

BFI, Pinewood Shepperton, Ukie, British Film Commission

Invitation to Tender

The Economic and Cultural Contribution of the UK Film, High-end TV, Animation and Video Games Industries 2014 Edition

1. Summary

This is an Invitation to Tender (ITT) from the British Film Institute (BFI), Pinewood Shepperton plc, The Association for UK Interactive Entertainment (Ukie) and the British Film Commission (BFC) to produce a report on the economic and cultural contribution of the UK film, high-end TV, animation and video games industries, to be published in September 2014.

This report will update the September 2012 report *The Economic Impact of the UK Film Industry*¹ while adding the sectors 'high-end TV', animation and video games to the analysis, taking a closer look at the audience and cultural value of these industries and presenting the report within a broader narrative of cultural and economic value, and value to audiences.

2. Aim and purpose

The aim of this research is to:

- Update the economic estimates contained in the 2012 and earlier editions of this report in a way that is consistent with the measures presented in previous editions, thereby achieving continuity.
- Add to the analysis those sectors that have recently begun to qualify for tax relief: high-end TV and animation.
- Add video games, reflecting the desire of Government to make tax relief available to video games.
- Analyse the sensitivity of the film, high-end TV, animation and video games production industries to the availability of tax relief
- Take a closer look at the audience and cultural value of these industries, reflecting the remit of the BFI and the broader Government interest in the cultural value of the audiovisual industries
- Present the findings within a narrative that reflects audience, cultural and economic value in a balanced way.

¹ Available at: <http://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-economic-impact-of-the-uk-film-industry-2012-09-17.pdf>

3. Working definitions

Film

The audiovisual product normally described as film and intended for theatrical release or having the same narrative shape as films intended for theatrical release, whether or not qualifying for film tax relief.

UK film industry

Those activities which arise in the UK from the companies and/or individuals engaged in:

- Film production in the UK (including pre-production, visual effects and post-production).
- Film distribution (UK and foreign-made films).
- Film exhibition (UK and foreign-made films).

The 'core' UK film industry

The sub-set of the UK film industry comprising:

- All film production in the UK (UK and foreign-originated films).
- The distribution of UK films only.
- The exhibition of UK films only.

The UK film industry and the 'core' UK film industry are defined in the same way as in the previous editions of the report.

High-end TV

Television programmes qualifying for the high-end TV tax relief.

Animation

Animated programmes for television qualifying for animation tax relief.
(Animated films are included within the definition of film).

Video games

Video games in the normal meaning of the term and as intended by government to qualify for tax relief. This is to include:

- The production of video games
- The publishing and distribution of video games

See additional note on video games on page 6 of this ITT.

Audience value

The value placed by audiences on viewing the audiovisual products covered by this ITT, whether this is expressed monetarily or by other means of valuation.

Cultural value

The meaning, explanation, identity and well-being that society, social groups and individual citizens derive from the audiovisual products covered by this ITT, whether expressed monetarily or by other means of valuation.

Economic value

The value expressed in monetary terms (revenues, investment, GDP contribution etc) of the audiovisual products covered by this ITT, including direct value, multiplied value and the value of economic externalities.

4. Context

The report arising from this ITT will be one of the core reference documents of the UK film, television and video games industries, so it is essential that its evidence and estimates are robust and its findings clearly presented.

Earlier editions of the report have been referenced in submissions to Government on film policy and creative sector tax reliefs, the 2011-12 Film Policy Review, speeches by executives and ministers and submissions to parliamentary committees. They have been presented to, and commented on, in the media.

The findings also play an evaluative role, enabling the BFI, Government and companies within the industry assess their progress toward their economic, audience and cultural goals.

With the extension of tax relief to high-end TV and animation, and the intention to extend tax relief to video games, there will be political and industry interest in evaluating the impact of these reliefs and knowing the size of the sectors benefiting.

Additionally, Government and the BFI (as the lead organisation for film in the UK) have a broader interest in delivering value to audiences and cultural value to UK citizens. The 2012 Oxford Economics report contained a chapter on cultural value, a chapter on the tourism impact of film and information on film audiences in relation to measures of the exhibition sector.

For the 2014 edition, the commissioners of the report wish to see the analysis of audience and cultural value strengthened further, with the narrative of the report reflecting these values alongside the traditional measures of economic impact.

5. Methodology

Those tendering for this contract should provide detailed outlines of:

- What the final report will contain
- The sources of evidence to be used
- How it is intended to address any definitional or methodological challenges the project presents

In addition to setting out the methodology for valuing the film sector, the proposal should describe clearly how the estimates for the new sectors (high-end TV, animation and video games) will be arrived at, taking account of the fact that the Standard Industrial Classifications may not provide an exact or complete fit for these sectors.

We would also like to show the National and Regional distribution of impacts, where the statistics enable this to be done.

The 2012 edition of the report can be used as an initial guide, bearing in mind that the 2014 report must be extended to the new sectors and must contain additional analysis of audience and cultural value and a refreshed approach to the overall narrative.

6. The Consultant

We are seeking a company or research group with a track record in economic and cultural analysis and with excellent understanding of:

- The UK's creative industries
- The use of tax relief to stimulate cultural production in the UK
- Methods of economic analysis at the industry level
- Sources of data
- Consumer and cultural value

It will be important that the company or research group has excellent skills in the production of written reports and in the presentation of final results.

7. Deliverables

- A comprehensive report (key points, executive summary, chapters addressing each of the main study themes) with a maximum of 100 pages, written in a clear and accessible style and in ready-to-publish electronic format.
- A powerpoint presentation of the above report (max 30 minutes) making good use of visuals and capable of being delivered to Government, the BFI Board, Pinewood Shepperton plc, Ukie, BFC, senior BFI management and a wide range of public sector and industry stakeholders
- An appendix in Excel format showing how the key estimates were generated, in particular how official and other data sets were combined (eg the combination of BFI production statistics with ONS economic data at the four or five digit SIC level for the various sectors).

It is intended that the report be published under the name of the successful company or research group, but with a box on the inside front page indicating the organisations that collaborated in funding the project.

8. Assessment criteria

Selection will be initially on the basis of the written submission, but this may be supplemented by interview. All tenders will be evaluated objectively on the same criteria by a steering group representing the project funders.

The assessment criteria will be:

- The consultant meets the criteria set out above under 'The Consultant'
- The proposal best meets the requirements of the ITT

- Ability to produce a clear, concise and authoritative report
- Excellent presentation skills
- Value for money
- The project stages to be completed by the dates indicated

9. Timetable

- ITT to be advertised/notified to potential consultants: Wed 19 March 2014
- Deadline for submissions: Friday 18 April 2014.
- Interview date (if required): Wed 30 April.
- Commencement of contract: w/b 5 May 2014.
- Inception meeting: [to be arranged]
- Draft report² delivered: Friday 11 July 2014.
- Finalisation of report (after discussion with steering group): End of August 2014.
- Publication and launch event: September 2014

10. Project management

The project will be managed by a steering group chaired by BFI Deputy CEO including representatives of the commissioning organisations: BFI Head of Strategic Development, BFI Head of Research and Statistics Unit, BFI Head of Corporate Communications, Director of Strategy and Communications Pinewood Shepperton plc, COO Ukie, Senior Production Executive BFC.

11. Submission of proposals

Proposals should address this ITT and the items specified in the BFI standard contract terms and should be submitted to:

siobhan.oleary@bfi.org.uk

or by post to:

Siobhan O'Leary
BFI
21 Stephen St
London W1T 1LN

By 17:00 Friday 18 April 2014

² "Draft report" means a complete, proofed and formatted document, not a rough draft.

Additional Note on Video Games

As a note for applicants, please bear in mind that the income generated by the video games industry in the UK can be generated by imports and exports, via diverse sources such as:

- Hardware
 - Gaming consoles and specialist PC gaming systems
 - Peripherals and accessories
 - Arcade machines
- Software
 - Physical copies of software
 - Online software
 - Paid downloads of full games
 - DLC and expansion software
 - Online recurring subscriptions (for massively multiplayer online games for example)
 - In-game purchases (for example in the case of mobile apps)
- Events around the video game industry
 - Tickets
 - E-sports

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