in partnership with *Creative England*, and is one of ten independent film offices in the *FO:UK* group which liaise to share best practice and promote their services internationally. Locally, the Kent Film

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<sup>1</sup> Oxford Economics - The Economic Impact of the UK Film Industry 2012 Page 37 - The multiplier for the core UK film industry is estimated to be around 2.0 <http://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-economic-impact-of-the-uk-film-industry-2012-09-17.pdf>

Office network includes local authorities, the emergency and highways services for film permits, as well as colleges and universities for industry work experience placements and Visit Kent on film tourism projects. Annex 3 includes a list all of KFO's network partners.

- 1.5 The Office for National Statistics UK Annual Business Survey (ABS)<sup>2</sup> shows that the film and TV sectors have enjoyed steady growth over the last decade, accelerated by the Government's creative industry tax relief<sup>3</sup>. Motion picture, video and television production activity turnover has grown by 26.07% between 2008-2013, while over the same period sectors such as manufacturing achieved a growth of just 3.72% and construction turnover has fallen by 10.91%.
- 1.6 In 2006-07, Kent and Medway achieved just a 1.2% share of filming in the South East. KFO has helped to increase this to 30% by 2009-10, three times of what would be the equal market share for the region, which was 10%.
- 1.7 Kent has significant challenges to overcome in order to achieve an even greater market share, as the majority of film crews are based around the large film and TV studios. Productions have to pay for overnight stays where locations are more than an hour away from their studio bases around London, and this puts a premium cost on most locations in the county. Also, because Kent does not offer sector specific financial incentives, KFO has secured inward investment based entirely on service levels and finding location fits for script requirements.

## 2. Proposals to enhance the impact of the Kent Film Office

- 2.1 In looking to the future, KFO is currently working with film industry representatives and undertaking an in-house analysis which considers the following options to enhance the team's impact:
  - i. **Developing Kent Locations** – KFO already offers over 550 locations on its database, but many prime properties elude us. There is room to forge new partnerships with organisations and private landowners to increase awareness of new locational opportunities by extending the database. This would be done within existing staff resources;
  - ii. **Financial incentives** – areas like Northern Ireland and Yorkshire offer incentives to attract productions. EU funding/training programmes may present an opportunity to offer a more attractive package for productions to base in the county, although the prospects of a successful bid are uncertain.
  - iii. **Additional Studio Space** – The government's tax relief incentive has brought a notable increase in foreign productions, and UK studio space is now at a premium. However, although there are small corporate and specialised TV studios in Kent, such as in Maidstone, KFO has been unable to satisfy the growing demand for set building spaces. Potentially, this has resulted in significant opportunity costs to the county. Additional

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<sup>2</sup> Office for National Statistics Annual Business Survey (ABS) <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2013-revised-results/rft-abs-sections-a-s--revised-2013.xls>

<sup>3</sup> Corporation Tax: creative industry tax reliefs <https://www.gov.uk/corporation-tax-creative-industry-tax-reliefs>

studio space in Kent would help to grow the sector and bring considerable economic benefits. Therefore, as the basis for putting together a package for potential investors, a detailed market research study and subsequent business case would need to be commissioned externally. Although this would have a significant financial resource implication for KFO, the potential economic benefits for Kent could be considerable.

### **3. Recommendation:**

3.1 The Cabinet Committee is asked to consider the work of the Kent Film Office and make recommendations to the Cabinet Member for Economic Development on the proposals to increase the benefits from the film and TV sector.

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