THE MEDIA SECTOR IN THE CARDIFF CAPITAL REGION:

DRIVING ECONOMIC GROWTH THROUGH AUDIOVISUAL ACTIVITIES

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Lle mae syniadau'n blaguro

Where ideas thrive

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Report Background:
The Clwstwr programme driving research and innovation

Part of the AHRC's Creative Industries Clusters Programme, Clwstwr is an innovation ecosystem that aims to invest in innovation and collaboration in the local screen and news sector **creating a culture of innovation**.

Clwstwr provides the (R&D) expertise and investment for companies and freelancers to develop ground-breaking new products, services and experiences in the local creative industries.

Report Background:
The Clwstwr programme driving research and innovation

An innovation ecosystem, from early ideas to market-ready products, services and experiences.

73	R&D projects , involving
>100	companies and freelancers
90	events and workshops and
700	attendees for training/events
>600	1-2-1s with creative businesses

Lle mae syniadau'n blaguro trwy:
Where ideas thrive through:

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- Cyfnewid gwybodaeth / Knowledge exchange
- Ymchwil / Research
- Amgylchedd arloesol / An innovative environment
- Seilwaith Y&D / R&D infrastructure
- Tîm deinamig / A dynamic team
- Adnoddau / Resources
- Rhwydweithio / Networking
- Arbenigedd proffesiynol / Professional expertise
- Cyllid / Funding
- Digwyddiadau / Events

New insights and research for our creative and innovative ecosystem

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Report Findings:
The media sector – a growing market for the UK

Global media and audiovisual (AV) growth :

- 4.7% average year-on-year revenue growth in 2019 of the global entertainment and media sectors;
- The UK is one of the six largest film producers in the world (and largest audiovisual market in Europe);
- £3.62 billion (increase of 16%) in spend on film and high-end television production in the UK;
- A growing international market for media content – with predicted yearly growth in global spending of 5-6%;
- Pushed by demand for high-end content, a burgeoning games industry, web TV, OTT/SVoD, and premium TV channels (e.g. Netflix, Amazon).

What is the position of the Cardiff Capital Region (CCR) in the UK's media sector? Can the CCR become an international hub for media production?

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Report Findings:
The size and composition of the CCR's AV media sector

The audiovisual media sector is an important contributor to the CCR's local economy.

1,300	audiovisual media firms in the CCR, generating
£545 million	in total annual turnover, with a further
£ 606 million	in gross value added produced directly and indirectly;
> 10,000	people work directly/indirectly for the sector, with
> 4,500	full time employed by the sector.

Note: Following findings are based on latest FAME data statistics from 2018 based on the DCMS definition of the audiovisual sector, complemented with entertainment software programming and distribution (the video games sector). The findings represent estimations of the overall population. Find out more in the full report.

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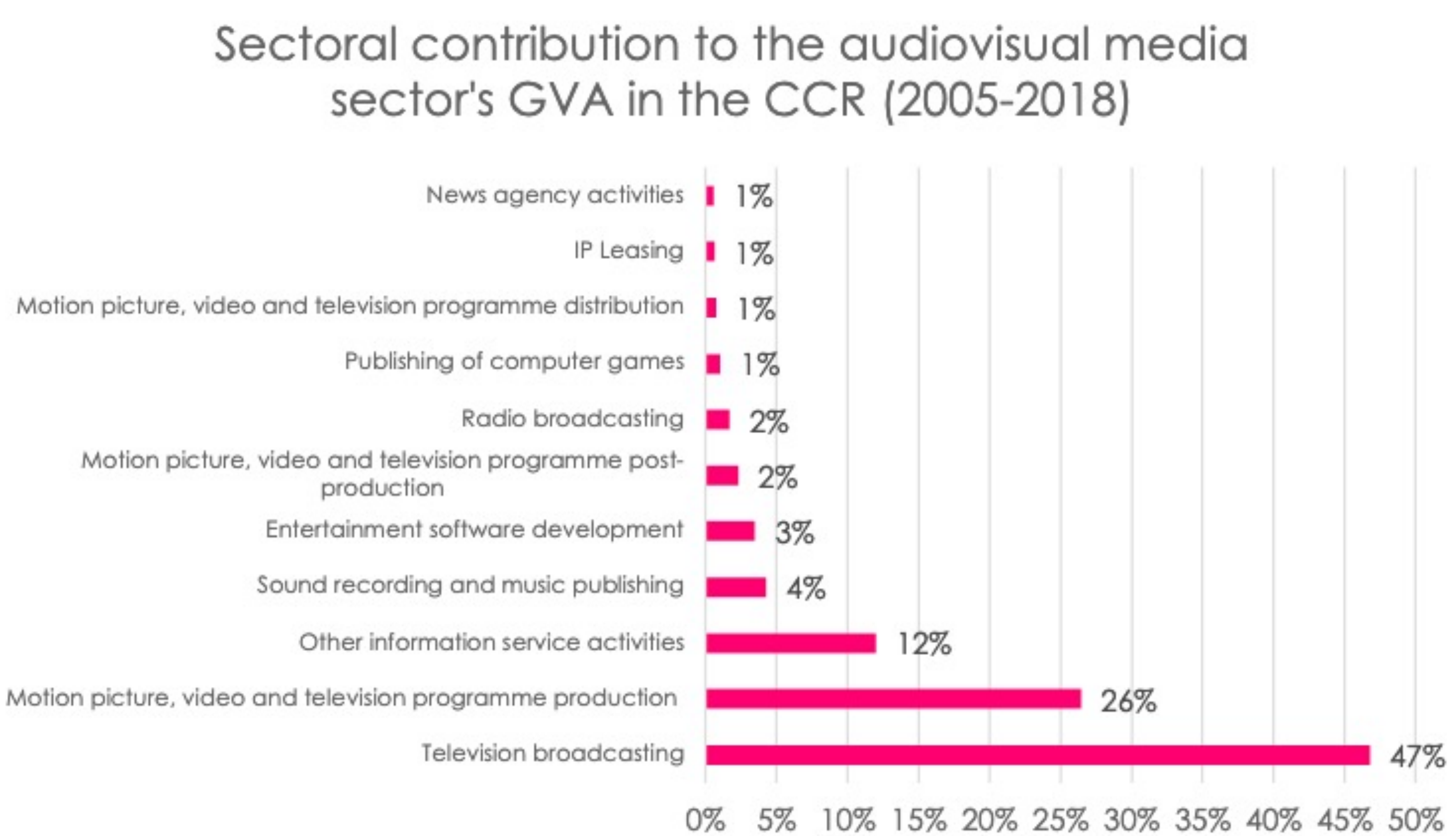
Report Findings:
The size and composition of the CCR's AV media sector

Film production and television broadcasting are the biggest media sub-sectors in the CCR.

The number of firms in film/TV production grew by 79% between 2005 and 2018. The key drivers are television broadcasting and motion picture TV/film production and post-production.



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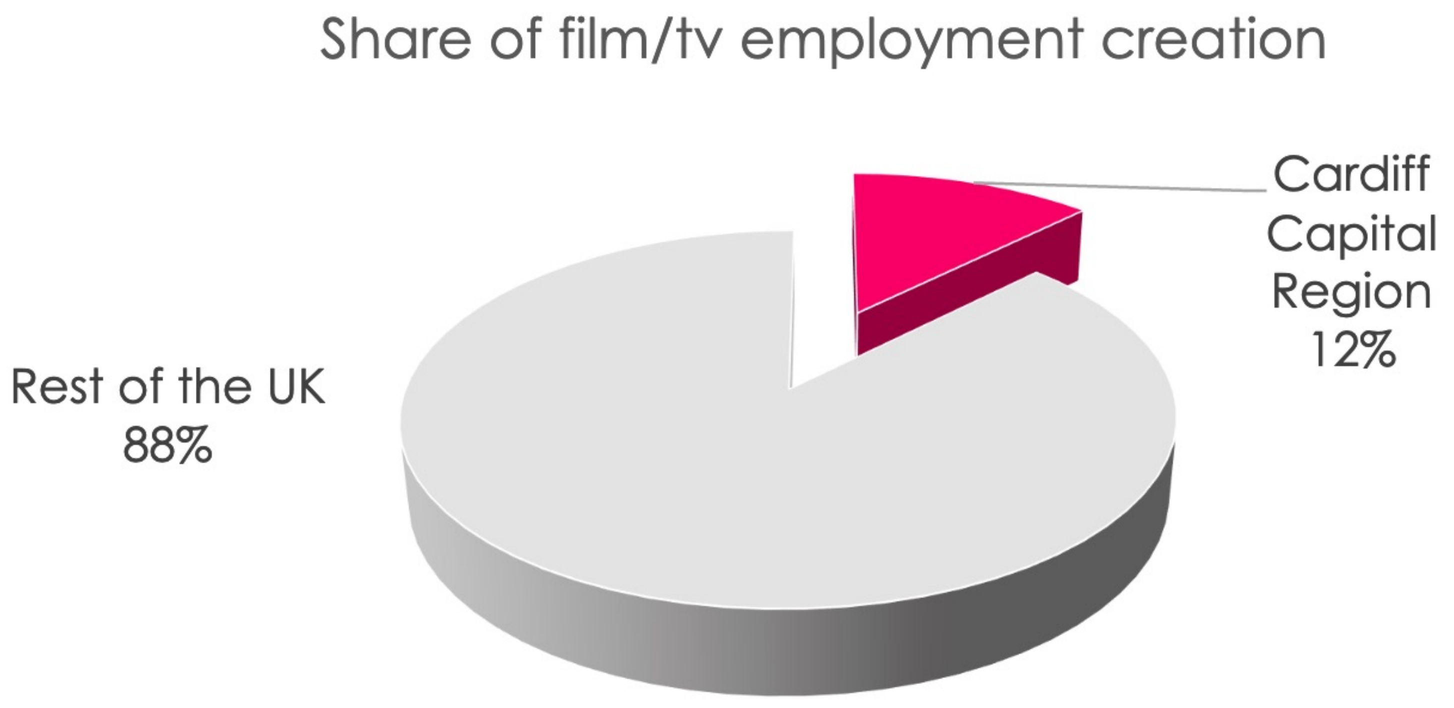
Report Findings:
The CCR's AV media sector contribution in the UK

The CCR now has one of the strongest performing film/tv sectors outside London and the South East.

The CCR generated 1 in every 8 new audio visual media jobs in the UK from 2015 to 2018 - even though overall employment is 50 times greater in London.



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Report Findings:
The CCR's AV media sector contribution in the UK

UK media production remains hugely concentrated in the Greater London area (London and Slough and Heathrow). But Cardiff now ranks third in the UK — for numbers employed in media production.

Geographic location	Full-time employees	Turnover (£ in thousands)	Turnover per employee (£)
London	110880	37270785	336136
Slough and Heathrow	51700	24308527	470184
Manchester	7090	913784	128884
Cardiff	3005	398917	132751
Glasgow	2966	366663	123622
Bristol	2926	226219	77313
Southampton	2870	746341	260049
Brighton	2631	154299	58647
Guildford and Aldershot	1809	226602	125264
Reading	1744	496881	284909
Birmingham	1629	87720	53849
Belfast	1597	107892	67559
Swansea	1478	362322	245144
Sheffield	1387	75606	54511
Watford	1371	160701	117214
Edinburgh	920	62125	67528
Leeds	920	50256	54626
Stockport	761	53795	70689
Plymouth	581	62282	107198
Cambridge	576	99045	171953

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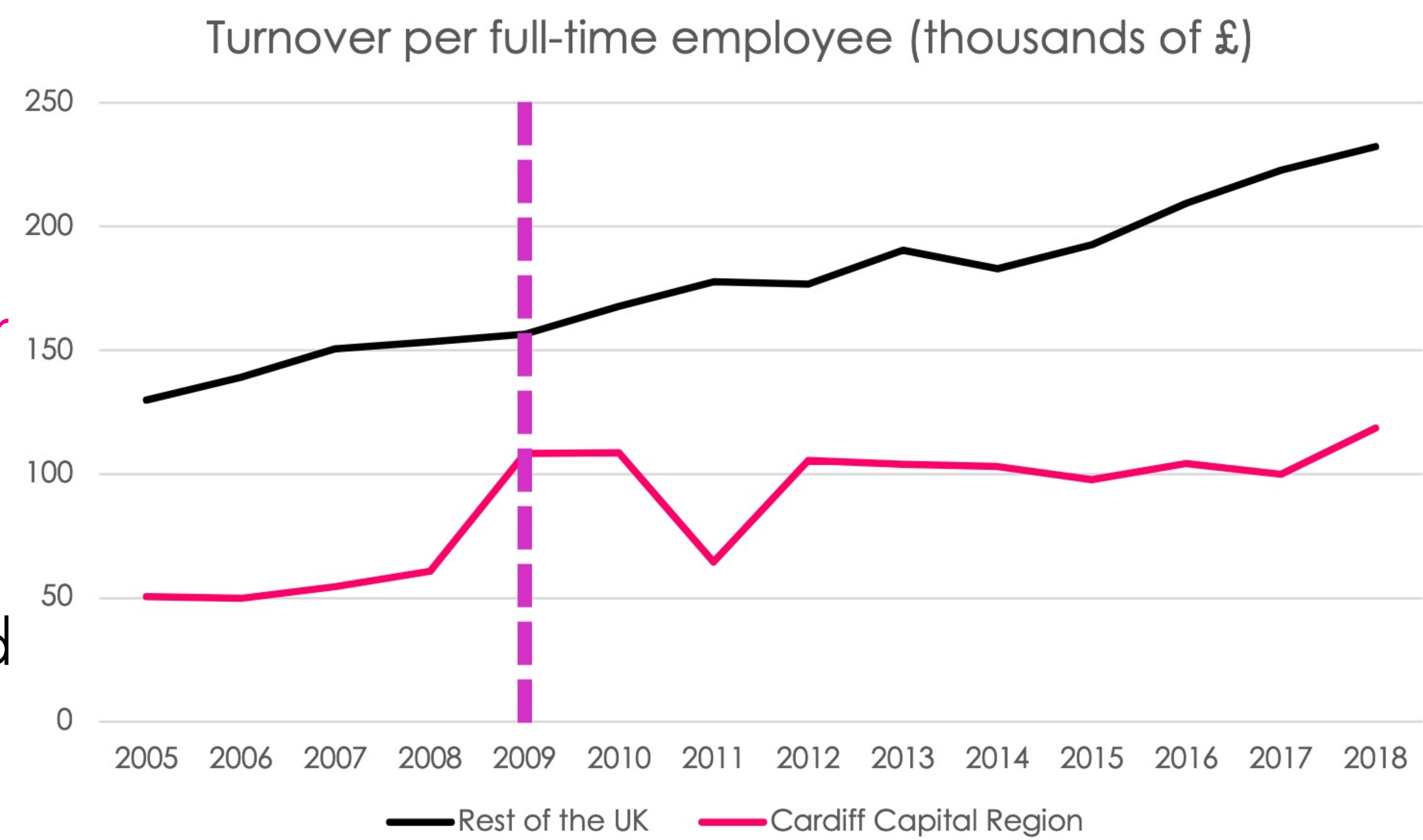
Report Findings:
Closing the gap: productivity in the CCR's AV media sector

Amongst media cities, Cardiff now has the highest rate of growth of turnover per employee in the UK, narrowing the significant gap between London and the South East and the rest of the UK.



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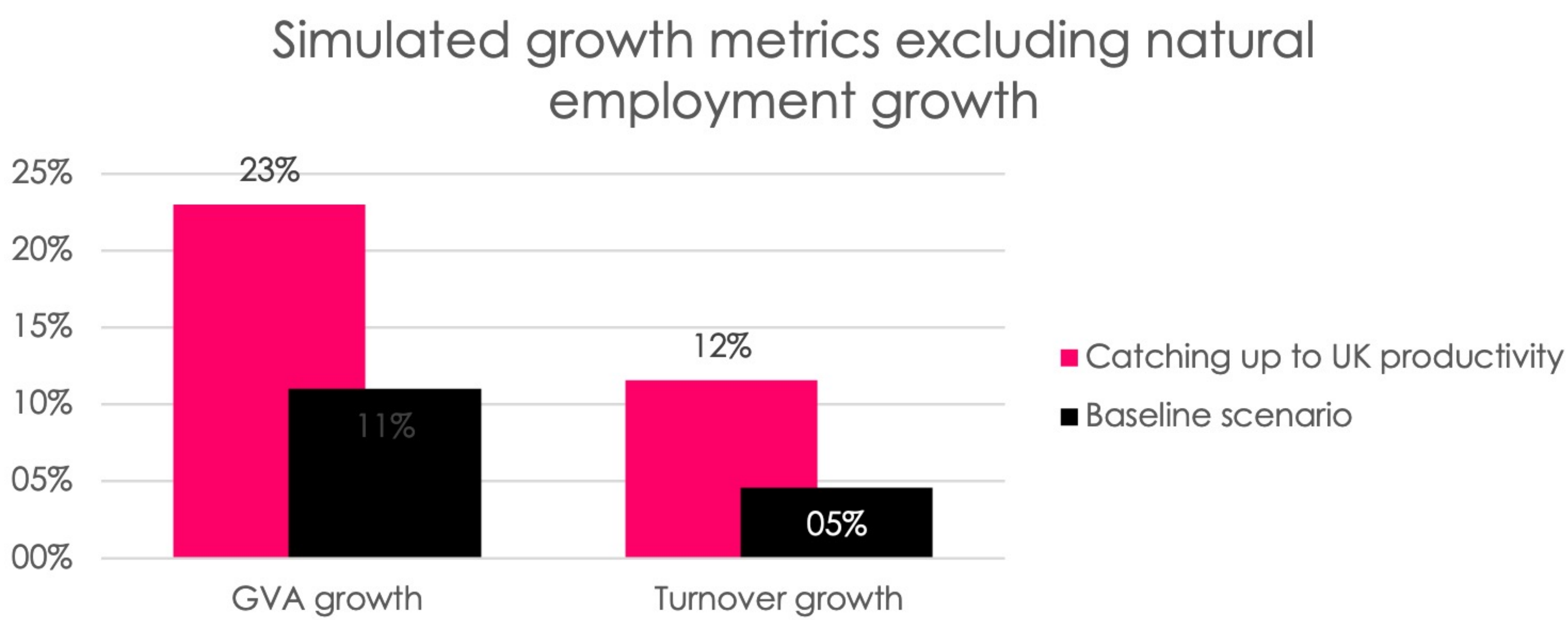
Report Findings:
Growing the CCR's AV media sector

If the CCR reaches the UK productivity average it leads to an estimated additional: £255m of turnover generated; £236m of direct and indirect GVA; 7,720 new full-time jobs in the CCR (with 2,000 in the media sector alone) in ten years time.



CONCLUSION:
How can the CCR become a leading hub for TV and film?

Despite growth, the CCR's audiovisual media sector still lags behind UK averages in productivity. This is because:

- Welsh companies are small, lacking R&D and commercialisation capacity - the region's media sector has high business birth rates but low survival rates;
- Competition from highly integrated global companies with greater capacity to invest in R,D&I in a fast-moving digital media sector (while 98% of creative companies in Wales are small and a third of the workforce are freelance);
- Wales struggles to retain local talent, with the Welsh student retention rate at only 62% (the lowest in the UK).

CONCLUSION:
How can the CCR become a leading hub for TV and film?

- Continued investment in the Welsh media sector
- Building R&D and innovation capacity
- Encouraging collaboration to create synergies
- Maintaining the significant presence of UK broadcasters, major studios, and a strong independent production sector
- Exploiting the position as the UK centre for bilingual production
- Working with the region's HEIs to develop R&D and an effective skills/talent strategy

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CONCLUSION:
How can the CCR become a leading hub for TV and film?

The media sector can become one of Wales's key economic sectors!

In our scenario building, we have found that the CCR would need to grow its turnover per employee by 11% year-on-year to catch up with the UK average in 10 years. Even halfway through the catch-up process, this type of growth could generate £255 million additional GVA and almost 2,000 additional workplaces in the audiovisual media sector. With the right investment, 11% year-on-year growth is ambitious but possible.

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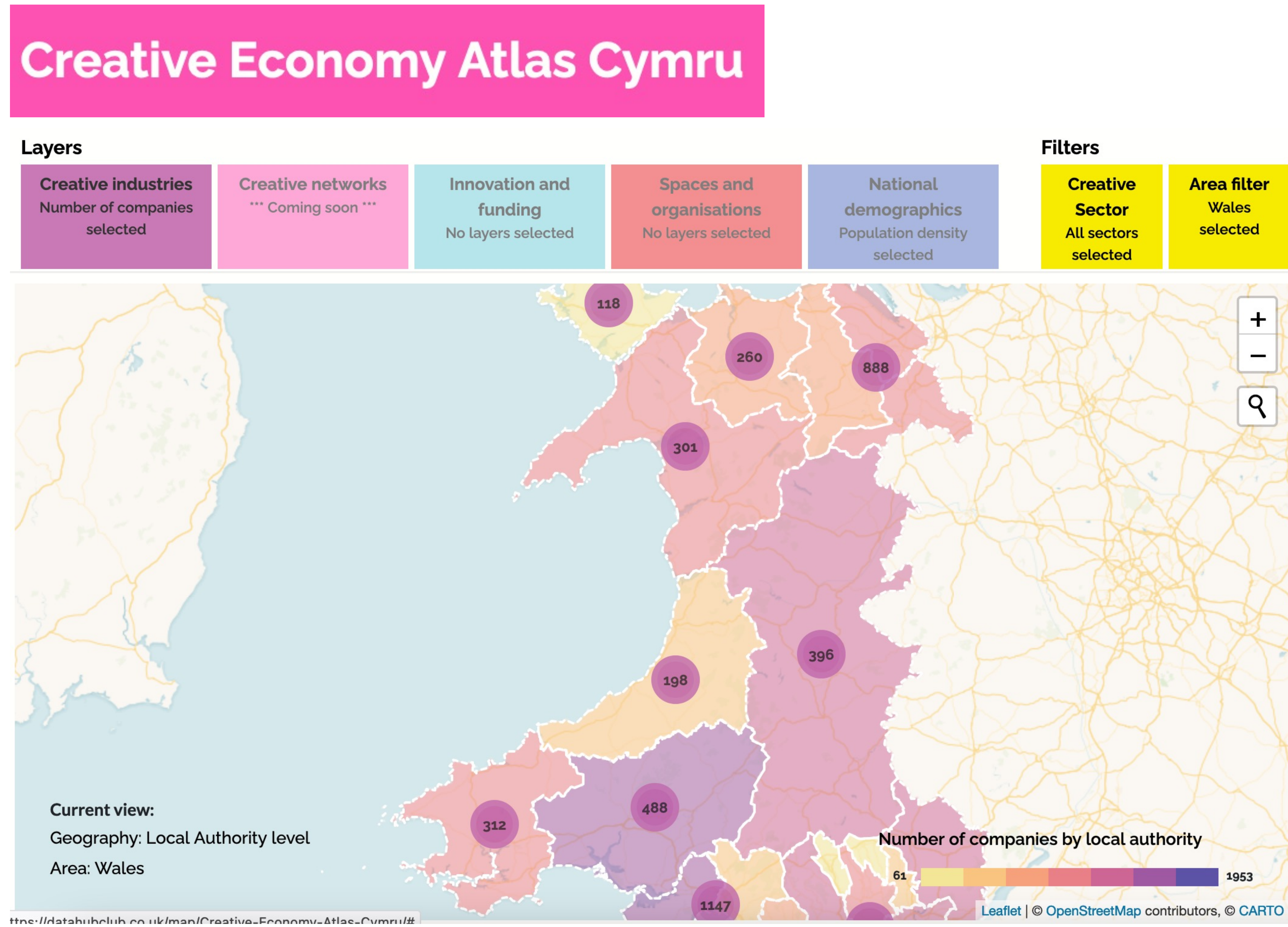
NEXT STEPS!

Clwstwr aims to stay engaged with the local sector and share our research, data and insights!

More data and insights can be found on our new data mapping tool.

https://datahubclub.co.uk/map/Creative-Economy-Atlas-Cymru/



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Llywodraeth Cymru / Welsh Government
Creative Clusters
Arts & Humanities Research Council
Industrial Strategy


ANY QUESTIONS?
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DISCLAIMER:

The findings presented here are estimations of the overall population and economic impact. We took a prudent methodological approach, presenting numbers rather at the lower end taking into consideration data limitations (and other reported data). The data has been cleaned manually, checked against expert input to best reflect the audiovisual media sector in the Cardiff Capital Region. The data for this report was collected before the COVID-19 pandemic. It paints a picture of the audiovisual media sector in the CCR before the disruption caused by COVID-19, which has had a profound impact on many creative businesses and freelancers, many of whom face significant losses in revenue. The report can give insights, that can be used as benchmark, to identify the impact of COVID-19 on the long term.

Please find the full report and all data insights and the methodology via:
https://clwstwr.org.uk/sites/default/files/2021-01/Clwstwr%20Creative%20Industries%20Report%20No%202%20the%20media%20sector%20in%20the%20Cardiff%20Capital%20Region%20-driving%20economic%20growth%20through%20audiovisual%20activities.pdf

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