

**Report of North & West Yorkshire Business Rates Pool funding allocation – Year 3**

**Report to Director of City Development**

**Date: 16<sup>th</sup> March, 2021**

**Subject: Approval to issue the third year Grant Agreement to Screen Yorkshire following North and West Yorkshire Business Rates Pool approval.**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Funding for Screen Yorkshire was agreed in 2019 by the North and West Yorkshire Business Rates Pool (BRP) and recommitted for Years two and three (2020 – 2022).
- Year 1 funding was approved by the Leeds City Region BRP. The NWY BRP Joint Committee approved the additional Yr 2 and 3 funding on 16th January, 2020.
- As part of this approval the Joint Committee of the BRP asked Council officers to resolve outstanding issues related to State Aid rules. This was completed in 2020 prior to the release of Yr 2 funds. The State Aid compliance measures are working well and no issues have been reported. These will remain in place for this period of funding.
- Cllr Swift, Leader of Calderdale Council and Chair of the NWY BRP, has approved the release of the funds.
- Throughout Q1 – 3 of Yr 2 funding Screen Yorkshire handled 123 production enquiries. The Film Office has remained operational throughout this challenging period caused by Covid-19. No employee has been furloughed.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- Supporting the Film and TV sector is highlighted in the Leeds Inclusive Growth Strategy – one of the main pillars of the Best Council Plan. As we move towards unlocking the economy and a return to normality throughout 2021 it is even more important to have a regional film office to continue to promote and grow the Film / TV sector.
- It should be noted this is a BRP decision, administered by Leeds City Council but it is not the decision maker – and this BRP application effects other local authorities.

## **3. Resource Implications**

- The full funding comes from the Business Rates Pool.

## **Recommendations**

- a) To authorise the release of Year Three (of three) funds in the grant agreement drafted for Screen Yorkshire, which totals £175,000 from the Business Rates Pool. This is specifically approved by the business rates pool joint committee per the funding agreement for use in Film Office activities as per the grant agreement and Screen Yorkshire application.
- b) The North and West Yorkshire Business Rates Pool have agreed to fund Yr 3 (2021/22) costs from the NWY Pool.
- c) Screen Yorkshire has provided the necessary reporting over Yr 1 and 2 to accurately monitor the use of previous funding and complied with State Aid requirements. The BRP further instructs the Chief Officer Culture and Economy to carry out the duties / responsibilities as specified in the agreement in respect of further monitoring arrangements.

## **1. Purpose of this report**

- 1.1 To seek approval from the Director of City Development for the Council to enter into an additional partnership agreement with Screen Yorkshire for Yr 3 funding, in an outline grant agreement created by Legal Services.

## **2. Background information**

- 2.1 Screen Yorkshire has a track record of delivering and supporting Film and TV projects throughout the region. They were also a key partner in the successful bidding process for Channel 4's relocation. They sought funding from the BRP to continue to deliver their growth plans and support a regional film office. This funding is matched by the British Film Institute.
- 2.2 An application was made by Screen Yorkshire to access funding in the Business Rates Pool, which was approved by the Joint Business Rates Pool Committee, in March 2019.
- 2.3 The agreement committed funding for three years subject to new grant agreements being approved and any State Aid implications being resolved.
- 2.4 Yr 1 and 2 funds for £175,000 each year have been paid in full.
- 2.5 Screen Yorkshire has submitted progress reports up to and including Q3 2020 along with forward looking statements in order to comply with monitoring requirements.

## **3. Main issues**

- 3.1 The film office's key objectives are to deliver a comprehensive production service direct to industry to fuel regional sector growth and to support and develop production activity across the Film and TV industry in Yorkshire and Humber – working with production companies, key industry bodies, regional studios; and private and public sector organisations. Screen Yorkshire's Film Office continues to work proactively with key partner organisations and regional local authorities to deliver positive interventions on regional production across a range of key projects.
- 3.2 Throughout Q1 – 3 of Yr 2 funding Screen Yorkshire handled 123 production enquiries. The Film Office has remained operational throughout this challenging period caused by Covid-19. No employee has been furloughed.
- 3.3 The film office facilitated a wide range of new production enquires during Q1 – Q3. Notable projects of scale include Disney, NBC Universal, Netflix, Lionsgate, Apple TV+, Paramount Pictures, BBC, ITV, Sky, Channel 4 and Channel 5.
- 3.4 The film office continued to operate a full production enquiry service via remote working during lockdown. Q1 saw a significant drop in enquiry levels (April/May) followed by a sharp increase in production activity in June following the publication of Covid-19 filming guidance by the British Film Commission, PACT/UK Broadcasters and Advertising Producers Association.
- 3.5 During Q2 the film office also supported the development of Filmed in Yorkshire, Screen Yorkshire's new screen tourism initiative, designed to help combat the impact of Covid on the visitor economy, linking iconic Yorkshire locations and visitor attractions featured in Film and TV content to tourism. This project, originally planned for launch in Jan/Feb 2021 was deliberately brought forward to respond to the demand for domestic tourism. Its launch in September was planned to coincide

with the UK transmission of All Creatures Great and Small (Channel 5) which was part funded by the Yorkshire Content Fund.

- 3.6 During Q3 the film office continued to operate a full production enquiry supporting regional production, freelancers & supply-chain companies. Producer reces continue in virtual form plus socially distanced physical reces when required. Screen Yorkshire's Crew & Facilities Service continues to grow (450+ registered by Dec). The film office continued to support the development of Filmed in Yorkshire Screen Tourism initiative to aid regional economic recovery.

#### State Aid

- 3.7 An issue for the Council in entering into a partnership agreement and providing funding is a potential liability associated with ensuring State Aid compliance. State Aid is determined to be a factor when financial assistance is given by a government body to a beneficiary which may have the potential to distort normal market competition.
- 3.8 Independent advice sought prior to the Yr 2 payment concluded that the activities of the Film Office would most likely constitute State Aid, however, State Aid can be acceptable under certain circumstances and any activity under €200,000 is classed as De Minimis State Aid and therefore permitted. As the recipient who benefits from any potential support provided by Screen Yorkshire will ultimately be the production companies they are the ones who are liable for any State Aid penalties. It is highly likely that all the aid given by Screen Yorkshire will be under the De Minimis threshold and therefore acceptable in each case.
- 3.9 In order to ensure that this De Minimis exemption is properly operated, Screen Yorkshire agreed to ensure each production company completes a De Minimis Declaration form prior to receiving assistance and this was conditioned as part of the Yr 2 funding release. This approach was agreed by all parties and is monitored as part of the Screen Yorkshire reporting.
- 3.10 Screen Yorkshire has confirmed that production companies are all required to sign the De Minimis form before any assistance or information is provided. Throughout Yr 2 no production company has refused to sign the form, nor has Screen Yorkshire received any negative feedback. The system is functioning well and will continue throughout Yr 3.

#### Further production / crew support

- 3.11 The film office has introduced a crewing service. Launched in 2020 as part of Screen Yorkshire's response to the pandemic and the impact on the region's largely freelance workforce, it has already secured over 3,127 days work for freelancers. The crew service provides a platform to connect Film and TV production companies with freelancers, ensuring that the maximum number of local crew are hired by productions filming in the region.
- 3.12 During the first six months, the service has secured work for freelancers across 99 individual job roles on productions filming in Yorkshire under the new industry approved Covid safety guidelines.
- 3.13 Screen Yorkshire's crew database is open to freelance regional crew who have at least one professional Film or TV credit in drama or non-scripted. More than 500 individuals are now registered across a range of skilled technical job roles in the industry.
- 3.14 Productions that have utilised the crew service over the past six months include returning series Gentleman Jack (BBC One), All Creatures Great and Small

(Channel 5) The Witcher (Netflix), Ackley Bridge (Channel 4) The Syndicate (BBC One) Emmerdale (ITV), as well as factual shows such as Steph's Packed Lunch (Channel 4) and Saved and Remade (BBC Two). One of the high end TV dramas that Screen Yorkshire placed crew on is the forthcoming Channel 5 drama Anne Boleyn, set for broadcast later this year.

- 3.15 In November Screen Yorkshire introduced Crew Surgeries as another way to support freelancers during a very difficult year and boost their job opportunities. This involved delivering monthly one-to-one 30 min sessions ranging from experienced crew looking to step-up, to new entrants (including NFTS Craft Course & Beyond Brontës graduates). Online freelancer forums continue monthly and have been well attended.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Joint Business Rates Pool Committee has approved the release of Yr 3 funding, £175,000.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The proposed support for Screen Yorkshire, to continue the running its film office aims to better connect the region with the global producers, advertising Yorkshire, and the Leeds City Region's filming locations to support increased production volumes across all genres.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 In improving business competitiveness and encouraging business growth the project is consistent with a number of themes in the Best Council Plan and the Leeds Inclusive Growth Strategy, and the Leeds Recovery Framework which highlights the Film / TV sector as an area of growth.

#### Climate Emergency

- 4.3.2 The Film Office function doesn't impact on the Climate Emergency directly, but the sector does produce content to promote green initiatives and showcase the impact of climate change.

### **4.4 Resources, procurement and value for money**

- 4.4.1 This is a Business Rates Pool application, which the Council is administering.

### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 Signing this agreement is governed by the Joint Business Rates Pool Committee members who have delegated approval for the use of funds.

### **4.6 Risk management**

- 4.6.1 Screen Yorkshire must retain appropriate information to govern the administration and use of funds which should remain accessible to Leeds City Council at all times.
- 4.6.2 LCC retains the right to claw back of funds in the event that grant agreement terms are breached or, if funds are surplus and are not required. This protects the Council by providing sufficient ability to collect funds back where agreements are not followed.

## **5. Conclusions**

- 5.1.1 The funding is a continuation of the previous BRP decision which has approved funding for Yr 1 and 2.
- 5.1.2 Screen Yorkshire's film office offering helps to support growth across the city region for the Film and TV sector. It is important to continue to support this sector throughout 2021 as the economy begins to open up and recover from the pandemic.

## **6. Recommendations**

- 6.1 To authorise the release of Year Three (of three) funds in the grant agreement drafted for Screen Yorkshire, which totals £175,000 from the Business Rates Pool. This is specifically approved by the business rates pool joint committee per the funding agreement for use in Film Office activities as per the grant agreement and Screen Yorkshire application.
- 6.2 The North and West Yorkshire Business Rates Pool have agreed to fund Yr 3 (2021/22) costs from the NWY Pool.
- 6.3 Screen Yorkshire has provided the necessary reporting over Yr 1 and 2 to accurately monitor the use of previous funding and complied with State Aid requirements. The BRP further instructs the Chief Officer Culture and Economy to carry out the duties / responsibilities as specified in the agreement in respect of further monitoring arrangements.

## **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.