



Invest NI

Final Evaluation of Northern Ireland Screen Commission's Strategy
'Opening Doors' (2014-2018)

March 2020



IMPORTANT NOTICE

This Final Evaluation of the Opening Doors Strategy (ODS) has been developed based on data and information provided to Oxford Economics and Morrow Gilchrist Associates by Invest NI, Northern Ireland Screen, grant recipients/beneficiaries and stakeholders. The sources of information used in this report are referenced accordingly.

Oxford Economics have had primary responsibility for the monetary and economic impact analysis aspects of the report with Morrow Gilchrist Associates leading in relation to the primary research, consultation activity and authoring of the evaluation report.

The procedures we carried out in performing the work that forms the basis of this report did not constitute an audit. As such, the content of this report should not be considered as providing the same level of assurance as an audit. It should be noted that the information contained in this report is subject to change as a result of changing circumstances and factors and is based on circumstances, data and information available at the time of drafting (around December 2019 -January 2020). Only the final version of this report should be considered definitive.

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ACKNOWLEDGMENTS

The evaluation team would like to thank the staff of Northern Ireland Screen; companies/ individuals active in the screen sector who participated in the primary research; and representatives from Invest NI and Department for the Economy involved in the Steering Group¹ for the evaluation – for their co-operation and input throughout the evaluation process.

¹ The Steering Group comprises representatives from Invest NI and the Department for the Economy including a departmental economist. It has a collective responsibility for ensuring the assignment is conducted objectively and meets the Terms of Reference.

List of Abbreviations

Abbreviation

BBC

BCR

DCAL

DEL

DETI

DfE

DGG

DoF

FAM

FDI

FTE

GB

GBER

GDP

GVA

HBO

ILBF

Invest NI

IP

KPI

LoO

MAFF

MSFM

NI

NIFTC

NISF

NPV

NZPG

ODS

PfG

PSA

R&D

ROI

S75

SDF

SECC

SLA

SMART

SMEs

TOR

TV

UK

UKTI

UTV

VAT

VFM

Definition

British Broadcasting Corporation

Benefit to Cost Ratio

Department of Culture, Arts and Leisure

Department for Education and Learning

Department of Enterprise, Trade and Investment (now DfE)

Department for the Economy

Driving Global Growth (Strategy)

Department of Finance

Familiarisation Tours

Foreign Direct Investment

Full Time Equivalent

Great Britain

General Block Exemption Regulations

Gross Domestic Product

Gross Value Added

Home Box Office

Irish Language Broadcast Fund

Invest Northern Ireland

Intellectual Property

Key Performance Indicator

Letter of Offer (Invest NI)

Marketing and Festivals Fund

Management Statement and Financial Memorandum

Northern Ireland

Northern Ireland Film and Television Commission (now Northern Ireland Screen)

Northern Ireland Screen Fund

Net Present Value

New Zealand Screen Production Grant

Opening Doors Strategy

Programme for Government

Public Service Agreement

Research and Development

Republic of Ireland

Northern Ireland Act 1988 Section 75

Skills Development Fund

Senior Executive Casework Committee (Invest NI)

Service Level Agreement

Specific, Measurable, Achievable, Relevant and Time-bound

Small and Medium Sized Enterprises

Terms of Reference

Television

United Kingdom

UK Trade and Investment (now Department for International Trade)

Ulster Television

Value Added Tax

Value for Money

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Executive Summary

Introduction

- E1 Oxford Economics, working in partnership with Morrow Gilchrist Associates, has been commissioned by Invest NI and the Department for the Economy in NI to undertake a final evaluation of Northern Ireland Screen's, "Opening Doors" Strategy (ODS) covering the period 2014-2018 (to 31st March 2018). This final evaluation report builds upon an interim evaluation of the same strategy also completed by the same team in 2017 that covered the first two years (i.e. 2014-16).
- E2 The evaluation work was guided by national and regional guidance including:
- "The Green Book: Appraisal and Evaluation in Central Government", HM Treasury 2003²;
 - "The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), Current Edition", Department of Finance and Personnel³;
 - "The Magenta Book: Guidance for Evaluation"⁴; and
 - Invest NI Economic Appraisal Methodology (EAM) guidance.
- E3 In that Northern Ireland Screen is now implementing a second phase of this strategy (post 2018) for clarity the terminology ODS 1 is used within the report to describe the strategy and related interventions being evaluated within this report.

Northern Ireland Screen

- E4 Northern Ireland Screen is the screen agency for Northern Ireland committed to maximising the economic, cultural and educational value of the screen industries for the benefit of Northern Ireland. This goal is pursued through their mission to accelerate the development of a dynamic and sustainable screen industry and culture in Northern Ireland.
- E5 Prior to ODS 1, Northern Ireland Screen has received significant support from Invest NI to support three of its previous strategies; namely '*The Most Powerful Industry in the World*' (which covered the period 2003 to 2007); '*Building on Success*' (which covered the period 2007 to 2010; and '*Driving Global Growth*' (which covered the period from 2010-14).

ODS 1 Overview

- E6 ODS 1 which covers the period from 2014 to 2018, is the first phase of a wider ten-year vision, in which Northern Ireland Screen is seeking to build on the growth and success created from 2003-2013 to establish NI as a long-term centre of excellence for the screen industries. Indeed, one of the key strategic aims of the strategy is to take the Northern Ireland Screen industry towards its target to be the strongest in the UK and Ireland outside of London within 10 years (by 2024).

² http://www.hm-treasury.gov.uk/data_greenbook_index.htm

³ <https://www.finance-ni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae>

⁴ http://www.hm-treasury.gov.uk/data_magentabook_index.htm

- E7 A key focus also within the strategy is on the integrated development of the economic, cultural and educational value of the screen industries where seven priority sectors or genres were identified therein (Large Scale Production; Animation; Television Drama; Factual/Entertainment Television; Independent Film; Gaming (Interactive), Mobile, E-learning and Web content; Irish Language/ Ulster Scots⁵). It is important to note that this focus on strategic development on these seven priority sectors/ genres within ODS 1 was a major shift from previous intervention approaches, which in broad terms were based on a split between a focus on large-scale and non-large scale production.
- E8 The budgeted package of funding support for ODS 1 was around £42.8m, with 94% targeted at project activity across the first six priority sectors above and the balance (c£2.4m) linked to support for Northern Ireland Screen overheads. Within the project activity, and in line with the focus on new sectoral priorities detailed above, three distinct production and development funds were put in place: Large Scale Production Fund; Non-Large Scale Production and Development Fund – which are collectively known as the Northern Ireland Screen Fund (NISF). These were in addition to a Skills Development Fund, Marketing Fund and Production Legal Costs Fund.

Primary Research / Survey Findings

- E9 Levels of satisfaction with both NISF and SDF within ODS 1 were very high and predominantly positive in terms of both the experience and impact of the NISF and SDF. For example, in relation to the SDF, it was evident that SDF has been particularly successful in helping people not already employed in the screen industry access placements and employment in the sector. In addition, the evidence suggests that the SDF has also been successful in helping those already working in the screen industry to upskill and diversify their skills into specific areas in demand by the screen industry. Various views were expressed on gaps/ areas of priority in terms of future skills programmes, which need to be considered by Northern Ireland Screen to assess if there are any implications for the delivery of the skills strategy currently in ODS 2 and associated resourcing for the same. For the minority of respondents who expressed areas for improvement, these related mostly to communication/feedback/ contact with trainees whilst on placement in productions and ongoing work with production companies to ensure the quality and consistency of the placement experience. This is a resource intensive area of work, and some of the interviewees expressed a perception that the skills function within Northern Ireland Screen, whilst very good, was under-resourced and often under pressure as a result – against a backdrop of steadily increasing demand.
- E10 More broadly the external production companies coming to NI during ODS 1 generally viewed the training programmes that Northern Ireland Screen offer (e.g. AIM High/ PCT and Stepping Up) to be models of good practice that have helped them to effectively resource productions. Whilst gaps and areas for development remain, the general consensus is that access to labour and skills has steadily improved during the course of ODS 1. This view is most evident amongst some of the series/ repeat productions coming to NI during the course of ODS 1 who have a longitudinal view of the same. The improvement in access to labour and skills is also borne out by the fact

5 Outside Invest NI support

that levels of NI expenditure on cast and crew have increased during ODS 1 (e.g. it was £31m in 2014/15 and £45m in 2016/17))

- E11 In relation to the NISF, satisfaction levels with the application process and support provided by Northern Ireland Screen were generally very high. In the context of returning series to NI during ODS 1 an important finding from the interviews by the evaluation team is that the application process and related negotiations became increasingly positive and collaborative over each series as deeper levels of trust were built up. A small minority of those interviewed indicated that the application process needs to be more scalable and flexible, and provided suggestions for improvement in this regard. These comments were made in the context of companies who applied during the ODS 1 2014-18 period and need to be reviewed by Northern Ireland Screen to assess their validity now, in that they are almost two-years into the delivery of ODS 2.
- E12 Northern Ireland Screen, during the course of ODS 1, has progressively attracted highly experienced production companies who are 'seasoned' experts in accessing support from other regional screen agencies in the UK, Europe and elsewhere. Encouragingly NISF support, when compared with the support received elsewhere, was considered to be 'more favourable' by c50% of respondents and 'as competitive/ about the same' by 28% of respondents. This was not linked solely to the money but to the whole package of funding and pro-active/ constructive support from Northern Ireland Screen. In selecting NI as the location for production activity it is clear that the package of funding is the main driver, with other key influencing factors being the quality of the crew/ skills base, theme/ focus of the story and quality of locations.
- E13 However, looking ahead, paramount is the continued competitiveness of the NISF offer to maintain production activity of this nature in NI without which all of the other factors become less relevant. This research finding reaffirms the recommendation made in the interim evaluation of ODS 1 (which was effectively actioned into ODS 2) that the overall size of the NISF and the levels of investment on offer to potential projects must not be reduced. In terms of the financial offer, the ability to do a co-production with matching funds from the Republic of Ireland or to bolt on the UK Tax Credit have been major 'game-changers' in terms of the decision to come to NI during ODS 1.
- E14 In relation to the recoupment/profit participation mechanism, almost 80% of the respondents (n=22) were of the view that it was appropriate and reasonable to give something back / replenish the 'funding pot' to support future screen sector activity. In effect most companies are happy with the principle of recoupment, albeit that some had suggestions in terms of the mechanics of how it could work better in practice informed by models elsewhere.
- E15 Finally, consistent with previous evaluations and derived from the respective survey findings, the level of additionality associated with the NISF and SDF respectively was concluded to be high and the level of displacement low. The additionality of the NISF was calculated at 82% and displacement at 10%. In summary, the findings from this final evaluation of ODS 1 are re-affirming and consolidating conclusions from previous evaluations that very little development and production activity would take place in NI in the absence of the NISF and limited workforce/ skills development in the absence of the SDF.

Performance and Impact

- E16 In terms of activity during ODS 1 Northern Ireland Screen has:
- Provided c.£28.3m in production support via the NISF towards the costs of 103 productions.
 - Supported 214 development awards to 95 individual companies to a value of c. £4.8m. These initial investments in development activity leveraged £0.65 in funding from sources external to NI for every £1 provided by Northern Ireland Screen. As such, additional traction is being achieved in terms of leveraged external investment (which, in itself, is significant in scale).
 - Recouped c.£ 2.87m from ODS 1 supported interventions to date (as of 1st October 2019).
 - Supported a range of skills development activities. This support has been designed to be as flexible as possible to identify and address the existing and emerging skills needs of individuals and companies (be that external production companies implementing production projects in NI or indigenous NI companies). The research for the evaluation indicates that the interventions have increasingly contributed effectively to building the necessary capacity to support production activity.
 - Undertaken a significant amount of marketing activity to raise the profile and reputation of NI as a suitable destination/location for screen activity. The nature of marketing activity undertaken is consistent with marketing activities undertaken by screen agencies in other jurisdictions with established screen industries. Evidence from survey respondents was positive in relation to the effectiveness of Northern Ireland Screen's marketing activity in terms of helping to raise the profile of NI production companies at major events and with commissioners for example.
- E17 In terms of monetary benefits/ quantifiable economic impact, this is based on quantifying the impact of production grants only, for the reasons set out in Section 4 of the main evaluation report. The evaluation team's independent analysis suggests that the monetary benefits that have arisen from ODS 1 production grants are summarised in Table E1 overleaf.

Table E1: Assessment of Gross to Net Economic Impact

	Description	ODS (2014-2018)
NI Expenditure (£millions)	All expenditure by NISF supported productions on NI cast and crew, hotels and locations, facilities and transport.	297
Total Gross Value Added	Total value generated in the NI economy	237
Net Gross Value Added (£millions)	Total value generated in the NI economy after an alternative deployment of resources is taken into account (counterfactual)	146
Deadweight	This refers to the extent to which production activity would have occurred anyway.	18%
Displacement	This refers to the degree to which the supported production activity may be offset by reductions in activity elsewhere.	10%
Net Additional Impact (£ millions)	Net impact after the reductions for deadweight and displacement above	108
Invest NI Funding ⁶ to Northern Ireland Screen (£ millions)		40
Benefit: Cost Ratio (£)	Invest NI Funding: Net Additional Impact	£1 Cost: £2.7 benefit

E18 As noted previously the NISF production grants totalled £28m over the ODS 1 period. Whilst there is some variation year-on-year relating to the portfolio of production projects supported, these grants have consistently achieved very high levels of leverage in terms of NI expenditure. At an overall level across the four years being analysed this ratio of grant/ NI expenditure achieved is 1:10.5 (£28m/ £297m). This is a significant increase on the comparative ratio for the previous four-year strategy *'Delivering Global Growth'* 2010-14 which was 1: 6.4. This clearly indicates the progress made in developing the infrastructure and crew capacity for production activity in NI over ODS 1 that has facilitated this level of NI expenditure.

E19 The support provided by Northern Ireland Screen has also made a significant contribution to providing wider and regional benefits to the NI economy. These include: the attraction of Foreign Direct Investment (FDI), skills development, knowledge transfer, entrepreneurship, reduction of 'Brain Drain', the generation of orders from other companies in the assisted area, innovation and, importantly, enhancing the overall regional credibility and visibility of the Northern Ireland Screen industry, product and related screen tourism activity.

E20 Finally the total number of employee work days sustained in the NI economy over the four years of ODS 1 is estimated to be 481,526 work days. This equates to 2,648 FTE jobs/ job years over the four years of the strategy.

Performance Against Objectives and Targets

E21 It is the view of the evaluation team that the primary objectives and targets for ODS 1 (per the LoO dated 24th April 2014) have been largely met/ exceeded in most cases. The headline economic performance in terms of net Gross GVA (£146m) and net Additional

⁶ In discussion with the Steering Group it was agreed in terms of the 'cost denominator' for the BCR to include the value of all programme funds (i.e. production, development and skills) within this and exclude Invest NI contribution to Northern Ireland Screen operating costs.

Impact (£108m) are well in excess of the original targets set (see Section 5/ Footnote 35 in main evaluation report)

Finance and Governance

- E22 Under ODS 1, the overall approved budget was £42.8m and actual expenditure over the same period was £40m. The variance is due to the timing of production activity taking place post award with some ‘carry-over’ as appropriate into the ODS 2 period under DfE.
- E23 Additionally, under ODS 1 there has been a positive return on investment (in the form of leverage of additional funding) associated with development activity and associated follow on commissions. Furthermore approximately £2.87m was recouped from production and development activity supported throughout the four years of ODS 1 (at the time of writing). This total accounts for £1.97m in funding returned to the public purse and £0.9m retained by Northern Ireland Screen for reinvestment. Overall, this represents a positive benefit in terms of funding that can be reinvested in the screen industry in NI.
- E23 Finally, based on the above evidence and evidence gathered during the evaluation, the evaluation team concludes that there has been satisfactory governance and oversight arrangements in place during ODS 1. The recommendations of the interim evaluation of ODS 1 have predominantly been implemented - with some reasonable amendments made on the same due to prevailing circumstances and developments that have arisen since.

Overall VFM Conclusion and Recommendations

- E24 It is the conclusion of the evaluation team that VFM had been achieved. Section 7/ Table 7.3 in the main evaluation report includes detailed recommendations along with the supporting rationale for the same. Set out below is a summary of the recommended actions:
1. **NISF/Studio Infrastructure:** There is a need to keep the availability of studio facilities under review at the ‘lower end’ of the market. There is a perceived gap / insufficient access to smaller less-expensive studio facilities in NI (10-14,000 square ft) to suit lower budget TV productions. This issue arose from comments made during the course of interviews with NISF ODS 1 beneficiaries. There is a need to validate if it remains an issue currently under ODS 2, before any further action is taken.
 2. **NISF/Economic Modelling and Future Target Setting:** It is recommended that consideration should be given as how additional information could be captured which would enable a better- informed counterfactual position.
 3. **NISF/Employment Impact:** There is a need to consider initiating research/ evidence gathering in relation to the typical length of a ‘working day’ on incoming productions supported by the NISF. This would help to refine the assessment of the employment impact of NISF supported productions in NI.
 4. **ODS 2 - Scale and Balance of Support:** It is important to reiterate within these recommendations, that the findings of this evaluation would suggest that in broad terms the scale and balance of investment across the main areas recommended in

ODS 2 were justified. However, there may be a need to consider the sufficiency of the 'headline' funding for skills development within ODS 2 presently, given some of the views expressed in this evaluation that it is an area that is under-resourced. The main action is for DfE and Northern Ireland Screen is to reflect as to whether this still a relevant issue now in that the individuals inputting into this evaluation were supported under ODS 1 and the levels of annual skills investment did increase in ODS 2.

5. **Skills Development/Areas for Development:** The primary research for this final evaluation captured a wide range of comments that were made by SDF survey respondents in relation to their views on areas of focus for future skills interventions by Northern Ireland Screen. There are many very valuable points for consideration within this and accordingly these should be considered by Northern Ireland Screen to assess if there are any implications for the delivery of the skills strategy within ODS 2 presently. The main action is to discuss the various comments/points of feedback provided with respect to skills interventions within this evaluation with Northern Ireland Screen – to assess if there are any implications for the delivery of the skills strategy in ODS 2 presently. This would include consideration of the resourcing and delivery of the same by the Northern Ireland Screen skills team.

1 Introduction and Background

Introduction

- 1.1 Oxford Economics, working in partnership with Morrow Gilchrist Associates, has been commissioned by Invest NI and the Department for the Economy in NI to undertake a final evaluation of Northern Ireland Screen's, "Opening Doors" (ODS) covering the period 2014-2018 (to 31st March 2018). This final evaluation report builds upon an interim evaluation of the same strategy also completed by the same team in 2017 that covered the first two years (i.e. 2014-16).
- 1.2 The evaluation has been undertaken guided by national and regional guidance including:
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- 1.3 This section of the report provides an overview of the Opening Doors Strategy over the period 2014-18. In that Northern Ireland Screen is now implementing a second phase of this strategy (post 2018) for clarity the terminology ODS 1 is used within the report to describe the strategy and related interventions being evaluated within this report.

Northern Ireland Screen

- 1.4 Northern Ireland Screen is the screen agency for Northern Ireland committed to maximising the economic, cultural and educational value of the screen industries for the benefit of Northern Ireland. This goal is pursued through their mission to accelerate the development of a dynamic and sustainable screen industry and culture in Northern Ireland.
- 1.5 Prior to ODS 1, Northern Ireland Screen has received significant support from Invest NI to support three of its previous strategies; namely '*The Most Powerful Industry in the World*' (which covered the period 2003 to 2007); '*Building on Success*' (which covered the period 2007 to 2010); and '*Driving Global Growth*' (which covered the period from 2010-14).

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⁹ http://www.hm-treasury.gov.uk/data_magentabook_index.htm

the screen industries. Indeed, one of the key strategic aims of the strategy is to take the Northern Ireland Screen industry towards its target to be the strongest in the UK and Ireland outside of London within 10 years.

- 1.7 A key focus also within the strategy is on the integrated development of the economic, cultural and educational value of the screen industries where seven priority sectors or genres were identified therein. These were Large Scale Production; Animation; Television Drama; Factual/Entertainment Television; Independent Film; Gaming (Interactive), Mobile, E-learning and Web content; Irish Language/ Ulster Scots¹⁰. It is important to note that this focus on strategic development on these seven priority sectors/ genres within ODS was a major shift from previous intervention approaches - which in broad terms were based on a split between a focus on large-scale and non-large-scale production.
- 1.8 The budgeted package of funding support for ODS 1 was around £42.8m, with 94% targeted at project activity across the first six priority sectors above and the balance (c£2.4m) linked to support for Northern Ireland Screen overheads. Within the project activity, and in line with the focus on new sectoral priorities detailed above, three distinct production and development funds were put in place. These were Large Scale Production Fund; Non-Large Scale Production and Development Funds and are collectively known as the Northern Ireland Screen Fund (NISF). These were in addition to a Skills Development Fund (SDF), Marketing Fund and Production Legal Costs Fund.
- 1.9 ¹¹SMART outcome objectives set for ODS 1 were reflected in the original Letter of Offer (LoO) from Invest NI dated April 2014. These SMART outcome objectives were pulled through the quarterly monitoring pro-forma for ODS 1 whereby Northern Ireland Screen reported on actual performance every quarter and on a cumulative basis.
- 1.10 It should be noted that the original letter of offer (LOO) was subject to a number of revisions during the strategy period. A material amendment that was factored into these revisions was the approval of c£1.3m (under Large-Scale Production funds) to sub-let the Britvic Warehouse Facility as a studio facility for 25 months. However, NI Screen exercised the break clause and ended the lease on 30th November 2016 and as a consequence incurred a lower cost (c£0.48m).

Methodology

- 1.11 The evaluation was implemented through a multi-phase approach undertaken between October 2019 and February 2020. The key tasks were in summary:
- Data gathering – this involved consultation with Invest NI and Northern Ireland Screen to obtain and analyse the necessary data and information to capture economic impacts and assess the operation and delivery effectiveness of ODS 1;

¹⁰ Outside Invest NI support

¹¹ Specific, Measurable, Achievable, Relevant and Time Bound

- Primary research design – this involved agreeing the design of surveys for Northern Ireland Screen Fund (NISF) and Skills Development Fund (SDF) funding recipients with Invest NI and Northern Ireland Screen and implementing the same;
- Stakeholder consultations and desk-based research in relation to relevant stakeholder interests;
- Benchmarking with Government screen industry interventions in other jurisdictions;
- Presentation and discussion of the approach on economic impact modelling with the Steering Group; and
- Analysis, reporting and presentation of conclusions and recommendations.

It should be noted that the NISF survey was designed to be statistically representative of the population of NISF supported productions. The SDF survey was designed to be illustrative of the experiences of SDF recipients in that there was a very large population of SDF beneficiaries (400+). Further detail on this is included in Appendix A (Primary Research Findings).

Structure of the Evaluation Report

1.12 Table 1.4 below sets out the structure of the remainder of the evaluation report.

Table 1.4 Structure of the Evaluation Report

Section of the Evaluation	Summary Description
Section 2 - Programme Activity	Presents a summary of activity under ODS 1
Section 3 – Research Findings	<p>Section 3 presents ‘headline’ findings of primary research findings in respect of the satisfaction of respondents (i.e. assisted companies and/or ¹²individuals) with support from Northern Ireland Screen and evidence of impacts over the evaluation period, provided through the NISF or SDF and related views on both. It also includes an assessment of additionality, deadweight and displacement. The detailed research findings on all of the above are included in Appendix A.</p> <p>This also summarises the benchmarking research of the evaluation team and is designed to set the performance and impact of Northern Ireland Screen and ODS 1 in a wider context, again with the detail on the same contained in Appendix B.</p>
Section 4 - Assessment of Economic Impact	Section 4 examines the economic impact arising from the support provided by Northern Ireland Screen. In doing so, the section considers both the quantifiable monetary impact of the support and its contribution to providing wider and regional benefits to the NI economy.
Section 5 - Performance Against Objectives	Section 5 provides a ‘headline’ summary of the progress made towards the key objectives and targets for ODS 1. This draws on the findings of the preceding sections of this evaluation report supported where appropriate with evidence from completed quarterly monitoring pro-formas. Further detail on the supporting evidence for the assessment of performance by the evaluation team in this regard is included in Appendix D.
Section 6 - Financial Performance and Governance	Section 6 sets out the financial performance of the interventions under ODS 1. It compares the approved budget position of the strategy, by

¹² In the context of skills development programmes where individuals include new entrant and junior freelancers / recent and those already working within all sectors of the screen industry in NI

	genre, to the actual expenditure incurred and considers the effectiveness of oversight and governance arrangements.
Section 7 - Conclusions and Recommendations	Section 7 sets out the conclusions of the evaluation and makes recommendations for the future.

2 Programme Activity

Introduction

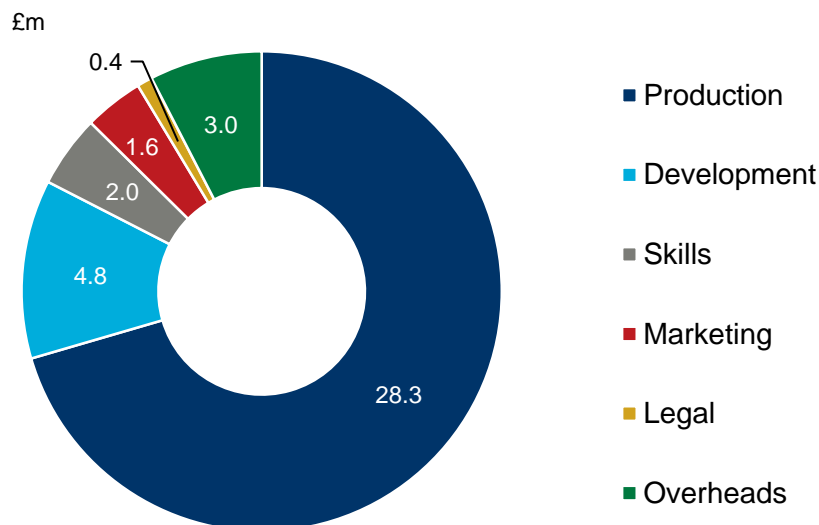
2.1 Section 2 provides a summary of the activity supported and undertaken by Northern Ireland Screen over the ODS 1 period.

The Northern Ireland Screen Fund (NISF)

2.2 The following charts and commentary summarise the funding associated with the NISF during the ODS 1 strategy. Invest NI's total funding for Northern Ireland Screen overheads, marketing costs and legal costs were in the region of £1.2 million per annum. The NISF production investment can be in the form of either a grant or recoupable loan. The NISF development funding is a small-scale development funding initiative designed to assist creative independent production companies to develop product for the market. Finally, the skills element (as detailed later in this section) provides support to individuals/ companies to participate in skills training/development activities aligned to the needs of the screen industry / productions taking place in Northern Ireland.

2.3 Invest NI funding allocated during the ODS 1 strategy between 2014 and 2018 across the main areas is illustrated in Figure 2.1 below. The majority of funding was distributed to the screen sector (production, development and skills funds) with the remainder designated to Northern Ireland Screen overheads, marketing and legal costs, which are in the region of £0.76 million, £0.40 million and £0.1 million per annum respectively, so c£5.1 million over the four-year period.

Figure 2.1. Allocation of Northern Ireland Screen funding for ODS 1 (2014-2018)

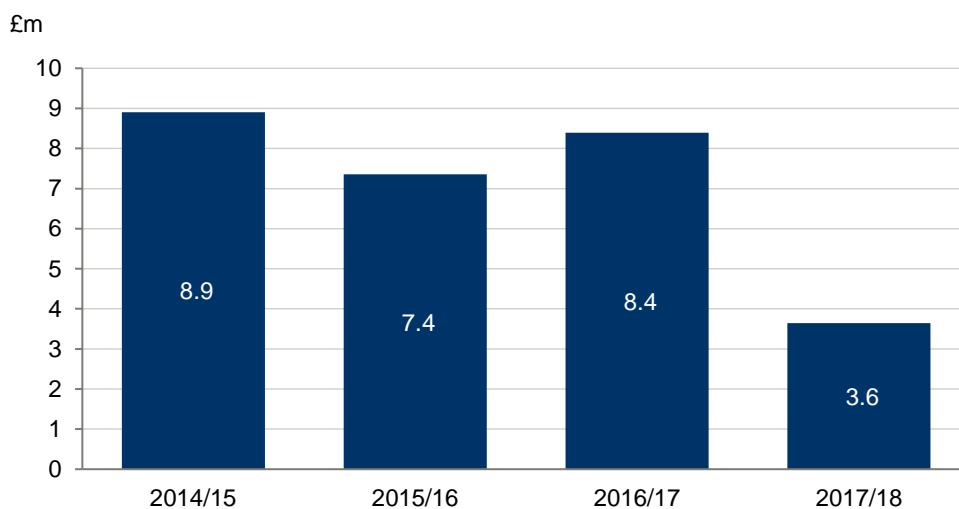


Source: NI Screen, Invest NI

2.4 As illustrated above, during ODS 1, Northern Ireland Screen drew down and spent £35m of Invest NI funding across the three core funds above. Most of these funds (c.81%) were allocated to production support.

- 2.5 The profile of funding awarded for production activity across ODS 1 is summarised in Figure 2.2 below. This illustrates a fairly stable trend in the levels of production funding awarded. It is important to note that Figure 2.2 only presents the timing of the award not when the production activity took place in NI. In practice it is likely that there could be a more even spread of production activity and associated NI expenditure across the four years of ODS 1. Accordingly, the drop in 2017/18 does not mean that there was a fall-off in production activity in that year, it simply reflects the fact that there was less funding awarded in that year. Allied to this it is worth noting that the Department for the Economy (DfE) contributed alongside Invest NI to some of the funding for awards made in the final year of ODS 1. This is because a proportion of the ODS 1 awarded monies was carried through to implementation outside the ODS 1 ‘window.’ Such projects are treated within this evaluation report as ‘split projects/split awards’.

Figure 2.2. Production funding (ODS 1)



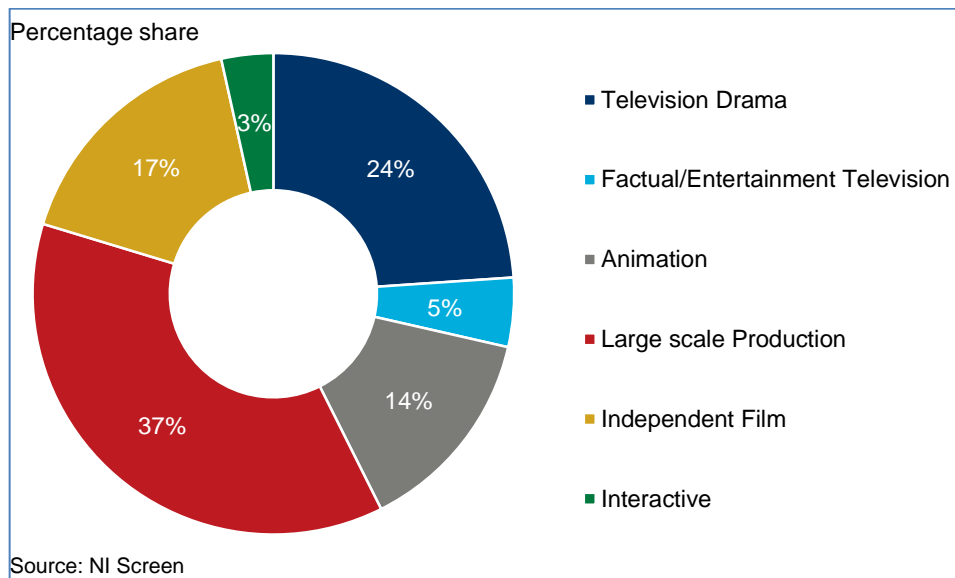
Source: NI Screen, Invest NI

- 2.6 Figure 2.3 below illustrates the allocation of production funding by genre, value and number of projects during ODS 1. It should be noted as set out previously in Section 1, there was a shift from the previous strategy in terms of strategic development on ¹³seven priority sectors/ genres within ODS 1 as reflected in the figures below.
- 2.7 Large scale production dominates within this, as would be expected at £10.5m/ 37%. Within Large scale production (almost 50%) was accounted for by Game of Thrones Series 5-8 and the Game of Thrones Behind the Scenes production – all produced by Fire and Blood Productions Ltd/ HBO. The two series of Krypton produced by Horizon Scripted Television Ltd/ Warner Bros, which was the first production to avail of the new Harbour Studios, is the next largest within this genre accounting (23%) of Large-Scale Production funding.

¹³ Six are within the scope of this evaluation and funded by Invest NI. The seventh Irish Language/ Ulster Scots is outside the scope of this evaluation

2.8 In terms of genre the next largest allocation of production funding was to Television Drama which grew steadily during ODS 1 with a total value of £6.8m (around 24% of total production funding). The funding in this genre was widely allocated across 23 projects. The largest recipient in this genre was Rainmark Films for Series 1 and 2 of The Frankenstein Chronicles. The second largest recipient in this genre relates to several repeat ¹⁴productions with a UK children’s TV production company (Zodiak Kids). Overall there is a strong theme of returning/ repeat TV series productions within this genre – another key example of which is the Line of Duty Series 3-5 produced by World Productions.

Figure 2.3. ODS 1 Production Funding by Genre, Value and Number of Projects



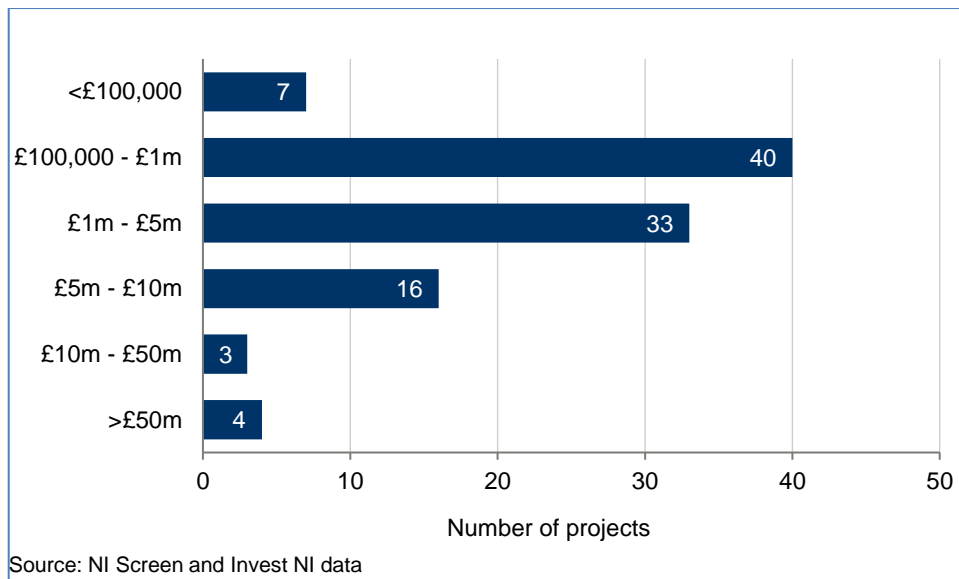
	No of projects	Value (£m)
Television Drama	23	6.8
Factual/Entertainment Television	20	1.3
Animation	14	4.0
Large scale Production	9	10.5
Independent Film	30	4.8
Interactive	7	1.0

Source: Invest NI/ Northern Ireland Screen data

2.9 Figure 2.4 below sets out the number of productions by value/ total production budget for ODS 1.

¹⁴ Dani's Castle Series 3, Millie Inbetween Series 2, 3 and 4, The Secret Life of Boys Series 2 and Joe All Alone

Figure 2.4. ODS 1 Productions Split by Value (Total Production Budget)



- 2.10 As illustrated above, there were four productions with a total production value greater than £50m under the four years of ODS 1. These were Series 5-8 of Game of Thrones. There were also three productions with a total production value of between £10-£50m – Morgan (Fox UK Productions), Lost City of Z (LCOZ Productions) and Krypton (Warner Bros/ Horizon). The vast majority of the productions supported by ODS 1 were between £100k-£1m (based on total production value).
- 2.11 Reflecting back on the comparative data for the previous strategy ‘*Delivering Global Growth*’ 2010-14, there has been a more than doubling of the number of productions with a total production value of over £5m in ODS 1 (n=23) relative to the previous strategy (n=9). This indicates the steady progress made by Northern Ireland Screen in the last decade in being able to attract greater numbers of larger scale productions to NI – effectively working towards their vision of developing/ confirming NI as the strongest screen industry economy outside London in the UK.

Development Activity

- 2.12 Table 2.1 below provides an overview of development activity during ODS 1.

Table 2.1: NISF Development Awards by Year ODS 1		
Year	No of awards	Value of awards (£)
2014 -15	56	1,525,027
2015-16	47	1,093,084
2016-17	43	844,010
2017-18	68	1,376,366
Total	214	4,838,487

Source: Northern Ireland Screen data

- 2.13 Table 2.2 below sets out an analysis of the number of companies by the number of development awards they were in receipt of during ODS 1.

Table 2.2: Number of Companies Receiving Support Split by Number of Development Awards Per Company	
Number of Awards	Number of Companies
1	53
2	15
3	12
4+	15

Source: Northern Ireland Screen data

- 2.14 Overall 95 production companies were granted 214 development awards (excluding four which were not even partially drawn down within the strategy) during the course of ODS 1 with an overall award value of approximately £4.8m. The supported companies leveraged an average additional investment of £0.65 for every £1 invested by Northern Ireland Screen in the initial development activity. The financial leverage from sources outside NI within this is significant and has helped to build an increasing critical mass of development activity in NI during ODS 1.
- 2.15 44% (42 companies) received multiple development awards under ODS 1. The levels of development awards ranged from £1,000 to £100,000 with the average value being £22,609.

Recoupment Levels Achieved

- 2.16 Production and development support provided through the NISF can be delivered in the form of a recoupable loan¹⁵, with the loan being repaid by the company to Northern Ireland Screen under the terms of the individual legal agreements, dependent on the activity taken forward i.e. whether it is for production or development work.
- 2.17 In terms of production support, where the NISF provides a financial incentive in the form of a recoupable loan with profit participation any recoupment monies received up to the level of the original investment are available to NI Screen to be reinvested within 12 months. However, if reinvestment does not occur within the appropriate timeframe it must be surrendered to Invest NI, as must any recoupment in excess of the original investment.
- 2.18 As illustrated in Table 2.3 below, £2.87 million has been recouped during ODS 1 from supported interventions (as of 1st October 2019). Northern Ireland Screen are permitted to retain up to £897,000 of recoupment for reinvestment purposes within the strategy. However, any recoupment above this level is reimbursed to the public purse. As of October 2019, £1.97m of this ODS 1 recoupment of £2.87m had been returned to INI.

¹⁵ Non-large scale production only

Table 2.3 Development and Production Recoupment ODS 1

	2014-15	2015-16	2016-17	2017-18	2018-2020	Total ODS1*
ODS1 recoupment (£m)	£0.09	£0.46	£0.52	£0.63	£1.16	£2.87
Value returned to INI (£m)	£0.00	£0.00	£0.18	£0.63	£1.16	£1.97

Source: Northern Ireland Screen, Invest NI

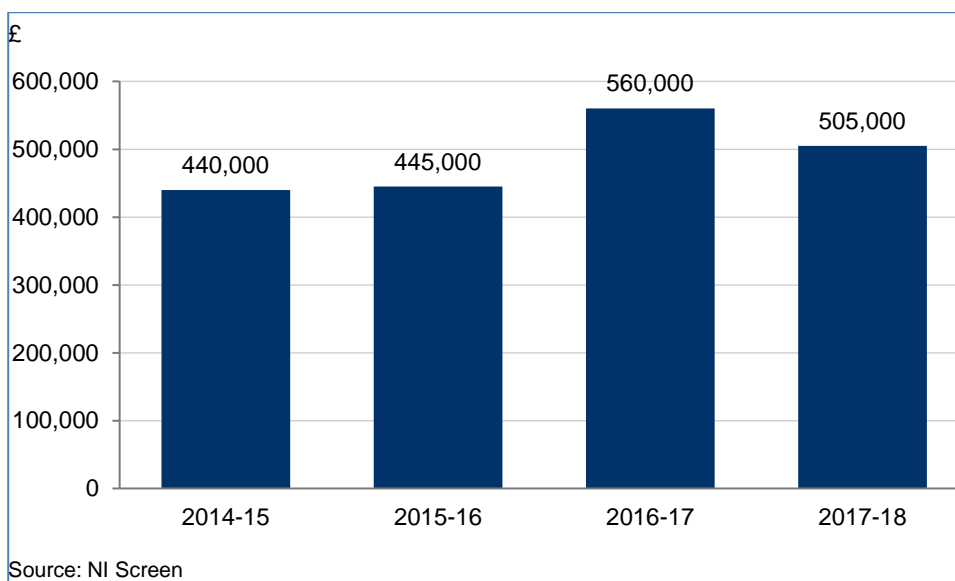
Note: Total ODS1 includes recoupment to October 2019

- 2.19 In terms of development support, companies in receipt of development support were required to repay the development funds plus a 50% recoupment premium to Northern Ireland Screen, in the event of a successful project commission. Recoupment from development activity tends to be more modest than production recoupment over the ODS 1 period. The early stage nature of development activity is such that recoupment via development activity is more unpredictable/difficult than production recoupment because of the relatively greater distance from commercialisation. As such the vast majority of the recoupment of £2.87m above relates to recoupment from production activity.
- 2.20 It is important to note that Table 2.3 above reflects the timing of recoupment back to the NISF. There will of course always be a lag between the support provided through the NISF and any recoupment linked to commercialisation of the associated content. Hence, there should be productions and development activity supported through the ODS 1 that will result in recoupment during the current strategy/ ODS 2 period. Also, recoupment levels are difficult to predict given the inherent uncertainty associated with the commercialisation of screen content which is dependent on a wide range of factors.

Skills Development

- 2.21 In order to maximise the development of the Northern Ireland Screen industry and its economic impact, it is essential that there is an adequate pool of skilled human capital to both develop the indigenous screen industry and to attract/ service activity and investment from outside Northern Ireland.
- 2.22 A wide range of skills development activities and programmes have been supported by Northern Ireland Screen during ODS 1. This support has been designed to be as flexible as possible in order to identify and address the existing and emerging skills needs of NI individuals and production companies. Appendix F contains a complete list of skills interventions during ODS 1. Within this the recurring and higher cost skills development activity/programmes were the Skills Bursary Fund, Production Craft & Technical Skills, the 'Stepping-Up' Scheme and Aim High – all of which are profiled in more detail later in this section.
- 2.23 The annual breakdown of expenditure associated with the above activity between 2014 and 2018 is as per Figure 2.5 below. This indicates a steady pattern of sustained investment reflecting the importance attached to developing the indigenous skills base and as demand for skills has remained high over the course of ODS 1.

Figure 2.5: Breakdown of Skills Expenditure: ODS 1 (2014-2018)



- 2.24 The remainder of this sub-section provides a summary focusing on the recurring and higher cost skills development activity/programmes supported during ODS 1, namely the Skills Bursary Fund, Production Craft & Technical Skills, the 'Stepping-Up' Scheme and Aim High.
- 2.25 Through Skills Bursaries, Northern Ireland Screen provides financial support towards the costs of attendance on training and/or development courses. Skills Bursaries have operated on an annual basis since the start of the evaluation period. To be eligible, the individual must be working in NI within the independent film, television and digital sector. The maximum funding available is £2,000, or up to 75% of the total budget for attendance on the course, whichever is the lesser amount. The balance of the total course attendance cost can then be matched in cash from the individual applicant or from another private source.

2.26 Table 2.5 below provides a summary of the activity supported through the Skills Bursaries in each year of ODS 1.

Table 2.5: Skills Bursary Awards

Year	No. of awards	Value of awards	Average Award
2014/15	97	£71,518	£737
2015/16	63	£61,174	£971
2016/17	106	£65,341	£616
2017/18	67	£24,881	£371
Total	333	£222,914	£669

Source: Data supplied by Northern Ireland Screen

2.27 As illustrated above, 333 skills bursary awards were made during the four years of ODS 1. The overall investment/ cost of the awards between 2014 and 2018 was £222,914 The average value per award was £669. Through these awards capacity development activity was undertaken to support a diverse range of skills areas including, but not limited to:

- Script writing/development;
- Production accounting;
- 3D animation software;
- Visual and special effects;
- Digital video talent shooting and directing;
- Camera operation;
- Lighting;
- Film making/production workshops;
- Masters in Film and TV Management;
- Plant operations;
- Hair and make-up skills;
- Editing and budgeting skills;
- Prosthetics;
- Drafting;
- AutoCAD;
- Production Manager/Co-ordinator training;
- Production Health and Safety;
- Mentoring Programmes;
- Costume and Props;
- Electrical; and
- Art Department

2.28 The Production Craft and Technical Skills programme has run every year in ODS 1 and is a paid placement scheme (minimum wage) with the placements running for between 6 and 24 weeks, depending on the placement department. The aim of the programme is to provide placements for junior craft and technical staff in a production environment in a wide variety of departments

including for example: Sound, Camera, Art, Script, Electrical, Props, SFX, Make-Up, Grip and Set Décor. The programme is tailored on an annual basis to areas of production craft and technical skills currently and projected to be in demand by the current/impending productions taking place in NI. The intention is to increase the capability and capacity of the NI labour pool that could be deployed in screen production activity and increase over time the value of employment in the same. In turn this helps achieve progress in terms of the levels of NI expenditure feasible for both incoming and indigenous production activity and the associated economic impact/ return to the NI economy.

- 2.29 Based on a review of the evaluations of the Production Craft and Technical (PCT) skills programme, it is clear that it has been very successful in helping to upskill indigenous labour in the screen industry. For example, the programme successfully secured placements with a range of high-profile productions and feature films. Exit interviews were conducted with all trainees and questionnaires were completed by them regarding their participation in the scheme. Correspondingly the majority of the Heads of Departments (HODS) on the productions also completed feedback questionnaires regarding their trainees. Everyone found it to be an extremely valuable and challenging training scheme with the minor negatives expressed such as the need to fill out timesheets each month and send to payroll at Northern Ireland Screen as this is not always viewed to be practicable when working on location/at night shoots.
- 2.30 The survey with SDF beneficiaries that was completed by the evaluation team, captured some individuals who had participated in the scheme who as evident in Section 3 and Appendix A, were very positive about the scheme and the extent to which it helped to secure them a 'foothold' in the screen industry from which to build a career path thereafter.
- 2.31 A number of the trainees who were recruited onto the PCT programme at the start of ODS 1 had the opportunity to 'Step-Up' to a higher grade by the end of 2018 through the 'Stepping Up' scheme. This scheme was geared to the high-end TV genre and supported by Creative Skillset's HETV Levy. It was aimed at crew with at least two years' experience in their current role and who have been identified as ready to move up to the next grade on productions. Those selected to be 'stepped up' subsequently worked on high-end TV productions and were supported with their career progression through an individual training plan, including access to the Northern Ireland Screen's skills bursary to complete relevant training.
- 2.32 From the interviews with production companies (detailed in Section 3 and Appendix A) it is evident that the PCT and 'Stepping Up' programmes are an effective mechanism to bring talent into the industry and progress it thereafter. The best perspective on this was gained from production companies who were active in repeat productions/ series in NI during the course of ODS 1 and who reported that their experience in accessing crew and skills progressively improved with each series (and in turn meant they had less cost associated with bringing resources in from elsewhere). The 'Stepping Up' scheme in particular gave production companies the confidence to employ individuals in a higher grade based on the fact they had come through Northern Ireland Screen's tracked training scheme over at least two years. In broad terms the interviews suggest that Northern Ireland Screen has a model of good practice in this regard that is not found to the same degree in competitor locations.

- 2.33 Aim High is a well-established new entrant training scheme, which was initiated to find, grow and retain the potential future creative and editorial leaders/ producers. The scheme administered by Northern Ireland Screen in partnership with the BBC, Skillset, UTV and others is designed to equip trainees in every platform, camera skills, radio production, TV and Radio editing, on-line production as well as editorial, research and creative story-telling and all necessary compliance training. Trainees worked across genre, platforms, independent production companies and broadcasters.
- 2.34 In 2015, Aim High focussed on production and gaming talent. After completing a recruitment and selection procedure from over 350 applicants, six people were enrolled onto the Aim High Production scheme. An intensive two-week training bootcamp followed, after which, all six were placed with local production companies and BBC NI on a rotating 4-month placement from October 2015 to March 2017. In March 2016, after 16 weeks of training at the DEL Assured Skills 'Games Academy' plus a 4-week work placement with various local gaming companies, 6 of the best candidates were selected to partake in the Aim High Gaming Scheme. The Scheme ran from April 2016 – March 2017 and consisted of rotating 4-month placements.
- 2.35 In addition, in 2015, Aim High supported talent growth in animation. Following on from DEL's 2D Animation Academy, a 6-week work placement was arranged for all participants. After assessment, 6 students were selected to go on to complete a 12 month Aim High Animation scheme.
- 2.36 A further phase of the Aim High scheme was implemented between August 2017 – February 2019. There were 9 participants. 8 out of the 9 participants were offered contracts of employment with local production companies or BBCNI on completing the scheme. The 9th Trainee had some casual freelance work lined up initially but has since had a number of contracts working in production.

Marketing Activity and Trade Missions

- 2.37 The marketing aims for Northern Ireland Screen that prevailed during ODS 1 were as follows:-
- Marketing the benefits of NI as a centre for independent film, television and digital content production;
 - Promoting NI product and talent of notable quality, which demonstrate the capabilities of the Northern Ireland industry and seek opportunities to celebrate excellence;
 - Communicating NI and Northern Ireland Screen success stories; Developing the tourist value of the screen industries in partnership with Tourism NI and Tourism Ireland; and
 - Developing a legacy project from Game of Thrones.
- 2.38 The types of marketing activity undertaken by Northern Ireland Screen over the course of ODS 1 to support these aims are summarised overleaf.

Area of Activity	Summary Description
Marketing/sales tools and advertising	This encompasses all design and print and AV work, as well as above-the-line advertising (media space). This consists of a variety of marketing and promotional tools and materials, media space booked in relevant trade magazines; on industry websites; in relevant festival or event industry trade event brochure/catalogue.
Printed Materials	This entails development of a branded family of high-end print collateral which allow Northern Ireland Screen to communicate its messages in a clear and effective manner.
Showreels	One of the ways Northern Ireland Screen markets NI as a world-class production location is through showcasing in a visual manner what has already been produced in NI. Creation of a production locations showreel is a key marketing tool. In particular, it is used by Northern Ireland Screen for marketing to future incoming productions, particularly large inward investors such as US film and television studios.
Advertising	This entails a range of advertising activity including in trade magazines, both in print and online forms, such as Screen International, Variety and Broadcast. During the period being evaluated Northern Ireland Screen has established a NI regional feature in the UK's only television trade magazine, Broadcast.
Press and Publicity	<p>Communicating Northern Ireland success stories on a worldwide basis is a key objective for Northern Ireland Screen. It continues to lobby the influential trade press for editorial on Northern Ireland related subjects – from location/studio news to talent/product success. Northern Ireland Screen also published two reports 'Adding Value' 1 and 2, during the ODS 1 period, which provide a clear and concise picture of the economic, cultural and educational value of the screen industry in NI and the wide range of activities which Northern Ireland Screen supports and encourages. These reports also effectively celebrate the spectacular range of opportunities, jobs and experiences pursued within and supported by the screen industry in Northern Ireland, and offer an insight into what growing the screen industry in Northern Ireland means for the broad range of individuals involved.</p> <p>Productions which are Northern Ireland Screen funded, which have NI creative talent and/or which film in Northern Ireland, involve specialist unit publicity support in NI. This unit handles the NI set visits, runs the press releases and organises key crew/talent publicity for local NI media, in order to ensure maximum exposure in Northern Ireland during the shoot. In partnership with the production company, Northern Ireland Screen inputs and influences the publicity, to ensure correct positioning of NI and accurate marketing of NI within the</p>

Area of Activity	Summary Description
	<p>confines of the project and with the talent and film-makers ensuring value and benefit.</p> <p>Additionally, productions require specialist distribution publicity support in NI - to handle a NI press conference, run the press releases and organise key crew/talent publicity for local NI media, in order to ensure maximum exposure for the distribution of the film in NI. As such Northern Ireland Screen partners or runs this activity to ensure value to NI and that the publicist has the requisite skills and knowledge to run the publicity to the distribution marketing brief and to the benefit of the NI audience.</p>
Promotions, events and exhibitions	<p>Attending, co-hosting and partnering on key trade events, although not large in number, has been an important strategic tactic within Northern Ireland Screen's multi-channel approach during the evaluation period. Such events can take several guises: exhibitions and markets which offer opportunities for selling the benefits of NI as a centre for independent film, television and digital content production; festivals, markets and conferences which are an ideal way of creating opportunities for the Northern Ireland production sector through building and strengthening relationships.</p>
E-marketing	<p>Internet and social network communications have become increasingly important during the period being evaluated. The Northern Ireland Screen website is an effective marketing tool to achieve many of Northern Ireland Screen's key marketing objectives.</p> <p>Northern Ireland Screen seeks to utilise e-marketing – and in particular its website and social media networks as 'the first port of call' for its clients and the sector, considering it firstly as a major communications tool for basic information on all its activities where information on its funds, facilities, products and services is clearly communicated.</p> <p>The website is also used as a simple sales tool, for example, as a news portal for the industry, as well as being used to provide practical information on the screen industries with links to external sources, giving NI's indigenous industry constructive market intelligence to help strengthen their knowledge base and capabilities.</p>
Trade Missions	<p>Northern Ireland Screen organises a range of Trade Missions each year. These provide an excellent opportunity for individuals and companies to visit markets and festivals both at home and abroad. These offer opportunities to promote projects; to seek co-production opportunities alongside finance for projects; and</p>

Area of Activity	Summary Description
	<p>to network with industry professionals. Overall, they provide a forum to generate interest from distributors, broadcasters, commissioners, sales agents, literary and talent agents, producer reps and other valuable industry leads.</p> <p>NI Delegations, accompanied by Northern Ireland Screen personnel, give the security and support of travelling in a group, as well as the expert advice and support of the screen agency.</p> <p>Examples of Trade Missions facilitated through Northern Ireland Screen over the evaluation period have included the Cannes Film Festival, Game Developers Conference in San Francisco (the world's largest and longest-running professionals-only games industry event), the European Film Market in Berlin and the Toronto International Film Festival.</p>
Screen Tourism	<p>Support for the tourist industry was identified as a key strategic priority within the ODS 1 sectoral development. Aligned to this A Screen Tourism Strategy was developed by Olsberg on behalf of Tourism NI. Northern Ireland Screen works with Tourism NI and Tourism Ireland to develop the tourist value of the screen industries.</p> <p>The development of the tourist potential of Game of Thrones was a key priority identified within the screen tourism strategy during the life of ODS 1. During this time Northern Ireland Screen developed a tourism app associated with Game of Thrones locations in NI. The first visitor attraction from the Game of Thrones Legacy project in Northern Ireland is due to open to visitors in spring 2020 – the Game of Thrones Studio Tour at the Linen Mill Studios in Banbridge.</p> <p>A more recent example is in relation to the Derry Girls 'phenomenon' where Tourism NI is joining forces with Derry and Strabane District Council and Visit Derry to develop a series of visitor experiences based on the Channel 4 show. This includes a walking tour of the places made famous by the hit TV comedy.</p>

3 Research Findings

Introduction

- 3.1 Appendix A presents details of primary research findings in respect of the satisfaction of respondents (i.e. assisted companies and/or ¹⁶individuals) with support from Northern Ireland Screen and evidence of impacts over the evaluation period, provided through the NISF or SDF and related views on both. It also includes the detailed assessment of additionality, deadweight and displacement. This section includes just the summary headlines on all of the above as well as some headline points of comparison for the NISF via benchmarking analysis with the detail on the same included in Appendix B.

Primary Research Findings

- 3.2 As evidenced in Appendix A, levels of satisfaction with both NISF and SDF within ODS 1 were very high and predominantly positive in terms of both the experience and impact of the NISF and SDF. For example, in relation to the SDF, it was evident that SDF has been particularly successful in helping people not already employed in the screen industry access placements and employment in the sector. In addition, the evidence suggests that the SDF has also been successful in helping those already working in the screen industry to upskill and diversify their skills into specific areas in demand by the screen industry. Various views were expressed on gaps/ areas of priority in terms of future skills programmes, (per the findings in Appendix A). These need to be considered by Northern Ireland Screen to assess if there are any implications for the delivery of the skills strategy currently in ODS 2 and associated resourcing for the same.
- 3.3 For the minority of respondents who expressed areas for improvement, these related mostly to communication/feedback/ contact with trainees whilst on placement in productions and ongoing work with production companies to ensure the quality and consistency of the placement experience. This is a resource intensive area of work, and some of the interviewees expressed a perception that the skills function within Northern Ireland Screen, was very good, but was under-resourced and often under pressure as a result – against a backdrop of steadily increasing demand.
- 3.4 More broadly the external production companies coming to NI during ODS 1 generally viewed the training programmes that Northern Ireland Screen offer (e.g. AIM High/ PCT and Stepping Up) to be models of good practice that have helped them to effectively resource productions. Whilst gaps and areas for development remain, the general consensus is that access to labour and skills steadily improved during the course of ODS 1. This view is most evident amongst some of the series/ repeat productions coming to NI during the course of ODS 1 who have a longitudinal view. The improvement in access to labour and skills is also borne out by the fact that levels of NI expenditure on cast and crew have increased during ODS 1 (See Section 4).

“The training programmes that NIS offer are a model of good practice and really helped us resource the productions in increasingly effective ways, helping people get a foothold in industry and step up. People working on productions were really getting an education out of it” [Large-scale producer – NISF Survey]

¹⁶ The SDF survey was completed with individuals which included new entrant and junior freelancers and those already working within all sectors of the screen industry in NI. As such not all were employed by a company or active in the industry when they received the support.

- 3.5 In relation to the NISF, satisfaction levels with the application process and support provided by Northern Ireland Screen were generally very high. In the context of returning series to NI during ODS 1 an important finding from the interviews by the evaluation team is that the application process and related negotiations became increasingly positive and collaborative over each series as deeper levels of trust were built up. A small minority of those interviewed indicated that the application process needs to be more scalable and flexible, and provided suggestions for improvement in this regard. These comments were made in the context of companies who applied during the ODS 1 2014-18 period and need to be reviewed by Northern Ireland Screen to assess their validity now, in that they are almost two-years into the delivery of ODS 2.
- 3.6 Northern Ireland Screen during the course of ODS 1 has progressively attracted highly experienced production companies who are 'seasoned' experts in accessing support from other regional screen agencies in the UK, Europe and elsewhere. Encouragingly NISF support when compared with the support received elsewhere was considered to be 'more favourable' by c50% of respondents and 'as competitive/ about the same' by 28% of respondents. This was not linked solely to the money but to the whole package of funding and pro-active/ constructive support from Northern Ireland Screen. In selecting NI as the location for production activity it is clear that the package of funding is the main driver, with other key influencing factors being the quality of the crew/ skills base, theme/ focus of the story and quality of locations.
- 3.7 However, looking ahead, paramount is the continued competitiveness of the NISF offer to maintain production activity of this nature in NI without which all of the other factors become less relevant. This research finding reaffirms the recommendation made in the interim evaluation of ODS 1 (which was effectively actioned into ODS 2) that the overall size of the NISF and the levels of investment on offer to potential projects must not be reduced (within ODS 2). In terms of the financial offer, the ability to do a co-production with matching funds from the Republic of Ireland or to bolt on the UK Tax Credit have been major 'game-changers' in terms of the decision to come to NI during ODS 1.
- 3.8 In relation to the recoupable loan and profit participation mechanism, almost 80% of the respondents (n=22) were of the view that it was appropriate and reasonable to give something back to replenish the 'funding pot' to support future screen sector activity. In effect most companies are happy with the principle of recoupment, albeit that some had suggestions in terms of the mechanics of how this could work better in practice informed by models elsewhere.
- 3.9 Finally, consistent with previous evaluations and derived from the respective survey findings, the level of additionality associated with the NISF and SDF respectively was concluded to be high and the level of displacement low. The additionality of the NISF was calculated at 82% and displacement at 10% - with the supporting rationale provided in Appendix A. In summary the findings from this final evaluation of ODS 1 are re-affirming and consolidating conclusions from previous evaluations that very little development and production activity would take place in NI in the absence of the NISF and limited workforce/ skills development in the absence of the SDF.

Benchmarking Research

- 3.10 The evaluation team sought to research benchmark regions that were specifically cited as competitor regions during the course of the engagement with production companies for this final evaluation of ODS 1 – namely Malta and Ireland. The rationale for selection of these countries and considerations in relation to selecting other countries/ regions is detailed in Appendix B.
- 3.11 Both of these countries evidence increasing levels of financial support to attract inward investment film and TV/ film production; in recent years that has represented strong competition for the NISF. In January 2019 the Malta Film Commission raised the cash rebate for incoming productions from 27% to 40%. In Ireland the government has consistently invested in the Section 481 tax credit which in recent years has been up to 32% of eligible Irish expenditure. However more recently a 5% uplift has been on offer for projects shooting in the regions of Ireland, bringing the value of the tax credit up to 37%. In effect the benchmarking analysis underlines the need to continually keep the levels of NISF investment on offer within ODS 2 under review.

Areas for Recommendations Emerging from This Section and Appendix A

Reflecting on the findings of this section the main area for recommendation relates to skills. The detailed findings in Appendix A include a wide range of comments that were made by SDF survey respondents in relation to their views on areas of focus for future skills interventions by Northern Ireland Screen. There are many very valuable points for consideration within this and accordingly these should be considered by Northern Ireland Screen to assess if there are any implications for delivery of the skills strategy in ODS 2.

In relation to the NISF a number of recommendations were made in the interim evaluation of ODS 1 to ensure continued competitiveness of the NISF. These have largely all been implemented (See Appendix E and 'pulled through' to the current implementation of ODS 2). It is for the interim evaluation of ODS 2 to assess performance and ongoing competitiveness of the NISF in this regard, in the context of prevailing factors now. The screen industry is very fast-moving and views expressed to the evaluation team about the perceived competitiveness of the NISF in relation to a grant they secured at least two years ago may not present the most up-to-date picture.

Nevertheless, it is important to reiterate within these recommendations, that the findings of this evaluation suggest that in broad terms the scale and balance of investment recommended for ODS 2 were justified. The preferred option implemented in respect of ODS 2 entailed an increase in overall investment to £50.32m. The NISF within this as recommended including both development and production funding and the levels of production investment on offer to potential projects was not reduced relative to ODS 1.

Finally, in terms of infrastructure the survey findings in Appendix A suggest that there is a need to keep the availability of studio facilities under review at the 'lower end' of the market. There is a perceived gap / insufficient access to smaller less-expensive studio facilities in NI (10-14,000 square ft) to suit lower budget TV productions. This is slightly smaller than the sort of capacity offered by the LOOP/ Britvic Facility.

These recommendations are included in Section 7/ Table 7.3 in the context of ODS 1 Conclusions and Recommendations.

4 Assessment of Economic Impact

Introduction

- 4.1 Section 4 examines the economic impact arising from the support provided by Northern Ireland Screen during ODS 1.¹⁷ In doing so, this section considers both the monetary benefits/ quantifiable economic impact of Invest NI's support to NI Screen and its contribution to providing wider and regional benefits to the Northern Ireland (NI) economy. The evaluation team have considered all four years of the ODS 1 strategy period stretching from 1st April 2014 to 31st March 2018.

Monetary Benefits/ Quantifiable Economic Impact

- 4.2 The aim of this sub-section is to assess the economic impact of, and estimate a benefit cost ratio (BCR) for, the NISF production support provided by Northern Ireland Screen over the evaluation period from a broad economic perspective, based on an assessment of costs and benefits not just to government, but to the NI economy as a whole. The economic model at the core of this was developed in close co-operation with the Steering Group and DfE/ Invest NI economists¹⁸, key elements of which are detailed throughout this section, with supporting technical information also included in Appendix C.
- 4.3 The economic model is focused on quantifying the monetary GVA benefits of the NISF production activity only. This is because it would be expected that much of the benefits from supported (initial) development activity and the SDF would already be reflected in the monetary outputs of production support. Many of the supported companies are provided with both development and production awards and much of the (initial) development activity progresses into production projects. Furthermore, the extent to which there are additional economic impacts from development activity (that does not progress into supported production) would be difficult to measure. This is because the Northern Ireland Screen economic impact monitoring data only relates to production projects. In terms of the SDF, in recent years the focus has been increasingly aligning investment in skill development with the evidenced capacity / skill needs of productions supported by the NISF (including in particular the needs of large-scale incoming productions that have provided excellent opportunities for trainees and new entrants to get a foothold and progress in the screen industry). This alignment is key to optimising the potential for NI cast and crew to be deployed on the productions, which in turn generates the return to the NI economy. As such it is evident that much of the investment in skill development over the evaluation period will have reinforced and enhanced the quantified (monetary) benefits arising from the NISF supported production activity. A final consideration in all of this is that support for production activity via the NISF has accounted for 81% of the expenditure over the evaluation period.
- 4.4 Outside of the quantitative monetary assessment, it should be noted that this evaluation has fully accounted for the qualitative benefits of the non-production elements of NI Screen

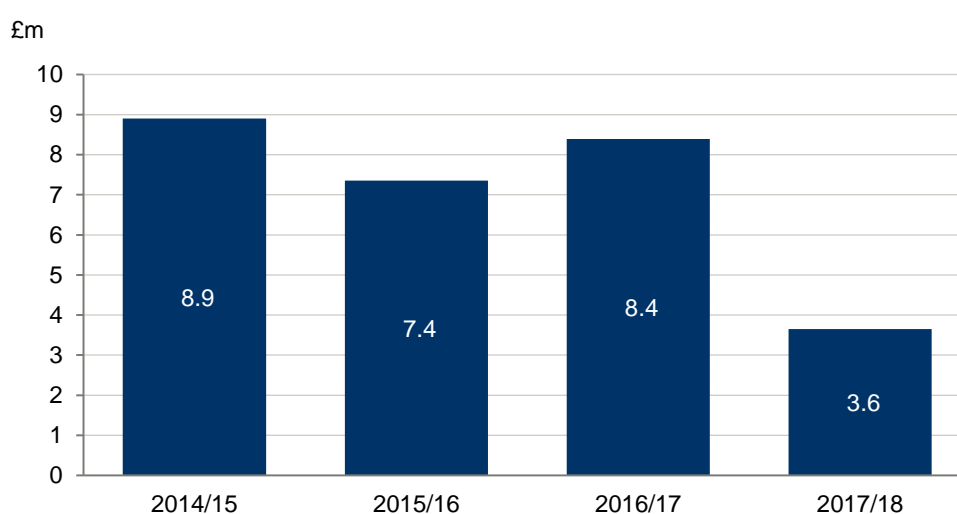
¹⁷ The Department for the Economy (DfE) will become the main public funding provider under ODS2. That said, for a limited number of production awards made during the current strategy ("ODS1 split projects") both INI and the Department have shared funding responsibilities. These invariably relate to awards made late in ODS1, which were only partially drawn down within the strategy window and where the remaining balance falls within the remit of the DfE. In these circumstances the combination of public funding is considered for completeness.

¹⁸ During the course of the ODS 1 Interim Evaluation

funding (i.e. development and skills) as part of a rounded assessment of economic efficiency (in Section 7). This rounded assessment of economic efficiency considers wider and regional benefits accruing to NI from the full spectrum of NISF supported activity alongside quantified (monetary) benefits.

- 4.5 As detailed in Section 2, £28.3m has been awarded to 103 production projects from 2014 to 2018 (i.e. full ODS 1 strategy period).¹⁹ The breakdown by award year is illustrated in Figure 4.1 below.²⁰ As noted in Section 2 the graph below only presents the timing of the award not when the production activity took place in NI. Accordingly, the drop in 2017/18 does not mean that there was a fall-off in production activity in that year, it simply reflects the fact that there was less funding awarded in that year.

Figure 4.1: ODS 1 Production Funding



Source: NI Screen, Invest NI

Number of Corresponding Production Awards

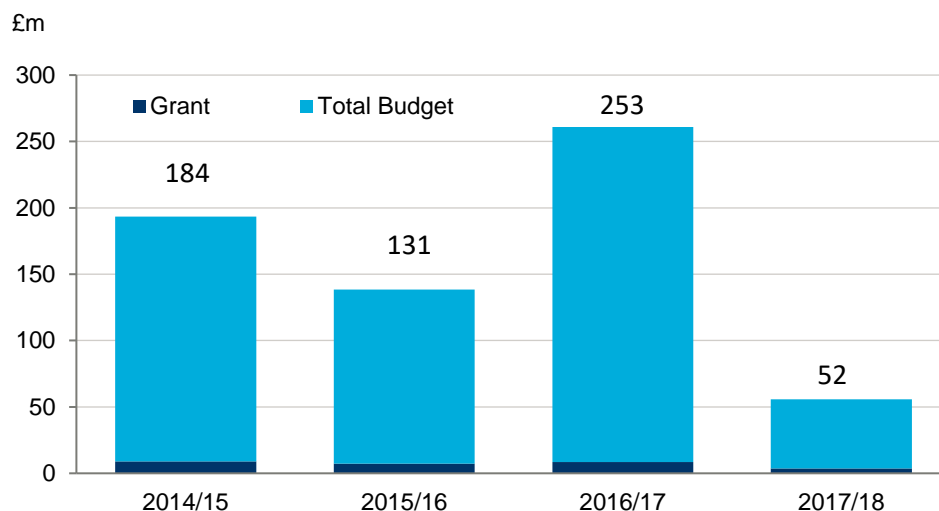
Year	2014/15	2015/16	2016/17	2017/18
Number	23	29	24	27

Source: NI Screen, Oxford Economics

- 4.6 The total budget for the productions associated with the above funding was in the region of £620m over the same period, with the breakdown by year shown in Figure 4.2 below.

¹⁹ Based on all of the awards that progressed into production and were at least partially drawn down during the strategy window. This excluded 'the Sword and the Stone' (did not proceed) and the titles 'Jessy & Nessy', 'Lost Lives' and 'Normal People' (none of which drew on funding made available within the strategy window and will therefore be carried through to ODS2 in their entirety).

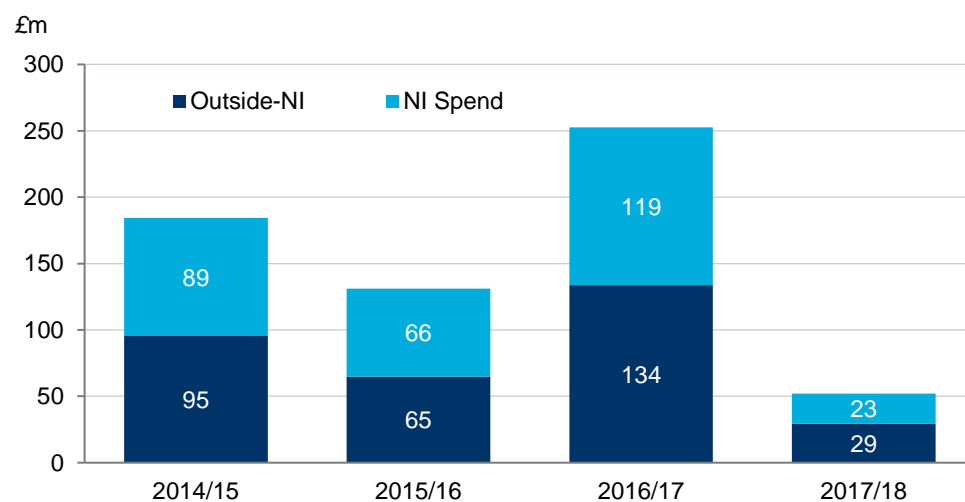
²⁰ The ODS1 production funding total includes £0.48 million of Britvic related leasing support.

Figure 4.2: Total OSD1 Production budgets by year of award²¹

Source: NI Screen, Oxford Economics

- 4.7 Independent audit reports and indicative expenditure reports submitted by the production companies to NI Screen show that £297m (or 48%) of the total production budget for these productions was spent in NI, with the remainder (£323m or 52%) being spent outside NI. The breakdown of this spend by award year is shown in Figure 4.3 below.

Figure 4.3: NI Expenditure vs Expenditure Outside of NI (on NISF Supported Productions)



Source: NI Screen, Oxford Economics

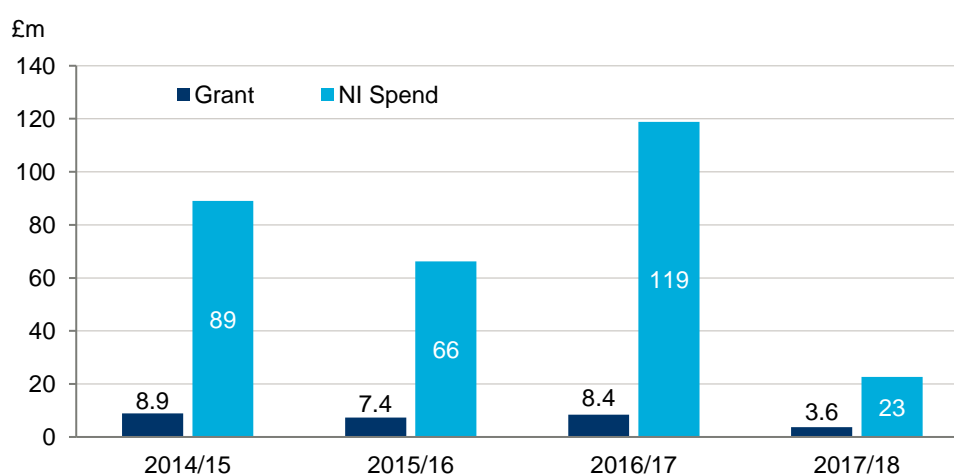
Note: Production spend is allocated according to the year of ODS award

- 4.8 In comparing Figure 4.2 to Figure 4.3 the most striking observation is the scale of the NI expenditure achieved each year in relation to the size of the NISF grants. It is clear from this whilst there is some variation year-on-year relating to the portfolio of production projects

²¹ Where the total budget figure is an estimated figure. Note: Production budgets are assigned to initial year of award and therefore does not reflect timings of spending. Information concerning when production budgets were spent through time was not available.

supported, the NISF grants have consistently achieved very high levels of leverage in terms of NI expenditure. At an overall level across the four years being analysed the ratio of grant/ NI expenditure achieved is 1:10.5 (£28m/ £297m). This is a significant increase on the comparative ratio for the previous four-year strategy *'Delivering Global Growth'* 2010-14 which was 1: 6.4. This clearly indicates the progress made in developing the infrastructure and crew capacity for production activity in NI over ODS 1 that has facilitated this level of NI expenditure. This was evidenced through the interviews undertaken by the evaluation team with large-scale incoming productions to NI, where they indicated a steadily improving picture of addressing gaps in infrastructure and access to the requisite labour and skills during the course of ODS 1.

Figure 4.4: ODS 1 Production Awards and resulting NI Expenditure



Source: NI Screen, Oxford Economics

Note: Production spend is allocated according to the year of ODS award

4.9 The audit / expenditure reports and monitoring information captured by NI Screen indicate that the £297m in NI-based expenditure was spent across the three categories below²²:-

- Cast, crew and trainees (i.e. on wages);
- Hotels and locations; and
- Facilities and transport.

4.10 Table 4.2 overleaf provides a summary of the NI-based expenditure across the ODS 1 strategy period, disaggregated by the above categories. The audited accounts of supported productions only declare the total spend value, with no indication of the timings associated with the expenditure. Therefore, it is only possible to assign NI production spend to the year in which a given production was originally awarded ODS 1 support. Table 4.2 shows that NI-based expenditure was strongest for productions which were awarded grants in the 2016/17 year of the strategy. This was reflective of the 'standout' influence of *Game of Thrones* Series 8, which alone had a NI spend to grant ratio of over 60 (i.e. the associated NI production spend was over 60 times the original award grant). Indeed, if the spending and support associated with this one production is removed, the average grant to NI spend ratio across the remaining

²² The production company is required to enter into a tripartite agreement between NI Screen and their registered auditor to provide a report to verify the NI spend element of production costs and to agree the level of work carried out to verify this spend.

strategy period falls to 1:8.5. In this regard, it is important to set Game of Thrones Series 8 within ODS 1 within the context of the full cycle of Game of Thrones from the outset – per the data included below in Table 4.1. This shows a dramatically increasing picture of NI spend achieved relative to the NISF investment over time, which averages out across all of the Game of Thrones series to be 1: 15.8. This longer-term trend is indicative of the really strong performance of Northern Ireland Screen in creating the conditions in NI (e.g. via investment in skills and enabling infrastructure) to facilitate the ratios to grow so exponentially. This was also clearly evidenced in the engagement with Fire and Blood Productions Ltd by the evaluation team, where they clearly conveyed the significant advances in their capacity to deliver NI-based expenditure over time because of the effectiveness of the collaborative work/ partnership with Northern Ireland Screen on skills and enabling infrastructure. In turn this meant that less NISF investment in relative terms was required for each successive series of Game of Thrones because they did not have to bring in/ rely on capacity external to NI, leaving more of the ‘NISF pot’ available for other production projects.

Table 4.1: NI spend achieved relative to the NISF investment over the Game of Thrones Cycle

Game of Thrones Series	NISF Investment	NI Spend figure
Pilot and Series 1	£3.2m	£21.2m
Series 2	£2.85m	£21.8m
Series 3	£3.2m	£22.5m
Series 4	£1.6m	£23.2m
Series 5	£1.6m	£26.3m
Series 6	£1.3m	£32m
Series 7	£1.1m	£34m
Series 8	£1.1m	£70.9m
Total	£15.95	£252m

- 4.11 Although the NI spend associated with 2017/18 awards illustrated in Table 4.1 was the smallest across the strategy (£23m), this is mainly attributable to smaller average award sizes in that year i.e. the number of production awards and ratio of NI spend to award value were not dissimilar to previous years within the strategy.²³ Of the £297m of NI expenditure under ODS 1, £114m (38%) was spent on cast, crew and trainee wages; £40m (13%) on hotels and locations; and £143m (48%) on facilities and transport.

Table 4.2: Breakdown of NI Expenditure by Category and Year of Award

Year	No. of production awards	NI based expenditure (£m)			Total
		Cast/ Crew/ Trainees	Hotels/ Locations	Facilities/ Transport	
2014/15	23	£31	£13	£45	£89
2015/16	29	£27	£10	£29	£66
2016/17	24	£45	£14	£61	£119
2017/18	27	£11	£3	£9	£23
ODS1 Total	103	£114	£40	£143	£297

²³ ODS1 award sizes are linked to declared economic footprint of the productions applying for support. 2017/18 was the only year of the strategy not to include an award for Game of Thrones.

Source: NI Screen, Oxford Economics

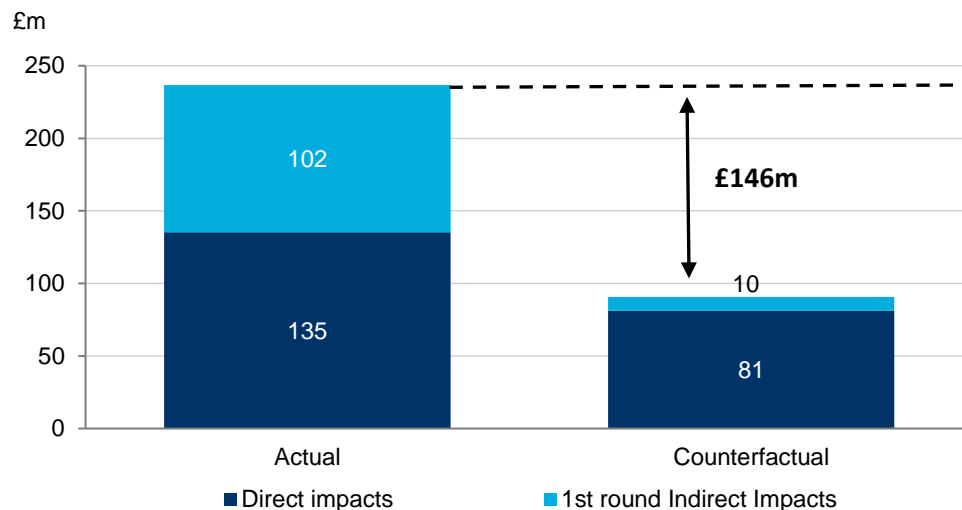
- 4.12 In assessing the benefits of the production support the ultimate focus is on trying to understand the economic value it generates for the NI economy. This is measured in terms of the gross value added (GVA) contribution to NI GDP of the activities supported through the production grants.²⁴
- 4.13 To assess the economic value generated by the supported productions, the total gross value added supported by the NI jobs that the production grants helped to support, is added to the first round of supply chain purchases from each production (also known as the first round of indirect impacts²⁵). These supply chain purchases relate to the expenditure by production companies on hotels and locations and facilities and transport (per Table 4.2 above). This total GVA figure over the four years is estimated to be £237m. Of this £237m, £135m is linked to direct impacts and £102m to the first round of indirect impacts.
- 4.14 The estimated GVA contribution is then compared to a counterfactual scenario in which the NI workers employed on a production instead worked in a job paying the average NI wage, and so made a contribution to NI GVA in line with that for the average worker. In this scenario, the GVA generated by the first round of supply chain purchases related to the output per head each of these average NI workers is also quantified.²⁶
- 4.15 The difference between the actual scenario and the counterfactual is the **net GVA** contribution of the production activity supported by NI Screen to the NI economy. On this basis, it is estimated that the net contribution of the activity supported through NI Screen to the NI economy over the four years is £146m. This is the difference between two bars shown in Figure 4.5 below.

Figure 4.5 Estimated gross value added contribution of production activity and a counterfactual – central estimate

²⁴ The gross value-added contribution to GDP measures the contribution to the economy of each individual producer, industry or sector. It is a measure of output and is aggregated across all industries or firms to form the basis of a country's Gross Domestic Product (GDP), the main measure of the total level of economic activity.

²⁵ The Evaluation team were advised by the Evaluation Steering Group to include the direct and 1st round of the indirect impacts in our analysis and exclude the remaining rounds of indirect and induced impacts.

²⁶ Utilising multiplier analysis within a regional input output framework.

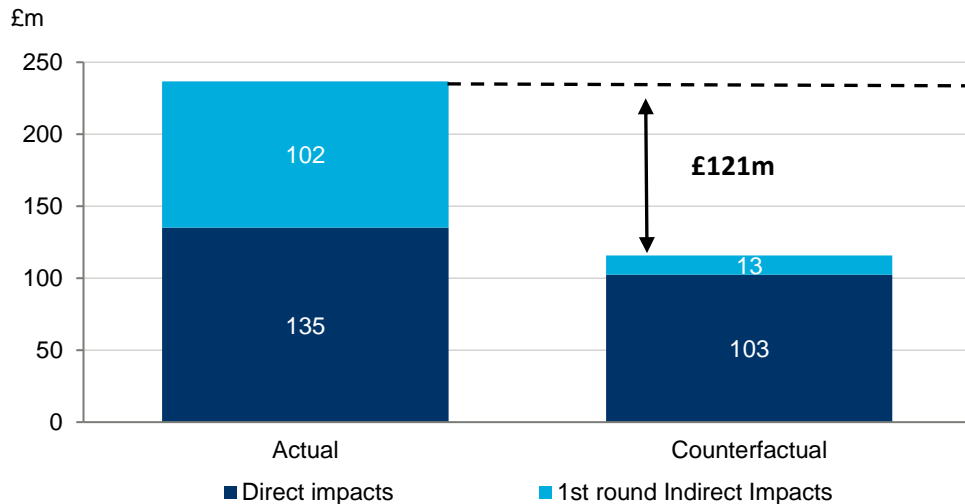


Source: Oxford Economics

- 4.16 The main steps and assumptions in the analysis underpinning the calculation of the ‘actual’ and ‘counterfactual’ per Figure 4.5 above are detailed further in Appendix C.
- 4.17 In line with standard practice in this type of evaluation, it is important to consider alternative scenarios to assess the extent to which the findings are sensitive to the assumptions made. In this evaluation there is a high degree of uncertainty around what NI cast and crew who worked on NISF supported productions would have done in the absence of the same. Neither Northern Ireland Screen nor NISF supported production companies routinely capture the previous employment/ employment status of NI workers prior to their employment on the production. This issue is included in the recommendations.
- 4.18 One possibility is that these employees would have worked somewhere else in the NI Screen industry instead of becoming an NI average worker, thus giving them a higher than average productivity contribution.²⁷ This would reduce the difference between the wages and productivity generated with and without the production support grant, and so would provide a lower estimate of the benefits of the scheme. For this ‘low’ scenario, it is estimated that the net contribution of the activity support through the production grants to the NI economy is £121m over the four years.

Figure 4.6: Estimated gross value added contribution of production activity and a counterfactual – low estimate

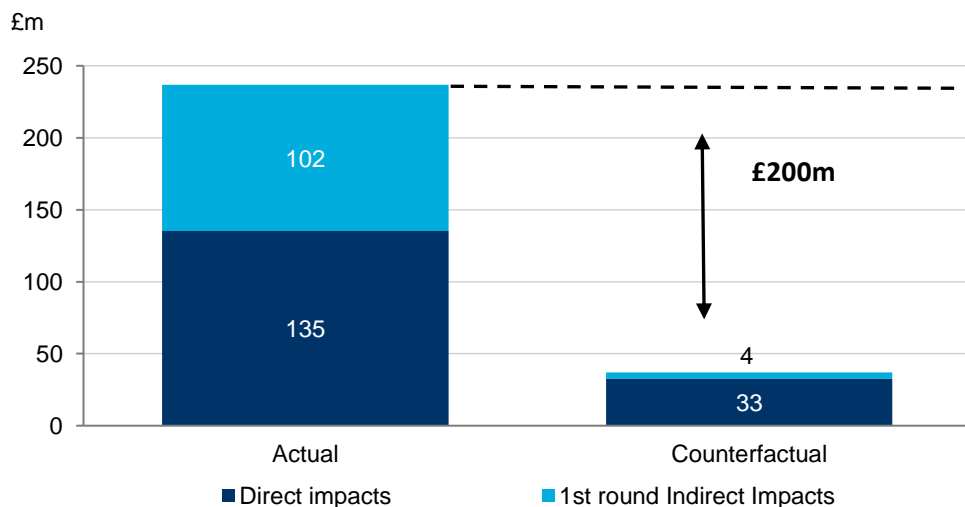
²⁷ Average productivity for the film industry was calculated using Oxford Economics regional model and detailed ASHE data.



Source: Oxford Economics

- 4.19 A high scenario would be to assume that if the workers had not been able to work on an NISF supported screen production they instead would have worked in a lower-paid sector of the NI economy (such as hospitality) which, all else being equal, would imply a larger wage differential than the central case.²⁸ Under this high scenario, the production activities net benefit to the NI economy would be £200m. This should be viewed as an extreme scenario because, without funding there would have been less screen production activity in NI, which would in turn impact local tourism and reduce demand in the hospitality sector.

Figure 4.7 Estimated gross value added contribution of production activity and a counterfactual – high estimate



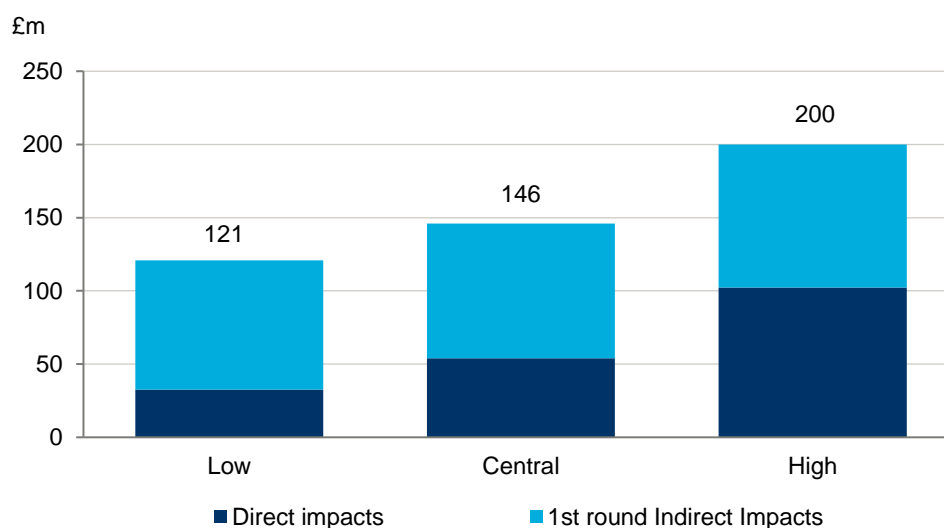
Source: Oxford Economics

- 4.20 In summary, the analysis shows that the estimated net benefits of the production grants are sensitive to assumptions concerning how workers would have been employed if roles in

²⁸ It is assumed that employees work in the broader hospitality industry, which most closely aligns with the Standard Industry Classification (SIC) definition for the 'food and accommodation' sector.

screen productions were not available. Based on three counterfactual scenarios, it is evident that the net benefit of the production activity supported by the NISF production grants ranges from £121m to £200m, with £146m as the central estimate.

Figure 4.8: Net benefit estimates across all scenarios



Source: Oxford Economics

- 4.21 To understand the net impact of a government intervention, an assessment of ‘additionality’ is then required, to understand the extent to which the NISF production grant support may have generated benefits over and above what would have happened anyway.²⁹ Therefore the net additional monetary benefits were considered within the model - that is allowing for deadweight, displacement, leakage and substitution, over and above the adjustments made in the steps above to account for a counterfactual position. This step drew on the findings in respect of deadweight and displacement set out previously in Section 3. Leakage has already been adjusted for with the removal of profit benefits generated by SPVs and companies registered outside of NI.³⁰ There is no evidence of substitution occurring in the context of the NISF production grants and therefore it was assumed to be zero.³¹ Table 4.3 below sets out the net additional impact associated with the three variations on the counterfactual scenarios discussed previously with adjustments for all of this.

Table 4.3: Net Additional Impact of NISF Production Grants (ODS1)

Scenarios	Low	Central	High
Gross Impact (£ millions)	121	146	200
Deadweight	18%	18%	18%

²⁹ A full discussion on the key components of additionality and how they are all brought together can be found in the following BIS report:

Department for Business Innovation and Skills, "Research to improve the assessment of additionality", BIS OCCASIONAL PAPER NO. 1, October 2009, 65.

³⁰ Leakage is defined as the proportion of outputs/outcomes that benefit those outside the target area of the intervention

³¹ Substitution is defined "as a negative effect that arises when a firm substitutes a jobless person to replace an existing worker to take advantage of the public sector assistance.

Leakage	N/A	N/A	N/A
Displacement	10%	10%	10%
Substitution	N/A	N/A	N/A
Net Additional Impact (£ millions)	90	108	148

Source: Oxford Economics

- 4.22 The evaluation team are aware of the potential risk of bias in using a self-reporting survey to calculate a deadweight level for the NISF production grants. It was agreed with the Evaluation Steering Group that survey specific evidence was to be used in estimating the primary deadweight factor, particularly in that the figure derived from this shows an increase relative to the survey findings from previous evaluations of Northern Ireland Screen strategies (from 13% in the interim ODS 1 evaluation to 18% currently). It was further agreed that a sensitivity analysis should be applied to this primary deadweight level to provide insight into the capacity of this figure to impact upon overall benefits (included later in this section).
- 4.23 A share of production support funding (£0.48m) was designated towards securing the use of the Britvic facility during the strategy. The Evaluation Steering Group expressed a desire to understand the degree to which it was utilised during ODS 1, alongside the associated economic contribution of the same productions. Ten ODS 1 supported productions utilised the Britvic facility in some capacity between 2014 and 2018. It is estimated that the net contribution of these activities to the NI economy over the four years is £22m (central scenario). After considering deadweight and displacement the net additional GVA impact falls to £16m. It is not possible to arrive at BCR for this subset of support because recipient funding cannot be entirely isolated. It is clear that in the absence of the Britvic facility during ODS 1 that some of this net additional GVA of £16m may have been at risk due to prevailing studio capacity constraints. This £16m could have made the difference between reaching the ODS 1 targeted economic impact (see Section 5) and failing to do so. Therefore, the decision to allocate £0.48m of NISF funding to facilitate this capacity appears to have delivered VFM.

Table 4.4: Net additional Impact of Britvic supported productions (ODS 1)

Scenarios	Low	Central	High
Gross Impact (£ millions)	19	22	28
Deadweight	18%	18%	18%
Leakage	N/A	N/A	N/A
Displacement	10%	10%	10%
Substitution	N/A	N/A	N/A
Net Additional Impact (£ millions)	14	16	21

Source: Oxford Economics

Employment Sustained by ODS1

- 4.24 Data held by NI Screen primarily relates to the number of days employees (i.e. cast and crew) and freelance contractors have worked on each particular production. It is these work days³²

³² Within the economic modelling of the 'with project' scenario and the 'counterfactual' scenario

that have been factored into the economic modelling within this evaluation rather than the FTE jobs/ job years that these work days would equate to, in that it is more accurate to do this.

- 4.25 The Letters of Offer to NI Screen contain targets in relation to FTE jobs/ job years supported via employment on NISF funded productions and NI Screen report against these in the annual monitoring proformas. Discussions with NI Screen indicate that the data they capture in relation to the work days is converted to ³³FTE jobs/ job equivalent years by multiplying by 110% (to reflect the fact that employees on productions work longer than 8 hour days – on average 8.8 hours a day) and then divided by 200 (which is understood to reflect the number of days the average screen employee works in a year). The evaluation team discussed this further with NI Screen³⁴ to understand why the denominator is 200 working days a year. The rationale is because the employment is predominantly freelance in nature and that the staff in the key production roles typically would take a break once an intensive period of work concluded on one production before moving to the next i.e. it is not continuous employment over a full year. In addition, with the work being freelance in nature the staff in the key production roles typically would not accrue paid annual leave/ holidays in the same manner that an individual who is working full/ part-time in an employment contract would do.
- 4.26 It is the view of the evaluation team that the denominator of 200 days is reasonable based on the rationale provided. It is also understood from discussions with NI Screen that it has been accepted as the basis on which progress against targets in relation to FTE jobs/ job equivalent years has been reported in ongoing monitoring returns by NI Screen and previous evaluations of the support to NI Screen. Therefore, the evaluation team have applied this approach in converting the number of work days supported on productions funded by the NISF for NI residents to the calculation of FTE jobs/ job years below and in Section 5, where progress against targets in relation to this is presented. If anything, it is possible that the numerator of 8.8 hours a day is conservative based on conversations with production companies during the course of survey work, many of whom reflect intensive periods of long-days when a production was being shot in Northern Ireland. This is perhaps an area where further evidence could be captured to inform future target setting. In interpreting this it is however important to recognise the distinctiveness of employment supported in the screen sector in this regard, in that it is not directly comparable to what might be ³⁵defined and captured as FTE jobs/ job years in other sectors of the economy. The distinctiveness of employment in the screen sector in this regard is that much of it is freelance and highly mobile. It is understood that Invest NI do not report on jobs supported in the screen sector on a like-for-like basis with jobs created and supported in other sectors for this very reason, i.e. recognising the distinctiveness of employment in the screen sector. This issue is included in the recommendations.
- 4.27 The total number of employee work days sustained in the NI economy over the four years of ODS 1 is 481,526 work days. This equates to 2,648 Full Time Equivalent job years over the four years of the strategy (after consideration of the above-mentioned industry characteristics).

33 For ODS the annual monitoring returns reference performance against gross and net FTE job years and job equivalent years.

34 During the course of the ODS 1 Interim Evaluation

35 The UK definition of an FTE job assumes each FTE works 5 days a week for 52 weeks, therefore the correct number to divide total working days into is the total number of working days available in a year (i.e. 260 not 200). Similarly, the definition of a job equivalent year relates to a FTE position for a working year.

(Monetary) Benefit to Cost Ratios for ODS 1

- 4.28 The Benefit to Cost Ratio (BCR) compares the net additional impacts accruing from ODS1 production grants (as per Table 4.2 included previously) i.e. the present value of benefits to the present value of costs to the NI public sector. It is important to highlight that this is only one element of the overall conclusion on economic efficiency/VFM (included in Section 8). This overall conclusion is a rounded assessment of both monetary/ quantifiable economic impacts and qualitative benefits, including the wider and regional benefits discussed later in this section of the report.
- 4.29 As stated in the previous section, the public cost of production grants over the four years has been £28 million. However, it is important, as set out previously, to also recognise that development funding and support for skills will also have reinforced the economic impacts of the production grants. In discussion with the Steering Group it was agreed in terms of the 'cost denominator' for the BCR to include the value of all programme funds (i.e. production, development, skills etc) within this and exclude the Invest NI/ DfE contribution to NI Screen operating costs – consistent with the approach used in the Interim Evaluation of ODS 1.
- 4.30 Table 4.5 sets out the BCRs for the entire ODS1 strategy (2014-2018) across each of the three variations of the counterfactual scenarios (Low–Central–High).

Table 4.5: (Monetary) Benefit to Cost Ratios for ODS1 (2014/15-2017/18)

Scenarios	Low	Central	High
Gross Impact (£ millions)	121	146	200
Net Additional Impact (£ millions)	90	108	148
Invest NI/ DfE funding (£ millions)	40	40	40
BCR (£)	£1 Cost :£2.2 Benefit	£1 Cost :£2.7 Benefit	£1 Cost :£3.7 Benefit

Source: Oxford Economics

- 4.31 Reflecting on the above, it is estimated that for every £1 spent on developing the screen sector in NI (through the support from Invest NI/ DfE to NI Screen) there was a £2.7 return to NI GDP in the central scenario for the ODS1 strategy. This was an improvement on the interim point evaluation of ODS1, which recorded a return of £2.5 for every £1 of support received. Further analysis shows that the improved performance is strongly influenced by the impacts associated with Games of Thrones Series 8 in the later stages of the strategy. The Game of Thrones series have been among the strongest performers in terms of grant to production expenditure ratios across ODS 1. Indeed, when the influence of Series 8 is removed from within the strategy, the resulting BCR in the central scenario falls to a return of £2.1 for every £1 of support received.

Sensitivity analysis

- 4.32 To gauge the impact certain assumptions can have on the final BCR further sensitivity analysis around one of the key assumptions was undertaken.

- 4.33 In the central analysis, a deadweight of 18 percent, was applied based of evidence from the survey with production companies in receipt of NISF production awards. However, it is viewed by the evaluation team that there may be a degree of optimism bias in the self-reported additionality/ deadweight levels arising from these survey findings with NISF respondents. As such in the sensitivity analysis it is important to consider a potential higher figure in forming a conclusion around deadweight. Therefore, in discussion with the Steering Group a sensitivity factor of 10 percentage points was agreed - where additionality is reduced by this level (from 82% to 72%), which has the corresponding effect of increasing deadweight to 28%. Assuming this level of deadweight would produce a BCR for ODS 1 in the central scenario of £1 cost: £2.4 benefit (a fall from £2.7 benefit for every £1 cost). From these results, it is clear that the final BCR is very sensitive to assumptions on deadweight. If the true deadweight value is above the estimate of 18 percent, then this would have a material impact on the BCR results but still represent a positive outcome (as Table 4.6 below demonstrates).

Table 4.6: (Monetary) Benefit to Cost Ratios for ODS1 (sensitivity case: 28% deadweight)

Scenarios	Low	Central	High
Gross Impact (£ millions)	121	146	200
Net Additional Impact (£ millions)	79	95	130
Invest NI/ DfE funding (£ millions)	40	40	40
BCR (£)	£1 Cost :£2 Benefit	£1 Cost :£2.4 Benefit	£1 Cost :£3.3 Benefit

Source: Oxford Economics

- 4.34 In 2009 the Department for Business Innovation and Skills published a paper on research to improve the assessment of additionality.³⁶ This paper captured additionality data from over 280 evaluations covering a range of economic development and regeneration interventions across the UK. For deadweight on a regional level this paper considers 363 evaluation observations and concluded that the average deadweight across these was 43 percent. If a weighted average of the value of deadweight levels for projects of a similar type to the NISF are considered i.e. individual enterprise support, sector/cluster support and attraction of inward investment, this gives a deadweight of 46.7%. Assuming this level of deadweight across would produce a BCR for ODS1 in the central scenario of £1 cost: £1.8 benefit. From these results it is clear that the final BCR is very sensitive to assumptions on deadweight. If the true deadweight value is above the estimate of 18 percent, then this would have a material impact on the BCR results. However, our analysis shows that the deadweight percentage would have to be as high as 70% for the strategy to have experienced a ratio of £1 cost: £1 benefit.

Wider and Regional Benefits

- 4.35 In addition to the monetary/ economic impact that Northern Ireland Screen's support across ODS 1 has had as above, the evaluation team's analysis, and consultations with key stakeholders, suggests that the continuum of support has provided a range of wider and regional benefits to the NI economy.

³⁶ Research to Improve the Assessment of Additionality (BIS, 2009)

- 4.36 Table 4.7 below summarises the main impacts against each wider and regional benefit criterion with supporting evidence and examples as appropriate.

Table 4.7: Contribution of the ODS 1 support to delivering wider and regional benefits

Wider Benefits											
Attraction of Foreign Direct Investment (FDI)	<p>The available evidence suggests that the support provided through Northern Ireland Screen has been very successful in attracting and maintaining FDI to NI. For example, through the provision of targeted NISF, skills development and marketing activities, Northern Ireland Screen has been successful in retaining the HBO/Fire and Blood production Game of Thrones since its pilot phase. During ODS 1 the relevant series attracted / retained in NI are Series 5-8, with Series 8 having a major impact on the performance and impact of ODS 1, with a grant to NI expenditure ratio of 1:60.</p> <p>Another key example during ODS 1 was securing the Krypton Series for NI and in bringing the interests of Warner Bros – a high-profile and leading US entertainment company in existence since the 1920s - to NI for the first time.</p> <p>Overall during ODS 1 there has been a more than doubling of the number of productions with a total production value of over £5m in ODS 1 (n=23) relative to the previous strategy '<i>Delivering Global Growth</i>' 2010-14 (n=9). This indicates the steady progress made by Northern Ireland Screen in the last decade in being able to attract greater numbers of larger scale productions to NI – effectively working towards their vision of developing/ confirming NI as the strongest screen industry economy outside London in the UK.</p> <p>Monitoring information retained by Northern Ireland Screen suggests that the levels of FDI generated during the periods of the strategies have increased substantially, as demonstrated in the table below. ODS 1 was targeted to achieve an NI expenditure figure of £250m, aligned to NISF production awards. The performance against this was £297m, with the vast majority (£259k) arising from external production activity / FDI attracted to NI.</p> <table border="1"> <thead> <tr> <th>Strategy Period</th> <th>Level of FDI</th> </tr> </thead> <tbody> <tr> <td>Most Powerful Industry in the World (2003-2007)</td> <td>£6,532,443</td> </tr> <tr> <td>Building on Success (2007-2010)</td> <td>£26,347,965³⁷</td> </tr> <tr> <td>Driving Global Growth (2010-2014)</td> <td>£120,590,458</td> </tr> <tr> <td>Open Doors Strategy 1 (2014-18)</td> <td>£259,307,700</td> </tr> </tbody> </table>	Strategy Period	Level of FDI	Most Powerful Industry in the World (2003-2007)	£6,532,443	Building on Success (2007-2010)	£26,347,965 ³⁷	Driving Global Growth (2010-2014)	£120,590,458	Open Doors Strategy 1 (2014-18)	£259,307,700
Strategy Period	Level of FDI										
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Driving Global Growth (2010-2014)	£120,590,458										
Open Doors Strategy 1 (2014-18)	£259,307,700										

³⁷ Per the Economic Appraisal of ODS, Cogent Management Consulting, Page 32.

	<p>Based on consultations with key stakeholders, there was broad consensus that if the range of support interventions were not available to large international production companies, NI would struggle to attract companies of this size and calibre. The increasing level of FDI across the four strategies to date also broadly correlates with increasing levels of production funding through the NISF over the same period coupled with increasing activity in relation to key supporting areas such as skills and development (see below).</p>
<p>Skills Development</p>	<p>As evidenced by the survey of SDF recipients and consultation with production companies, support provided through the SDF has had a positive impact during ODS 1. This is in respect of both identifying and addressing the existing and emerging skills needs/gaps of the Northern Ireland Screen industry.</p> <p>Through tailoring specific SDF support to the demands of the industry as it evolves, the SDF has proven to be a flexible and responsive approach to building the skills base of local people in supporting the growth of the industry.</p> <p>The external production companies coming to NI during ODS 1 generally viewed the training programmes that Northern Ireland Screen offer (e.g. AIM High/ PCT and Stepping Up) to be ‘models of good practice’ that have helped them to effectively resource productions.</p> <p>Whilst gaps and areas for development remain (per some of the points highlighted in Appendix A) the general consensus would be that access to labour and skills has steadily improved during the course of ODS 1. This view is most evident amongst some of the series/ repeat productions coming to NI during the course of ODS 1 who have a longitudinal view of the same. Within this they were able to observe first-hand the progression of an individual who worked on a previous production into a more senior role in a later production.</p> <p>Consultees were of the view that there remains a compelling need for continued, and indeed increased, support through SDF to develop the indigenous skills base - which is key to attracting FDI and the longer-term development of the screen industry. It was the view of these consultees that Northern Ireland Screen’s skills development support has, and must continue to play, a vital role in Northern Ireland Screen’s portfolio of support offerings. Consultees were also of the view that skills development support should continue to remain as flexible as possible for Northern Ireland Screen to be responsive to supporting the emerging/evolving needs of the industry. These views were highlighted in the interim evaluation of ODS 1 and associated recommendations were actioned by Invest NI and Northern Ireland Screen for the remainder of ODS 1 and then ‘pulled through’ into ODS 2. An example of one of the actions was the ‘Stepping Up’ programme implemented from 2017/18 onwards within ODS 1 and built into ODS 2 thereafter. This scheme has played an important role in supporting incoming</p>

	<p>productions to effectively resource their activity in NI. Specifically, it gave production companies the confidence to employ individuals in a higher grade based on the fact they had come through Northern Ireland Screen's tracked training scheme over at least two years.</p> <p>Evidence from the survey of SDF beneficiaries has also indicated that the SDF has provided a useful mechanism for people looking to change their career path and as a point of entry into the industry for those not already working within it.</p>
Knowledge Transfer	<p>Allied to the previous point, the support provided by Northern Ireland Screen had facilitated the transfer of knowledge through, amongst other things:</p> <ul style="list-style-type: none"> ▪ Participants engaging in formal skills development training (as supported through the SDF); ▪ NI staff (e.g. crew, trainees etc.) working side-by-side with leading national and international production companies in their respective production genres; ▪ The marketing activities, including trade missions and attendance at national and international screen events and exhibitions of significance, directly undertaken by Northern Ireland Screen. There was a broad consensus amongst NISF grant recipients surveyed that these activities were crucial in 'showcasing' the Northern Ireland Screen industry product and increasing awareness of the areas as a suitable location for production work. There was also recognition that Northern Ireland Screen has provided a key role in facilitating trade missions and expanding the breadth of trade missions across different genres, not just film and TV, By way of an example this included attendance at the Games Developers' Conference, the world's largest and longest-running professionals-only games industry event, in San Francisco.
Entrepreneurship	<p>Evidence derived from the survey of NISF recipients and the SDF survey indicates a significant degree of self-employment/ freelancers from NI working in the screen industry and supported through the various Northern Ireland Screen interventions.</p> <p>In addition, Northern Ireland Screen support has encouraged export activity amongst local businesses through, for example, marketing and trade missions support.</p>
Regional Benefits	
Reduction of 'Brain Drain'	<p>The growth and expansion of the screen industry within NI during the period of ODS 1 as evidenced within this evaluation is likely to have helped retain skilled individuals within NI, who otherwise might have left NI to work in the screen industry (or other sectors) elsewhere.</p>
Generation of orders from other companies in the Assisted Area	<p>The direct economic impact generated by the production and development elements of the NISF is to a large degree based around the generation of orders from other companies within NI. This is illustrated in the analysis within this evaluation, which details the impact on the local supply chain within, for example, the local hotel and transportation sectors servicing the screen industry.</p>

	<p>Per the analysis in Section 4/ Table 4.2 the NI expenditure in respect of ‘hotels and locations’ and ‘facilities and transport’ during ODS 1 was £40m and £143m respectively. The comparative figures for the previous strategy ‘<i>Delivering Global Growth</i>’ 2010-14 were £19.4m and £53.9m. Clearly there has been considerable growth achieved in the generation of orders from other companies within NI during ODS 1. In effect the successful growth of the screen industry during this period has had a material and growing impact on the wider economy in NI.</p>
<p>Innovative nature of the project</p>	<p>Northern Ireland Screen supports companies operating in the screen industry which is a creative industry and built upon creativity and innovation. Support for development activity is a particularly important element of this in acting as the catalyst for the development of creative screen content in the first instance.</p>
<p>Regional credibility and visibility</p>	<p>The success and growth of the Northern Ireland Screen industry over the period of ODS 1 has been dramatic. The securing of a high profile, award winning, global phenomenon that is Game of Thrones, with its worldwide following has undoubtedly been a major factor in putting NI on the global screen industry map as a visible and credible location for the screen industry. Securing Krypton produced by Horizon Scripted Television Ltd/ Warner Bros, during ODS 1 further added to this profile. A key feature of ODS 1 has been the extent to which there has been success in sustaining repeat productions/ returning series to NI, where Line of Duty Series 3-5 produced by World Productions is a case in point during ODS 1. The sustained involvement of production companies like these over multiple series in Northern Ireland is a key factor that adds to the regional credibility and visibility.</p> <p>In addition, many of the NISF supported productions have been in receipt of awards that further serve to showcase NI talent and as a location for screen productions (across all genres). There have been a wide range of award winning NISF supported productions. Some notable examples have included: The Shore (Terry George, Oscar), The Fall (BAFTA nominations and awards inter alia), Line of Duty (nominated for 4 BAFTA awards in 2018 alone); Puffin Rock (animation, two Kidscreen awards and multiple nominations) and Derry Girls (BAFTA nomination for Series 1 and multiple other awards).</p> <p>The final season of Game of Thrones (Series 8) had an incredible global reach and profile that is all part of the regional credibility and visibility of Northern Ireland achieved during ODS 1. The third episode, <i>Battle of Winterfell</i>, officially became the most tweeted-about TV episode of all time. The final episode, <i>The Iron Throne</i>, became the biggest series finale ever for Sky with a cumulative audience of 5.8m viewers and broke all HBO viewership records with 19.3m watching in the US. The series went on to secure 32 Emmy nominations, the most for any programme in a single season.</p> <p>A number of screen productions supported during ODS 1 have also received high profile premieres. For example, Bad Day for the Cut premiered at the Sundance Film Festival; the feature documentary Elian supported during ODS 1 premiered at the Tribeca Film Festival.</p>

	<p>The high profile of extended productions filmed in NI locations has also added to the visibility and appeal of NI as a place to visit. Game of Thrones – a global phenomenon and HBO’s most-watched show on record – has been transformative for NI as a screen tourism destination. Northern Ireland provided the studio base for the show, which also made extensive use of Northern Ireland locations. Visitor surveys for this project identify the show as the dominant motivator for screen tourists – though other projects can be seen to have an effect, including The Fall, Dracula Untold, Philomena for example. A more recent example is in relation to the Derry Girls ‘phenomenon’ where Tourism NI is joining forces with Derry and Strabane District Council and Visit Derry to develop a series of visitor experiences based on the Channel 4 show. This includes a walking tour of the places made famous by the hit TV comedy.</p> <p>The 2016 Olsberg Screen Tourism Strategy for NI acknowledges the transformative impact of productions such as Game of Thrones on the Northern Ireland Screen tourism industry evidenced through significant visitor numbers to filming locations. This activity has also supported the growth of local visitor tours companies, additional visitor income for some locations where there is paid entry e.g. Castle Ward and additional merchandising sales.</p> <p>NI will soon be home to the Game of Thrones Legacy project in Banbridge at the site of the Linen Mill Studios. This commitment by HBO and the world-renowned Game of Thrones brand NI³⁸ offers a fantastic opportunity to attract out-of-state visitors. The total investment in the project is expected to be around £23.7m and it is expected to employ up to 200 people and provide a £400 million tourist spend boost for the NI economy by 2030.</p> <p>The combined effect of enhancing NI’s regional credibility as a location for screen activity and an attractive location for screen tourists has undoubtedly been a key success under the period of ODS 1.</p>
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Areas for Recommendation Emerging from This Section

Reflecting on the findings of this section two key areas for recommendation are relevant.

Given the high degree of uncertainty around what NI cast and crew who worked on NISF supported productions would have done in its absence, it would be useful if further information could be captured. For instance, Northern Ireland Screen could encourage NISF supported production companies to capture the recent employment status of NI resident cast and crew prior to their deployment on the NISF supported productions and whether if employed/ self-employed this employment was within or outside of the screen sector.

³⁸ In conjunction with John Hogg and Company owners of the Linen Mill Studios

In the absence of this information the evaluation team have had to develop reasonable assumptions about what a 'counterfactual' scenario may look like in this regard. This is not an ideal position and access to improved information in this regard would refine and improve future economic target setting. This was included as a recommendation in the interim evaluation of ODS 1 and was not actioned for the reasons set out in Section 6/ Table 6.2, which essentially relate to the view that it was too late to introduce it at that point in time with only c6months to run of ODS 1. To the best of our knowledge it is not in place now for ODS 2. In the view of the evaluation team it remains a valid issue and should be revisited.

Secondly this section highlighted the key assumptions that Northern Ireland Screen make in relation to converting work days on productions to ³⁹FTE jobs/ job equivalent years and the evaluation team accepted these based on the rationale previously provided during the time of the interim evaluation of ODS 1. It is possible however based on conversations with production companies that the average figure of 8.8 hours in a working day assumed within this is conservative. Many examples were provided within these engagements of intensive periods of long-days when a production was being shot in Northern Ireland. If this is an underestimate then Northern Ireland Screen would be under-reporting on their performance with respect to FTE jobs/ job equivalent years. This is an area where further research / evidence gathering would be valuable.

These recommendations are included in Section 7/ Table 7.3 in the context of ODS 1 Conclusions and Recommendations.

³⁹ For ODS the annual monitoring returns reference performance against gross and net FTE job years and job equivalent years.

5 Performance Against Objectives and Targets

Introduction

- 5.1 This section provides a summary of the progress made towards the key objectives and targets in place for ODS 1. The key reference point is the LoO dated 29th April 2014 (Page 13 therein) which sets out the KPIs and related targets for this and which corresponds to Option 4a in the economic appraisal as the approved package of funding from Invest NI. These outcome objectives, KPIs and targets were pulled through the quarterly monitoring pro-forma for ODS 1 whereby Northern Ireland Screen report on actual performance every quarter and on a cumulative basis.
- 5.2 Appendix D sets out a detailed analysis of each and every ODS 1 target with the supporting rationale for the conclusion reached by the evaluation team on the same. This was informed by the findings of the preceding sections of this evaluation report and a review of the quarterly monitoring returns during the four-year period of ODS 1. Table 5.1 overleaf is a 'headline' and summary analysis of what is included in Appendix D.
- 5.3 Drawing on Table 5.1 and Appendix D it is the view of the evaluation team that the primary objectives and targets for ODS 1 have been largely met/ exceeded. The analysis in Table 5.1 reported against every KPI and associated target included in the 24th March 2014 Letter of Offer (LoO) in the interests of presenting a complete picture. However, it was recommended at the time of the interim evaluation of ODS 1 that some of these KPIs should be removed for the reasons stated alongside each in Appendix D. The KPIs were not streamlined per this recommendation for the remainder of ODS 1 post the interim evaluation as there was only a short period left to run. However, they were streamlined in line with this thinking for ODS 2.

Areas for Recommendation Emerging from This Section

There are no recommendations arising from this section, in that it is understood that action has been taken to reduce / simplify a number of the KPIs in place for ODS 2, so some of the observations made in Table 5.1/ Appendix D are no longer relevant in the current operating environment.

Table 5.1: ODS Performance v SMART Outcome Objectives

Production Activity	
SMART Outcome Objective	Conclusion on Performance
By March 2018, achieve minimum leveraged return on investment ratios as follows: <ul style="list-style-type: none"> ▪ Large scale production - £1:£9.14; ▪ Animation- £1: £3.40; ▪ TV Drama - £1: £3.30; ▪ Factual/entertainment television - £1: £4.40; ▪ Independent Film - £1: £2.15; and ▪ Gaming, Mobile - £1: £2.65. 	Achieved in 5 out the 6 genres, and exceeded by some margin in large-scale production, TV drama and animation. Marginally below in factual/entertainment television.
Generate a minimum of £125.8m in gross GVA by March 2018. ⁴⁰	Fully achieved/ exceeded
Generate a minimum of £101.7m in net additional GVA by March 2018. ⁴¹	Fully achieved/ exceeded
Generate a minimum of 2,500 gross job equivalent years for NI based residents by March 2018.	Fully achieved/ exceeded
Generate a minimum of 2,025 net additional job equivalent years for NI based residents by March 2018.	It is not possible to comment on this target (no data and not appropriate as a measure in the view of the evaluation team – See Appendix D).
Development Activity	
SMART Outcome Objective	Conclusion on Performance
Achieve a minimum leveraged return on investment from the initial development activity of £1: £0.45 by March 2018	Fully achieved/ exceeded
Achieve a minimum leveraged return on investment from follow-on commissions <u>not in receipt of production awards</u> of £1: £3.20 by March 2021	Fully achieved in March 2018 (three years ahead of the target date)
Achieve a minimum leveraged return on investment from follow-on commissions <u>in receipt of production awards</u> of £1: £0.35 by March 2021	
Generate a minimum of £14.6m in gross GVA by March 2021	Not possible to comment in that there is no economic monitoring data for

⁴⁰ It is important to note that the monetary economic impacts/ BCRs described in Section 4 are consistent with the approach used in the 'Interim Evaluation ODS1' report. The approach therefore continues to adopt the inclusion of a counterfactual scenario(s). However, it is important to highlight that the four-year targets for the ODS1 KPIs (2014-2018) were shaped by the interim evaluation of DGG which excluded a counterfactual scenario. It is the view of the evaluation team that this had the effect of overstating some of the economic targets for ODS1. Therefore, it is recognised and agreed with the Steering Group that Oxford Economics' model approach is not directly comparable to the previously set KPIs and targets for the strategy.

⁴¹ See above footnote.

	development awards – See Appendix D
Generate a minimum of £11.8m in net additional GVA by March 2021	Not possible to comment in that there is no economic monitoring data for development awards – See Appendix D
Generate a minimum of 18 gross job equivalent years for NI based residents by March 2021; and	Not possible to comment in that there is no economic monitoring data for development awards – See Appendix D
Generate a minimum of 14 net additional job equivalent years for NI based residents by March 2021.	Not possible to comment in that there is no economic monitoring data for development awards – See Appendix D
Skills Activity	
<i>SMART Outcome Objective</i>	<i>Conclusion on Performance</i>
90% of recipients stating that their skills have been enhanced as a result of the skills development activity	Fully achieved
Increase the percentage of direct Northern Ireland residents working on large-scale productions from the current average of 52% to 60% for crew by March 2018	Marginally below target, but within acceptable limits.
Increase the percentage of direct Northern Ireland residents working on large-scale productions from the current average of 22% to 40% for Heads of Department by March 2018.	Fully achieved / exceeded by some margin (12%)
Increase the percentage of direct Northern Ireland residents working on non-large-scale productions from the current average of c. 68% to 75% for crew by March 2018	Fully achieved / exceeded
Increase the percentage of direct Northern Ireland residents working on non-large-scale productions from the current average of c. 57% to 65% for Heads of Department by March 2018.	Marginally below target, but within acceptable limits.
Marketing	
<i>SMART Outcome Objective</i>	<i>Conclusion on Performance</i>
Increase the profile, regional credibility and viability of the Northern Ireland Screen industry by March 2018.	Fully achieved
Overall Activity	
<i>SMART Outcome Objective</i>	<i>Conclusion on Performance</i>
Generate a minimum of £140.4m in gross GVA by March 2021	Not possible to comment in that there is no economic monitoring data for development awards, which is part of this overall gross GVA target – See Appendix D
Generate a minimum of £113.5m in net additional GVA by March 2021	Not possible to comment in that there is no economic monitoring data for development awards, which is part of

	this overall gross GVA target – See Appendix D.
Generate a minimum return on investment of £2.85 in undiscounted net additional GVA for every £1 in direct NI investment by March 2021. <i>(Note: This return on investment corresponds to the Benefit Cost Ratio / BCR findings presented in Section 4)</i>	Substantially on track three years prior to the 2021 target.

6 Financial Performance and Governance

Introduction

- 6.1 This section sets out the financial performance of the interventions under ODS 1. It compares the approved budget position of each strategy, by genre, to the actual expenditure incurred. Details of the budgets and actual expenditure incurred was provided by Invest NI.

ODS 1 Financial Performance (2014-2018)

- 6.2 The annual forecast and actual expenditure for ODS 1 to date (year ended March 2018) is as set out below:

Table 6.1 - ODS Main Programme Areas Budget (2014 – 18) and Actuals (2014-2018)

ODS Main Programme Areas Budget and Actuals (2014-2018)									Total Commitment C/F into next strategy* ("ODS II")
	YR1+YR2 (Interim Evaluation)		Year 3	Year 3	Year 4	Year 4	Total	Total	Actual £'000s
	Budget £'000s	Actual £'000s	Budget £'000s	Actual £'000s	Budget £'000s	Actual £'000s	Budget £'000s	Actual £'000s	
Award Costs									
Production									
Large scale production	6,500	6,040	3,250	3,759	3,050	2,852	12,800	12,651	0
Animation	2,250	2,321	1,125	855	1,125	759	4,500	3,935	40
TV Drama	3,200	3,580	1,600	1,989	1,600	951	6,400	6,520	167
Factual/ Ent. TV	400	865	200	135	200	291	800	1,291	23
Independent Film	2,400	2,179	1,200	1,258	1,200	809	4,800	4,246	100
Gaming, Mobile	1,000	813	500	33	500	98	2,000	944	40
<i>Recoupment (reinvested)</i>	<i>452</i>	<i>556</i>	<i>226</i>	<i>341</i>	<i>220</i>	<i>0</i>	<i>898</i>	<i>897</i>	<i>0</i>
Subtotal	16,202	16,354	8,101	8,370	7,895	5,760	32,198	30,484	370
Development Activity									
Subtotal	2,500	2,222	1,250	950	1,250	1,323	5,000	4,495	463
Skills	885	885	445	560	505	505	1,950	1,950	0
Marketing activity	900	800	400	400	500	400	1,800	1,600	0
Production legal costs	160	225	145	95	80	95	320	415	0
Overheads	1205	1330	615	665	626	0	2,446	1,995	0
Subtotal	3,150	3,240	1,605	1,720	1,711	1,000	6,516	5,960	833
Total Funding (excluding recoupment)	21,400	21,260	10,730	10,699	10,636	8,083	42,816	40,042	40,875
							With Recoupment 43,714	40,939	41,772

*Excludes projects which were approved in YR 4 of ODS but received no monies from Invest NI

Source: Invest NI

- 6.3 As illustrated above, the overall approved budget for ODS 1 was £42.8m and actual expenditure over the same period was £40m.
- 6.4 It should be noted that a detailed vouching and reconciliation exercise is taken between Northern Ireland Screen, Invest NI claims department and Invest NI client management on a monthly and quarterly basis. Based on these exercises, Invest NI has confirmed that it is content that all funds provided to Northern Ireland Screen are subsequently paid to the appropriate project and company.

Leverage and Recoupment

- 6.5 There has been significant leverage of funding external to NI associated with initial development activity supported through NISF. As noted in Section 2, the supported companies leveraged an average additional investment of £0.65 for every £1 invested by Northern Ireland Screen in the initial development activity (circa £3.14m alongside the initial investment of £4.38m). The financial leverage from sources outside NI within this is significant and has helped to build an increasing critical mass of development activity in NI during ODS 1.
- 6.6 Another important area of financial performance has been the achievement of recoupment which was previously analysed in some detail in Section 2. Production and development support provided through the NISF is delivered in the form of a recoupable loan, with the loan being repaid by the company to Northern Ireland Screen under differing circumstances dependent of the activity taken forward i.e. whether it is for production or development work. Approximately £2.87m was recouped from production and development activity supported throughout the four years of ODS 1 (at the time of writing). This total accounts for £1.97m in funding returned to the public purse and £0.9m retained by Northern Ireland Screen for reinvestment. Overall, this represents a positive benefit in terms of funding that can be reinvested in the screen industry in NI.

Governance and Oversight Arrangements

- 6.7 This sub-section relates to the effectiveness of the governance and oversight arrangements for Northern Ireland Screen which is based on a review of available information including Board Minutes, management accounts, monitoring reports and the KPMG audit report⁴² referenced below.
- 6.8 The oversight and governance arrangements for Northern Ireland Screen are detailed in the “Management Statement and Financial Memorandum” (MSFM) between DCAL (the then sponsor Department), Invest NI and Northern Ireland Screen in 2009. Invest NI has a dedicated Client team which manages Invest NI’s interaction with Northern Ireland Screen and there are multiple layers of engagement with Invest NI’s CEO, Executive Director and Director. Northern Ireland Screen also proactively engages and works in partnership with other statutory agencies in furthering the impact of the screen industry – such as with Tourism NI in relation to the development of the screen tourism market.
- 6.9 Invest NI’s Client Manager is responsible for ensuring that the systems and structures in place allow the funding to be administered and utilised in an effective and efficient manner that delivers the optimal level of Value for Money. In practice, the Client Manager is responsible for monitoring the overall delivery and progress of the Invest NI intervention, agreeing

42 Dated August 2015

amendments to targets, policy/strategy and budgets, seeking appropriate approval for any amendments in accordance with agreed delegation limits.

- 6.10 The evaluation team noted that a Systems Audit of Invest NI's Funding to Northern Ireland Screen was carried out in 2015 by DETI's Internal Audit team. The Auditor concluded that there is a SATISFACTORY system of governance, risk management and control in relation to the funding to Northern Ireland Screen by Invest NI. There is no further change/ update report since that time.
- 6.11 The evaluation team noted that in August 2015, KPMG completed a "Sponsor Control Review" in respect of Northern Ireland Screen which confirmed that Invest NI's management of its interaction with Northern Ireland Screen was deemed to be ROBUST. There is no further change/ update report since that time.
- 6.12 Northern Ireland Screen are responsible for publishing Guidelines for project selection under the Screen Fund which are agreed in advance with Invest NI. These guidelines provide details of how companies can apply for funding and the criteria for funding. The guidelines are updated and reviewed regularly and published on Northern Ireland Screen's website.
- 6.13 As noted previously, a detailed vouching and reconciliation exercise is undertaken between Northern Ireland Screen, Invest NI Claim's Team and Invest NI client management on a monthly and quarterly basis. Based on these exercises, Invest NI has confirmed that it is content that all funds provided to Northern Ireland Screen are subsequently paid to the appropriate project and company.
- 6.14 In addition, each production company is required to enter into a tripartite agreement between Northern Ireland Screen and their registered auditor to provide a report to verify the Northern Ireland Spend element of production costs and to agree the level of work carried out to verify this spend.
- 6.15 For the avoidance of doubt, in all cases, direct Northern Ireland spend is all expenditure on Northern Ireland resident cast and crew and companies with a substantive base in Northern Ireland (long term premises, Northern Ireland resident permanent staff and equipment in Northern Ireland). 'Resident' means primary residence for tax purposes. As a minimum, audited reports comprise the following:
- Tripartite engagement letter. This is between independent auditors, the production company and Northern Ireland Screen referenced above;
 - Economic Impact report;
 - Northern Ireland spend cost report.
- 6.16 In summary, the main tasks carried out by the auditor include:
- Test checking a sample of expenditure incurred to invoices or other supporting documentation and evidence of payment date. The sample should be no less than 50% Northern Ireland expenditure.
 - Reviewing expenditure to confirm that it appears eligible and in accordance with the terms of the award offer letter.
 - Testing of the arithmetical accuracy of the Statement of Expenditure and agreeing the Statement of Expenditure back to appropriate supporting schedules. Agreement of all reports with the Northern Ireland Screen Economic Impact report and test the arithmetical accuracy of this report.
 - Any other work the auditor considers to be necessary.

- 6.17 In summary, on the basis of the above evidence, the evaluation team are of the view that the oversight, funding and governance arrangements established by Invest NI and the Department for the Communities (formerly DCAL relevant to ODS 1 pre-2016) for Northern Ireland Screen are satisfactory. Based on a review of the Board minutes, it is evident that the Board is proactive in overseeing the management of Northern Ireland Screen and considers regular reports from management. There is also evidence of proactive engagement between Northern Ireland Screen and external stakeholders across the public, private and voluntary sectors. Finally, in 2018 there was a Board Effectiveness exercise implemented which considered the effectiveness of NI Screen's Board and relevant subcommittees. DfE have confirmed that this was a positive and constructive exercise and that it confirmed the effectiveness of all of the above. The board was refreshed with effect from July 2019, with three reappointments and nine new appointments to the same.

Review of Progress Against ODS 1 Interim Evaluation Recommendations

- 6.18 Appendix D summarises progress against the recommendations contained in the Interim Evaluation of ODS 1 in 2016. It should be noted that the Interim Evaluation of ODS 1 was completed in conjunction with a final evaluation of the previous strategy '*Driving Global Growth*' (2010-14) and as such the recommendations arose from a single integrated evaluation report.
- 6.19 This analysis shows that the recommendations of the interim evaluation of ODS 1 have predominantly been implemented - with some reasonable amendments made on the same due to prevailing circumstances and developments that have arisen since.

Areas for Recommendations Emerging from This Section

There are no areas for recommendation emerging from this section.

7 Conclusions and Recommendations

Introduction

- 7.1 The final section of the evaluation report outlines key conclusions arising from this evaluation of ODS 1. These draw on the findings of preceding sections in terms of the performance and impact of ODS 1 and other points/ observations that have been encountered during the evaluation work. These are structured under sub-headings below that relate to the full suite of VFM indicators as prescribed in the Terms of Reference for this evaluation.
- 7.2 It then includes a number of recommendations. It is important to note that the number of recommendations is materially less than that included within the interim evaluation of ODS 1. At that point the emphasis was aiming to optimise the performance of the remaining part of ODS 1 and more substantially to factor the material recommendations into the appraisal process for ODS 2 (and subsequent implementation of ODS 2 where deemed appropriate). There has been a body of work to action the majority of this and as such it will be for the interim evaluation of ODS 2 in due course to review the effectiveness of the same.
- 7.3 It is also important to note that the research and engagement with beneficiaries of the NISF/ SDF in this evaluation related mainly to their experiences during the latter half of ODS 1 (2016-18), which now could be up to four years old. The last two years since ODS 1 have seen production activity continue to boom in the UK driven by the entertainment industry's insatiable hunger for content – in part as streaming services (e.g. such as Netflix, Amazon Prime, Hulu, Disney Plus, HBO Now etc) battle for market share. The general message from stakeholders and external production companies was that against this backdrop of increasing demand in recent years, there has also been increasing supply of production infrastructure and capacity from other regions around the world seeking to attract inward investment film and TV production. Therefore, views expressed on the ODS 1 strategy experience may not be current (e.g. in terms of perceptions of gaps/ areas for skill development; competitiveness of NISF production funding 'offer') particularly when the screen industries are so dynamic and fast-moving.

Conclusions and overall VFM assessment

Strategic Fit and Rationale for Intervention/ Market Failure

- 7.4 Support delivered through Northern Ireland Screen to the screen industry in NI through ODS 1 has strongly delivered against policy imperatives in the Draft Programme for Government Framework 2016-2021 (and the previous PfG 2011-15.) In essence it has contributed significantly to 6 of the 14 PfG outcomes, in the PfG Outcomes Framework 2016-21 (page 12 of the PfG) per Table 7.1 below.

Table 7.1 Strategic Fit of ODS1 Performance With Pfg 2016-21 Outcomes	
<i>PfG Outcome</i>	<i>ODS 1 Contribution</i>
We prosper through a strong, competitive, regionally balanced economy	ODS 1 has both attracted FDI to NI and supported indigenous export growth. It has contributed to diversifying the NI economy away from reliance on public sector employment. It has delivered benefits across NI (e.g. it has supported a healthy and growing cluster of screen sector companies in the North West of NI) and it has showcased and promoted locations right across NI (urban and rural).
We are an innovative, creative society, where people can fulfil their potential	ODS 1 has supported increased rates of innovation activity. For instance, support for development activity in facilitating creative content in the first instance is a particularly important component of this. ODS 1 has supported 214 development projects across 95 companies. More widely celebrating and facilitating participation in arts and cultural activity, delivered through ODS 1 supported projects is a key benefit that has been achieved in this regard.
We have more people working in better jobs	ODS 1 has supported 2,648 FTE jobs/ job years over the four years of the strategy. Of the c.£297m of NI expenditure leveraged from production projects over the life of ODS 1 c 38% (£114m) related to direct wages and salaries for NI residents, delivering a wage premium for these individuals over and above employment/ self-employment options that might otherwise be available to them in NI. In addition, ODS 1 skills interventions have been effective in helping to support individuals to get a 'foothold' in the industry/ progress in same as appropriate.
We are a shared society that respects diversity.	The export of indigenously created screen content across all genres during the course of ODS 1 has contributed to contribute to promoting a balanced and diverse representation of NI in external regions.
We are a confident, welcoming, outward-looking society	The promotion of NI locations and talent through ODS 1 supported productions has had a very positive impact on the perception of NI across the world. In addition, many of the NISF supported productions have been in receipt of critical acclaim and awards that further serve to showcase NI talent and as a location for screen productions (across all genres).
We have created a place where people want to live and work, to visit and invest	The strong performance of ODS 1 has sustained the vibrancy and growth of the screen industry and culture in NI - which serves to reinforce the attractiveness of NI as a place for both residents and visitors. It attracted

	£259m in FDI to NI over the four-year life of the strategy.
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- 7.5 Similarly, support delivered through Northern Ireland Screen to the screen industry in NI through ODS 1 has strongly delivered against policy imperatives in Economy 2030/ Industrial Strategy for Northern Ireland which was published in 2017 and therefore is relevant to the latter part of ODS 1. Examples of the positive contribution made by ODS 1 to some of the milestones in this document include:-
- The contribution of inward investment film and TV production to NI during ODS 1 (c£200m) to making Northern Ireland No.1 for FDI outside London, by 2021; and
 - The contribution of ODS 1 to delivering external sales and export sales for NI against an Economy 2030 milestone of growing the value of sales outside NI to 80% by 2025. There were essentially no local/ NI buyers or commissioners for ODS 1 projects supported through development and production by the NISF⁴³ across all genres i.e. all indigenous companies and projects supported were supported to develop screen content for external and export markets. Northern Ireland Screen also helped to foster export activity amongst indigenous businesses through, for example, marketing and trade mission support during the course of ODS 1.
- 7.6 Support for the interactive sector (Gaming, Mobile, E-Learning and Web Content) which became more prominent within ODS 1 relative to previous Northern Ireland Screen strategies, helped to reinforce policy reflected in Invest NI's Growth Strategy for the Digital Media Sector 2013-2015. In doing this it should be recognised that this sector was hitherto relatively underdeveloped in NI with many companies being embryonic and struggling to find a commercially viable model. The support through Northern Ireland Screen (including support for collaborative marketing and attendance at key showcasing events and conferences over and above NISF and SDF support) has helped to build credibility and creativity in this genre and consolidate a degree of sectoral development.
- 7.7 Since 1994, the National Lottery has awarded funding for film production, distribution, education, audience development and market intelligence and research across the UK. This funding has supported numerous large-scale productions, grants to over 13,000 UK film projects, film clubs in schools and over 2,300 places at the British Film Institute Film Academy (which is part funded by Northern Ireland Screen). During ODS 1, support available via Invest NI support to Northern Ireland Screen has complemented lottery funding for instance by providing match funding support to individual projects. However, lottery funding available to the screen industry has become tighter in recent years which also means that funding through Northern Ireland Screen (via Invest NI) has taken on greater strategic importance.
- 7.8 Finally from a tourism perspective, under what is an outcomes-based approach for the draft PfG Framework (2016-21), one of the set indicators is '*to improve Northern Ireland's attractiveness as a destination*'. The support via ODS 1 has contributed significantly to promotion of tourism and associated brand building for NI. Game of Thrones – a global phenomenon and HBO's most-watched show on record – has been transformative for NI as a screen tourism destination. Beyond the base at Titanic Studios the show made extensive use

⁴³ The NISF does not support projects that would be commissioned by BBC Northern Ireland or other local broadcasters.

of locations right across NI during ODS 1, 25 of which are accessible for screen tourism. All locations and ⁴⁴Game of Thrones tour operators in NI recorded growth in activity with each successive season of the series. As noted previously the first of the Game of Thrones legacy projects will open in 2020 in the Linen Mill Studios. Another smaller scale but equally valid example in the context of screen tourism is the plans evolving between Tourism NI and Derry and Strabane District Council in relation to the visitor experience in the North-West linked to the 'Derry Girls' phenomenon. The first series of 'Derry Girls' was supported under ODS 1).

- 7.9 Derived from the above, the evaluation team considers that the Northern Ireland Screen interventions supported by Invest NI during ODS 1 have contributed strongly to the main policy imperatives prevailing at that time.
- 7.10 Turning to the rationale for intervention, it is important to reflect on how the focus has evolved through successive strategies. In 2003, prior to the first Northern Ireland Screen strategy, the sector was made up almost exclusively of work associated with BBC NI and UTV, with almost no international profile. At the end of ODS 1 (in 2018) most of NI's leading production companies were export focused; the screen sector has been bolstered by considerable inward investment; and there was a diverse portfolio of activity across six main genres. In the view of the evaluation team there is a continued and ongoing rationale for intervention. This is centred on the net additional economic benefits linked to ⁴⁵NI expenditure arising from the creation and production of screen sector outputs in NI combined with important wider and regional benefits (e.g. promotion of screen tourism and NI's brand on a global platform; skills and talent development).
- 7.11 The first 10 years of intervention (from 2003- 2013/14) served to create a platform with the focus in ODS 1 about moving to developing/ confirming NI as the strongest screen industry economy outside London in the UK and Ireland in the next 10 years. It is the view of the evaluation team that Northern Ireland Screen have made good progress towards this ten - year/2024 vision evidenced through engagements with external producers many of whom viewed NI as a viable alternative to London, and did not often cite other UK regions as competing regions for their productions. If anything, the Republic of Ireland was cited more frequently than other UK regions in this regard. It is also clear from engagements with the indigenous screen industry that they are increasingly orientated to external and export markets, a trend also verified by a recent ⁴⁶baseline study of the indigenous screen industry. It is clear that NI as a region competes successfully for global production and that indigenous screen companies are increasingly ⁴⁷selling to global audiences and global networks/ streaming companies.
- 7.12 Reflecting on all of the above, the rationale for intervention has therefore evolved considerably over the course of successive strategies and is now multi-faceted, reflecting economic, educational, cultural, and social inclusion/ equity objectives. It is also clear that

44 A Screen Tourism Strategy for Northern Ireland, draft December 2016

45 Specifically additional wages (i.e. wage premium) and additional productivity that those employed in NISF supported screen productions realise over and above what other course of employment / self-employment/ economic activity they would otherwise have undertaken.

46 Economic Baseline Study of the Screen Industries in NI, Cogent Management Consulting, July 2015. This report indicated that the total sample of businesses surveyed (N=112), just over two-fifths of businesses are actively involved in selling screen content product in external GB markets (44% - N=49) and/or exports markets (43%).

47 e.g. the cluster of NI animation companies are working to build on recent success in securing outsourced work from Canada

without the interventions (via the various Northern Ireland Screen funds and supports) that minimal activity / development of the screen sector would be happening in NI. This is reflected in the high levels of additionality (82%) / low deadweight (18%) for the NISF.

Operation and Delivery

- 7.13 Based on the evidence gathered during the evaluation, the evaluation team concludes that there has been satisfactory governance and oversight arrangements in place in relation to the operation and delivery of ODS 1 (to March 2018) – through the various mechanisms put in place by Invest NI and the Department for the Communities (formerly DCAL) for Northern Ireland Screen.
- 7.14 Based on a review of the Board minutes, it is clear that the Board is proactive in overseeing the management of Northern Ireland Screen and considers regular reports from the management team. There is also evidence of proactive engagement between Northern Ireland Screen and external stakeholders across the public, private and voluntary sectors
- 7.15 The feedback from production companies interviewed for this evaluation across the genres supported via Northern Ireland Screen during ODS 1 indicates that the organisation provides an exemplary level of pro-active support and constructive advice to reinforce the success of individual projects/ companies and more broadly to work towards the ⁴⁸ten-year vision and ambition for the Northern Ireland Screen sector as a whole articulated in ODS 1. Therefore, the operational delivery of the various interventions / programmes encompassed in ODS 1 has been to a very high standard, evidenced in the satisfaction levels (and related comments) outlined in Section 3 of this report (and Appendix A).

Performance and Impact

- 7.16 In terms of activity during ODS 1 Northern Ireland Screen has:
- Provided c.£28.3m in production support via the NISF towards the costs of 103 productions.
 - Supported 214 development awards to 95 individual companies to a value of c. £4.8m. These initial investments in development activity leveraged £0.65 in funding from sources external to NI for every £1 provided by Northern Ireland Screen. As such, additional traction is being achieved in terms of leveraged external investment (which, in itself, is significant in scale).
 - Recouped c.£ 2.87m from previously supported interventions to date (as of 1st October 2019).
 - Supported a range of skills development activities. This support has been designed to be as flexible as possible to identify and address the existing and emerging skills needs of individuals and companies (be that external production companies implementing production projects in NI or indigenous NI companies). The research for the evaluation indicates that the interventions have increasingly contributed effectively to building the necessary capacity to support production activity.
 - Undertaken a significant amount of marketing activity to raise the profile and reputation of NI as a suitable destination/location for screen activity. The nature of marketing activity

⁴⁸ developing/ confirming NI as the strongest screen industry economy outside London in the UK and Ireland in the next 10 years

undertaken is consistent with marketing activities undertaken by screen agencies in other jurisdictions with established screen industries. Evidence from survey respondents was positive in relation to Northern Ireland Screen's marketing activity effectiveness in terms of helping to raise the profile of NI production companies at major events and with commissioners for example.

- 7.17 The calculation of monetary benefits/ quantifiable economic impact, is based on quantifying the impact of production grants only, for the reasons set out in Section 4. The evaluation team's independent analysis of monetary benefits arising from ODS 1 production grants as summarised in Table 7.2 below.

Table 7.2: Assessment of Gross to Net Economic Impact

	Description	ODS (2014-2018)
NI Expenditure (£millions)	All expenditure by NISF supported productions on NI cast and crew, hotels and locations, facilities and transport.	297
Total Gross Value Added	Total value generated in the NI economy	237
Net Gross Value Added (£millions)	Total value generated in the NI economy after an alternative deployment of resources is taken into account (counterfactual)	146
Deadweight	This refers to the extent to which production activity would have occurred anyway.	18%
Displacement	This refers to the degree to which the supported production activity may be offset by reductions in activity elsewhere.	10%
Net Additional Impact (£ millions)	Net impact after the reductions for deadweight and displacement above	108
Invest NI Funding ⁴⁹ to Northern Ireland Screen (£ millions)		40
Benefit: Cost Ratio (£)	Invest NI Funding: Net Additional Impact	£1 Cost: £2.7 benefit

- 7.18 These production grants totalled £28m over the ODS 1 period. Whilst there is some variation year-on-year relating to the portfolio of production projects supported, these grants have consistently achieved very high levels of leverage in terms of NI expenditure. At an overall level across the four years the ratio of grant/ NI expenditure achieved is 1:10.5 (£28m/ £297m). This is a significant increase on the comparative ratio for the previous four-year strategy '*Delivering Global Growth*' 2010-14 which was 1: 6.4. This clearly indicates the progress made in developing the infrastructure and crew capacity for production activity in NI over ODS 1 that has facilitated this level of NI expenditure.

- 7.19 The support provided by Northern Ireland Screen has also made a significant contribution to providing wider and regional benefits to the NI economy. These include: the attraction of

49 In discussion with the Steering Group it was agreed in terms of the 'cost denominator' for the BCR to include the value of all programme funds (i.e. production, development and skills) within this and exclude Invest NI contribution to Northern Ireland Screen operating costs.

Foreign Direct Investment (FDI), skills development, knowledge transfer, entrepreneurship, reduction of 'Brain Drain', the generation of orders from other companies in the assisted area, innovation and, importantly, enhancing the overall regional credibility and visibility of the Northern Ireland Screen industry, product and related screen tourism activity.

Additionality and Displacement

- 7.20 The level of additionality being achieved on the NISF (82%) is significantly higher than that for 'sector/cluster support' interventions across the UK regions (27.5% higher) and for interventions to attract inward investment (c30% higher). These results are broadly consistent with primary research findings on additionality/ deadweight in relation to these funds in evaluations of previous phases Northern Ireland Screen strategies.
- 7.21 In terms of displacement, the NISF survey evidence indicates that displacement was unlikely to be a major consideration/ relevant because (1) the screen industry content is generally bespoke in nature (unlike other industries) and (2) because encouragingly the market for their businesses was essentially global and did not involve local competition and therefore that asking what percentage of their competition was based in NI was unknown and irrelevant. Taking account of the above evidence, the evaluation team are of the view that the level of displacement in respect of the NISF is likely to be low. In relation to the SDF, the survey of SDF beneficiaries asked whether in the absence of support from the SDF if they would have been able to get the same or similar support elsewhere to undertake the skill development/ training. Only two out of 26 respondents (8%) felt that they could have got the same or similar support elsewhere. Hence, displacement associated with the SDF is also low.

Economy, Efficiency and Effectiveness

- 7.22 Invest NI has implemented robust economic appraisal processes to assess, amongst other things, the reasonableness of cost components for ODS 1. As such, it is the Evaluation Team's view that Invest NI has made appropriate efforts to ensure that the Northern Ireland Screen interventions were delivered at least cost to NI.
- 7.23 In terms of efficiency⁵⁰, individual projects funded through the NISF are subjected to a thorough assessment process and as set out under Cost Effectiveness below there has been a positive return on investment under ODS 1. Indeed, there is a higher return on investment under ODS 1 than previous strategies indicating improved economic efficiency.
- 7.24 Finally the support from Invest NI to Northern Ireland Screen via ODS 1 is considered to have been effective in terms of achieving its objectives and targets. As noted in Section 5 it is the view of the evaluation team that the primary objectives and targets for ODS 1 (per the LoO dated 24th April 2014) have been largely met/ exceeded

Cost- Effectiveness/ Return on Investment

- 7.25 As per the findings set out in Section 4 it is estimated that for every £1 spent on developing the screen sector in NI (through the support from Invest NI to Northern Ireland Screen) there was a £2.7 return to NI GDP in the central scenario – representing a positive return on investment.

⁵⁰ Efficiency is defined as delivering the same level of service for minimum input of cost, time or effort; or obtaining maximum benefit from a given level of input (based on DoF guidelines - <https://www.finance-ni.gov.uk/publications/what-value-money-vfm>)

Equality Considerations

- 7.26 The evaluation team identified no negative equality impacts, and considers the support interventions to be accessible to all Section 75 groupings and people with disabilities.

Economic Efficiency Test

- 7.27 The evaluation team's analysis (summarised in Table 7.2) suggests that the support to Northern Ireland Screen for ODS 1 has delivered a net additional GVA of approximately £108m.
- 7.28 In addition to this, as noted above, the support provided by Northern Ireland Screen has also made a significant contribution to providing wider and regional benefits to the NI economy. These include: the attraction of Foreign Direct Investment (FDI), skills development, knowledge transfer, entrepreneurship, reduction of 'Brain Drain', the generation of orders from other companies in the assisted area, innovation and, importantly, enhancing the overall regional credibility and visibility of the Northern Ireland Screen industry, product and related screen tourism activity.
- 7.29 Accordingly it is the conclusion of the evaluation team that VFM had been achieved.

Recommendations

- 7.30 Set out in Table 7.3 overleaf are the key recommendations arising from the evaluation, split by support intervention area/ theme and setting out a description and rationale for each recommendation.

Table 7.3 – Recommendations

Support intervention area/ theme	Recommendation description and rationale	Action Required
NISF / Studio Infrastructure	There is a need to keep the availability of studio facilities under review at the ‘lower end’ of the market. There is a perceived gap / insufficient access to smaller less-expensive studio facilities in NI (10-14,000 square ft) to suit lower budget TV productions. This is slightly smaller than the sort of capacity offered by the LOOP/ Britvic Facility.	This issue arose from comments made during the course of interviews with NISF ODS 1 beneficiaries. There is a need to validate if it remains an issue currently under ODS 2, before any further action is taken.
NISF / Economic Modelling and Future Target Setting	<p>Given the high degree of uncertainty around what NI cast and crew who worked on NISF supported productions would have done in its absence, it would be useful if further information could be captured.</p> <p>In the absence of this information the evaluation team have had to develop reasonable assumptions about what a ‘counterfactual’ scenario may look like in this regard. This is not an ideal position and access to improved information in this regard would refine and improve future economic target setting. This was included as a recommendation in the interim evaluation of ODS 1 and was not actioned for the reasons set out in Appendix E, which essentially relate to the view that it was too late to introduce it at that point in time with only 6 months to run of ODS 1. To the best of our knowledge it is not in place now for ODS 2. In the view of the evaluation team it remains a valid issue and should be revisited.</p>	Consideration should be given as how additional information could be captured which would enable a better-informed counterfactual position.
NISF/ Employment Impact	Section 4 highlighted the key assumptions that Northern Ireland Screen make in relation to converting work days on productions to ⁵¹ FTE jobs/ job equivalent years and the evaluation team accepted these based on the rationale previously provided during the time of the interim evaluation of ODS 1. It is possible however based on conversations with production companies that the average figure of 8.8 hours in a working day assumed	The main action here is to consider initiating research/ evidence gathering in relation to the typical length of a ‘working day’ on incoming productions supported by the NISF.

⁵¹ For ODS the annual monitoring returns reference performance against gross and net FTE job years and job equivalent years.

	<p>within this is conservative. Many examples were provided within these engagements of intensive periods of long-days when a production was being shot in Northern Ireland. If this is an underestimate then Northern Ireland Screen would be under-reporting on their performance with respect to FTE jobs/ job equivalent years. This is an area where further research / evidence gathering would be valuable.</p>	
ODS 2 – Scale and Balance of Investment	<p>It is important to reiterate within these recommendations, that the findings of this evaluation would suggest that in broad terms the scale and balance of investment recommended in ODS 2 were justified. The preferred option implemented in respect of ODS 2 entailed an increase in overall investment to £50.32m – with the NISF as recommended including both development and production funding and where the levels of production investment on offer to potential projects was not reduced relative to ODS 1 (within ODS 2). The investment in skills also increased to £800k per annum in ODS 2 against an average annual investment of £500k in ODS 1. Therefore, it is for Northern Ireland Screen and DfE to review and consider whether there is sufficient funding for skills currently in ODS 2 – given some of the views expressed in this evaluation that it is an area that is under-resourced. It is possible that these views are no longer relevant given that the individuals who input into this evaluation were supported under ODS 1, when the levels of skill investment were lower.</p>	<p>The main action is to reflect upon the sufficiency of the ‘headline’ funding for skills development within ODS 2 presently.</p>
Skills Development/ Areas for Development	<p>Notwithstanding the positive findings in this evaluation in terms of satisfaction and impact of the SDF interventions, it is clear that developing the appropriate scale and skills mix for the screen industry remains a challenge, at least in terms of keeping up with the pace of (potential) opportunities.</p> <p>Appendix A includes a wide range of comments that were made by SDF survey respondents in relation to their views on areas of focus for future skills interventions by Northern Ireland Screen. There are many very</p>	<p>The main action is to discuss the various comments/points of feedback provided with respect to skills interventions within this evaluation with Northern Ireland Screen – to assess if there are any implications for the delivery of the skills strategy in ODS 2 presently.</p>

	<p>valuable points for consideration within this and accordingly these should be considered by Northern Ireland Screen to assess if there are any implications for the delivery of the skills strategy within ODS 2 presently. This would include consideration of the resourcing and delivery of the same by the Northern Ireland Screen skills team. The latter is suggested in that there appears to be an ever-increasing demand for skills interventions, and the feedback within this evaluation suggests that the skills team, who are very good, are viewed to be under-resourced and consequently sometimes under pressure as a result.</p>	
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