
FILM IN ARGYLL AND BUTE – FACILITATING THE USE OF COUNCIL ASSETS

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to highlight the opportunity to better use the Council's assets for the purpose of filming by production companies and individuals looking to film in Argyll and Bute. To enable this change, a charging model and schedule has been developed to help ensure that we can continue to offer the film industry a flexible range of location options which are fit for purpose. Additionally, to improve the service we are providing to our customers, it is important that we adopt a structured transparent process when dealing with filming on our assets to ensure we are providing a fair approach to charging to avoid uncertainty and delay with enquiries.
- 1.2 A Screen Industries Report, which was previously submitted to EDI committee on 9th December 2015, outlined the work the Council were doing to promote the area for film linked to the SOA priorities, this report builds on this.
- 1.3 It is recommended that:-
- Policy and Resources approve the proposed Film Location Charging Schedule, to be reviewed annually as part of the budget process;
 - Policy and Resources note the proposed Location Release Form (Appendix 2)
- 1.4 The purpose of the Council providing a service to the screen industry is to ensure that we continue to attract inward investment into Argyll and Bute and take advantage of any economic opportunities that may arise as a result of a production filming in the area.
- 1.5 Due to the recent demand for Council owned property/land for filming purposes, it has been recognised that Argyll and Bute Council are not currently in a position to maximise the potential benefits from facilitating the use of our council assets for film.
- 1.6 A location manager whom Economic Development have been in dialog with, has worked within the film industry for over 25 years has stated production companies will always have a set budget against hiring locations (both private and public sector). The location manager stated that production companies prefer to pay a fee as this enforces a more formalised agreement which both parties commit to. This information has been verified through practical experience dealing with enquires coming into the Council and being asked to provide a figure for the use of Council assets for film.
- 1.7 The proposed schedule aligns with the Council's new commercialised approach to delivering services and ensures that we are facilitating the Council's assets wherever possible ('One Council' property approach). However, it is important that the council remains film friendly and flexible when charging as not to deter filming within the area.

FILM IN ARGYLL AND BUTE – FACILITATING THE USE OF COUNCIL ASSETS

2.0 INTRODUCTION

- 2.1 The purpose of this report is to highlight the opportunity to better use the Council's assets for the purpose of filming by production companies and individuals looking to film in Argyll and Bute. To enable this change, a charging model and schedule has been developed to help ensure that we can continue to offer the film industry a flexible range of location options which are fit for purpose. Additionally, to improve the service we are providing to our customers, it is important that we adopt a structured transparent process when dealing with filming on our assets to ensure we are providing a fair approach to charging to avoid uncertainty and delay with enquiries.
- 2.2 A Screen Industries Report, which was previously submitted to SMT on 9th December 2015, outlined the work the Council were doing to promote the area for film linked to the SOA priorities, this report builds on this.

3.0 RECOMMENDATIONS

- Policy and Resources approve the proposed Film Location Charging Schedule, to be reviewed annually as part of the budget process;
- Policy and Resources note the proposed Location Release Form (Appendix 2)

4.0 DETAIL**4.1 PURPOSE OF PROVIDING A SERVICE TO THE SCREEN INDUSTRIES**

- 4.1.1 The purpose of the Council providing a service to the screen industry is to continue to attract inward investment into Argyll and Bute and to take advantage of any economic opportunities that may arise as a result of a production filming in the area. This includes opportunities to promote and market the area as well as the increased opportunity that film productions may provide to raise the profile of the area from an inward investment and tourism perspective.
- 4.1.2 In 2017 the value of filming in Argyll to date is estimated to be **£1,354,434** as a consequence of the 48 productions known to have been filmed in the area.
- 4.1.3 This service directly supports the delivery of the Council's priorities contained within the SOA (Outcome 1) and the Economic Development Action Plan (Outcome 1).

4.2 PURPOSE OF FACILITATING THE USE OF COUNCIL ASSETS FOR FILMING

- 4.2.1 The council has many assets which could potentially be used for filming. To highlight some of the types of property and land the council currently own, please see the below list:

- Office buildings and depots;
- Airports and airfields;
- Schools, community centres and libraries;
- Swimming pools and outdoor centres
- Cemeteries/crematoriums, parks and gardens;
- Landfill sites;
- Piers, jetties and harbours;
- Car parks and bus shelters;
- Monuments and historic sites;
- Trails, footpaths and bridges;
- Toilets and playparks;
- Pitches

4.2.2 We frequently receive requests for filming on Council land, usually small scale productions undertaking filming on footways. However, there has been a recent increase in demand for Council owned property/land for filming purposes or to facilitate filming. It is recognised that Argyll and Bute Council are not currently in a position to maximise the potential benefits to help sustain assets and facilitate for film. In addition, the Council is currently providing to the screen industry requires clarity around charging for its assets and the governance arrangements to be able to facilitate this.

4.2.3 A location manager whom Economic Development have been in dialog with, has worked within the film industry for over 25 years has stated production companies will always have a set budget against hiring locations (both private and public sector). The location manager stated that production companies prefer to pay a fee as this enforces a more formalised agreement which both parties commit to. This information has been verified through practical experience dealing with enquires coming into the Council and being asked to provide a figure for the use of Council assets for film.

4.2.4 A benchmarking exercise has been completed to establish industry standard fee levels to ensure the Council is competitive with other leading industry bodies in the public and private sector. This arrangement would not require further resource within the Transformation, Projects and Regeneration team or other departments as this would be incorporated into the service that the Transformation, Projects and Regeneration team currently provide.

4.2.5 Additionally, we have conducted an exercise to identify an estimated figure of income if the Film Location Charging Schedule had been implemented last financial year. The Council would have generated a sum of **£2,000**, we are aware this is not a substantial sum of money, however the income will be dictated by the industry and most of the filming on Council assets have been small scale.

4.2.6 To give an indication of the income that could be generated from a large scale enquiry, we have identified an example enquiry that we received in 2017 which looked at leasing our Council owned asset for a period of 19 weeks. We compared the value we quoted previously of **£15,000** with the value which could potentially be generated with the implementation of the proposed charging schedule which totaled the negotiable sum of approximately **£39,900**.

4.2.7 The proposed schedule aligns with the Council's new commercialised approach to delivering services and ensures that we are making best use of our assets wherever possible. ('One Council' property approach). However, it is important that the council remains film friendly and flexible when charging so as not to deter filming within the area. The new approach will be promoted directly to those affected and supported by it (i.e. the film industry), primarily through the www.filminargyll.co.uk website and in direct dealings with individual film productions.

4.3 THE PROPOSED MODEL

4.3.1 When identifying an appropriate charging schedule, it was important to develop a charging model which can be negotiated, is film friendly, flexible and reflects the industry standard within Argyll and Bute. After engaging with many key industry bodies through a benchmarking exercise, it was clear that a fixed charge for the use all council owned land and property for film would put Argyll at a clear disadvantage and discourage smaller scale projects from coming into the area.

4.3.2 It was identified that the recommended course of action would be to charge production companies a

percentage of what the estimated daily local spend would be within the Argyll area, in line with their production budget. Implementing this charging schedule would provide a fair, transparent and flexible approach to charging production companies which will allow the Council to sustain its assets and cover key costs. Charges will always be negotiable as the Council is aware of the importance of continuing to attract inward investment into the area and would continue to strive to facilitate all productions within the area to the best of its ability.

- 4.3.3 The estimated daily local spend figures are developed and agreed at a National UK wide level by Creative Scotland and Creative England and approved by The Production Guild and The British Film Commission. The figures are then cascaded down to the local authorities as a tool to calculate local spend within the area. For example, it is estimated that a major US feature film such as James Bond with a budget of over £100M would spend an average of £42,000 a day if they were to film in the Argyll and Bute area.
- 4.3.4 In order to align the industry standard as identified from a benchmarking exercise, it is recommended that the council pilot a charge of 3% plus VAT of the estimated daily local spend as a starting cost.
- 4.3.5 The benchmarking exercise illustrated that the Council will charge 99% of the time in line with the industry standard in Argyll and Bute, however there will be a substantial difference in fee regarding music video productions. Creative Scotland and the industry do not recognise music videos as being a high budget production with a high local spend, usually because the crews are very small and the talent is already procured through an agent so the only costs occurred are the immediate local spend on travel, food and accommodation. The industry bodies' portrayed in the exercise are able to charge substantially more than an asset owned by Argyll and Bute Council due to the type of location they can offer such as stately homes, castles, mansions etc.

4.4 **ADDITIONAL CHARGES**

4.4.1 The following may incur additional charges:

- Removal of street furniture;
- Traffic and abnormal road advice;
- Closure of footpaths and carparks;
- Use of council owned ferries and berthing charges;
- Officer time;
- Waste contract agreements;
- Amendments to insurances or contracts;
- Legal and estates services charges;
- Any damage or unkempt areas caused by a production company to the Councils asset;
- Facility fees relating to water, electricity, broadband etc.;
- Compensation to Live Argyll leisure membership if applicable.

4.4.2 Any additional charges will be considered on a case by case basis when and it will be the decision of the appropriate service to advise on what the cost may be and prepare invoices accordingly.

4.4.3 Statutory fees such as temporary traffic orders, legal orders and standard car parking charges will always be charged when appropriate.

4.4.4 In the event that an asset is managed or part managed by a trust or community group, the community group/trust will be advised of planned filming/stills. The income generated will primarily remain with the legal owner, however if filming/stills directly affects an asset that the community group/trust have a legal requirement to maintain or provide extra management the community group/trust are entitled to negotiate a donation and the Council will recommend this to the production upon the enquiry stage.

4.4.5 All charges will be paid and an agreement signed in advance of filming.

4.5 **EXCLUSIONS**

4.5.1 Charges will not apply for the following individuals and organisations and no charge will therefore be made by Argyll and Bute Council:

- Students creating films as part of their academic studies
- Registered charities or community groups
- Broadcasters generating news reports and news related features

4.5.2 **Students** – for the purpose of the schedule, a student is defined as someone who is in full or part-time education with an approved college or university and is undertaking filming as part of their course. In order to be able to film, the student(s) must be covered by insurance provided by their college or university.

4.5.3 **Charities** – no charge will apply to local organisations that are small scale registered charities with the Charity Commission. Large scale charities will be subject to the fees displayed in the attached charging schedule.

4.5.4 **Community groups** – no charge will apply to local voluntary and community groups. In order to qualify, an organisation must be based in Argyll and Bute, must be a formally constituted body, non-political and should be a non-profit making body.

4.5.5 **News reports** – no charge will apply to broadcasters or organisations filming a brief account or report of an event or news item that is occurring in the region.

4.6 CANCELLATIONS AND REFUNDS

4.6.1 In the event of the Production Company cancelling the hire of the location less than seven days, but more than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 20% of the fees shall be payable. In the event of the Company cancelling the hire of the Location less than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 50% of the fees shall be payable.

4.6.2 Should the filming need to be cancelled due to weather we will look to re-accommodate the activity on another date. If not rescheduled, the cancellation policy point outlined in 4.6.1 will be implemented.

5.0 GOVERNANCE ARRANGEMENTS

5.1 DECISION MAKING PROCESS

5.1.1 As the main point of contact, the Transformation, Projects and Regeneration team within the Economic Development service is responsible for agreeing the charge for properties and film with the customer once agreed with the appropriate contact managing the asset. Additionally the Transformation, Projects and Regeneration team will check availability of the site and secure the relevant permissions from the landowner, check appropriate levels of Public Liability Insurance and finally for granting a filming permit by way of permission.

5.1.2 The Film Officer/Technical Support Officer in consultation with the Executive Director of Development and Infrastructure will have the discretion to vary charges as appropriate in line with the principles of the agreed charging regime.

5.1.3 In determining whether or not the Council will grant permission to film on council land or property, the following checks will need to be made:

- **Ownership** – The public have legal rights of access to most areas of land, the foreshore and inland water whether publically or privately owned. The Council's Access Manager may need to

provide advice for productions that need to restrict the public's rights of access to land or water including Core Paths and Public Rights of Way. Where a legal order is required to suspend the public's rights of access a charge will be made for this service.

- **Trust/Community Involvement** – Appropriate checks will be made to ensure trusts and community groups legally involved with council owned assets are aware of filming and do not have any planned activities or events which may be disrupted.
- **Service Delivery** – In the event that there has been a request to film in Council owned assets where Live Argyll or Education deliver services, the decision will be made on the basis that filming does not affect the services delivered within these assets. The Transformation, Projects and Regeneration team in conjunction with Live Argyll/Education will strive to accommodate filming wherever possible (eg school holidays, closure days) but are aware of the importance of providing facilities to service users which should not be interrupted.
- **Legal Restrictions** – In some instances there are restrictions on what activity can be carried out on a particular piece of land or property, which may restrict or prevent filming from taking place. In conducting their searches, Legal Services will determine whether or not any restrictions apply.
- **Insurance** – The council's Insurance Officer will be provided with a copy of the applicant's Public Liability Insurance and will ensure sufficient cover is in place when filming is taking place on council land or property. The agreement with the applicant will contain appropriate indemnities ensuring that the council will incur no liabilities in relation to any incidents which may occur when filming is taking place.
- **Dangerous Buildings** – Building Standards will check properties to ensure that they meet Health and Safety standards for filming to take place.
- **Reputation Management** – The Council's Communication Team will be asked to confirm that filming presents no reputational risk to either the council or the area.

5.1.4 Due to the nature of the film industry it is important when seeking permission that the process is turned around confidentially and a decision is made as quickly as possible to accommodate the request. It has been identified with past larger scale enquiries that decisions that have taken longer than 4 weeks have resulted in a missed opportunity for the Council.

5.1.5 The process of seeking the relevant approvals from different council services will be co-ordinated by the Council's Transformation, Projects and Regeneration Team. The decision to grant permission to film on council land or property for a **value of up to £100,000** will be taken by the Council's service third tier manager and the Property Development Manager where applicable. Any decision to film on council land for a **value of over £100,000** will be taken by the Director of Development and Infrastructure and the Director of Customer Services. Upon the decision to grant a filming request instructions will be passed to Estates and Property Development and Legal Services to draft up a license to occupy our premises along with headline terms of the agreement.

5.2 OTHER DECISIONS

5.2.1 Further to the decisions which are needed in order to grant permission to film on council land, the Transformation, Projects and Regeneration team will internally co-ordinate other permissions needed from other council services relating to filming on council owned property or land.

5.2.2 **Parking Services** – Detailed parking plans need to be agreed with the council's Parking Manager; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. Prior agreement must be secured from the Roads and Amenity service to block a footway for filming.

5.2.3 **Environmental Health** – Any filming which is likely to create a lot of noise or require filming at night

should be referred to the council's Environmental Health Team so that they can determine whether such filming is appropriate and what restrictions may be required.

5.2.4 Planning Services – Planning permission may be required for some temporary structures. Queries should be directed to the council's Planning Department.

5.2.5 Outdoor Access– Permission may be required from the council's outdoor access team for large scale productions looking to restrict public access on core paths and in some cases privately owned land.

6.0 CONCLUSION

- 6.1 Filming in Argyll and Bute brings benefits in terms of local spend and promotion of the area. Formalising future arrangements and implementing a charging schedule will allow the Council to sustain and protect our assets as well as providing a clear, transparent, structured process for future film enquiries.
- 6.2 Charges will always be negotiable as the Council is aware of the importance of continuing to attract inward investment into the area and would continue to strive to facilitate all productions within the area to the best of its ability.

7.0 IMPLICATIONS

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| 7.1 Policy | Supports the delivery of the SOA and EDAP. |
| 7.2 Financial | Income cannot be projected on an annual basis as it will be dictated by the industry. |
| 7.3 Legal | Formalising the arrangement between the Council and companies will protect the assets and interests of the Council. |
| 7.4 HR | Staff currently involved supporting filming in Argyll are EDST, Property Services, Roads and Amenity Services, Planning and Education. |
| 7.5 Equalities | None. |
| 7.6 Risk | The council misses an opportunity to receive additional income to sustain its assets. |
| 7.7 Customer Service | If the schedule and governance arrangements are not adopted, the Council will not be able to provide an efficient, transparent service to the film industry which could result in missed opportunities. |

Executive Director of Development & Infrastructure

Policy Lead Councillor Aileen Morton

5th March 2018

For further information contact:

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APPENDICES

Appendix 1 – Film Location Charging Schedule

Appendix 2 – Film Location Release Form