



Quarterly ScreenSkills Barometer

December 2018

Acknowledgement

ScreenSkills and the Work Foundation are working together to deliver the Skills Forecasting Service (SFS), using National Lottery funds awarded by the BFI as part of the Future Film Skills programme¹.

¹ This report has been updated with minor amendments on 21st January 2019

Executive Summary

The Quarterly Skills Barometer is one of three research strands of the Skills Forecasting Service. Given the fast pace of change in the screen industries, the Barometer aims to take the temperature of the sector, providing regularly-updated insight on current skills trends and changes. This will help industry, policy-makers and education and training providers work together to develop the talent needed to support the ongoing success of the sector. Below we outline key findings.

Business activity

- Despite ongoing uncertainty and weakening confidence across the UK economy, the picture for the screen industries is relatively positive. The majority of respondents reported that business activity had increased over the past quarter.
- A strong domestic market and high levels of inward investment were identified as significant factors supporting the sector.
- However, more than two-thirds of respondents cited the limited availability of skilled workers, alongside Brexit and wider economic conditions, as factors that could dampen business activity.

Employment and recruitment

- Most of the UK screen industries continue to demonstrate fast growth, with more than half of respondents reporting a perceived increase in the number of workers over the past three months.
- The rapid growth of the sector, alongside significant technological change, global competition and shifts in production and commercial models, is putting intense pressure on the sector to upskill and expand its workforce.
- 86% of those surveyed reported experiencing recruitment difficulties in the past three months even though overall employment is perceived as expanding. This seems to suggest that the demand for some skills is currently not being met by the available supply of workers.
- In film and TV, the most difficult roles to recruit for are in production (including production accountants, line producers, production and location managers). But a number of technical and supervisory roles were also reported as hard-to-fill in VFX (supervisors, FX artists, creature FX and animators) and in games (programmers and project managers).
- The sector feels the impact of skills shortages in a number of ways, including increased operating costs, lost business opportunities and compromised delivery capability.

Investment in skills

- The growth and pace of change within the screen industries is also creating skills gaps amongst the existing workforce with more than two-thirds of respondents reporting skills gaps within their organisation or the organisations they represent/work with.
- Management and supervisory skills and transferable skills, such as communication/interpersonal, problem-solving and team-working skills, were most commonly cited as lacking.
- Despite widespread skills gaps, less than one-third of respondents felt that employers are investing enough in workforce skills. Key barriers included a lack of time and funds for training.

Future outlook

- The sector remains confident of continued growth, with the majority of respondents anticipating business activity will continue to rise over the next three months.
- The availability of skilled workers is expected to act as the main constraint, alongside Brexit and exchange rate performance. This highlights how closely the screen industries are connected with European and global markets.
- Pressures on the labour pool are expected to continue. Half of the respondents anticipate an increase in the number of workers in the sector and yet expect continued job shortages in critical roles.

Responding to skills challenges

- Respondents to the Barometer were clear that decisive action was needed, in a range of areas, to respond to skills challenges.
- Asked what measures would bring new talent to the industry, two-thirds thought that bursaries to support traineeships, internships and work placements would help reduce skills challenges, followed by improvements in the relevance and quality of education and vocational training.
- Respondents also suggested a range of actions that skills and industry bodies, training providers and businesses themselves could take to overcome skills challenges. These include investing in retraining and return-to-work schemes; pursuing more inclusive recruitment and working practices; improving education, careers advice and guidance; upskilling the workforce; investing in sector skills levies; and enhancing management and leadership capability.

Areas for further research

Based on the outcomes of the Barometer Survey, several areas for further research have been identified.

These include:

- a) More granular investigation of skills needs and challenges in film, high-end TV, unscripted TV, children's TV, animation, games and VFX.
- b) Exploring crossover of skills needs and challenges between these subsectors.
- c) Investigating subsector-specific barriers to inclusion and diversity.
- d) Examining skills gaps and shortages at the level of regions and nations.
- e) Exploring the future of work in the screen industries to address how training and education could be improved to meet skills demands in future.

These research areas will be addressed by the Annual ScreenSkills Assessment and ScreenSkills Forecasting Analysis, the two additional research strands of the Skills Forecasting Service (chapter 1).

Foreword

Most of UK screen is growing quickly and the sector is facing significant challenges relating to skills gaps and shortages, inclusion and diversity. We believe that detailed and robust evidence on the nature, extent and impact of these challenges is needed to tackle them and prepare the industry for the future.

That is why ScreenSkills is collaborating with the Work Foundation to launch a Skills Forecasting Service for the UK screen industries. The Skills Forecasting Service (SFS) is an integral part of ScreenSkills' strategy and a key objective of the BFI Future Film Skills Action Plan. Its purpose is to provide the sector with detailed, practical and forward-looking intelligence on the labour market and to identify trends in the way the screen industries work.

This document is the first in a series of Quarterly ScreenSkills Barometer reports that are one of the ways we are gathering information. The aim of the ScreenSkills Barometer is to provide the sector with regular insights on the levels of business activity, recruitment challenges, skills gaps and training.

In line with our mission to support the ongoing success of UK screen, the research is guided by the needs of the industry and our findings are informed by the expertise of professionals working across film, TV, games, animation and VFX. However, the research we deliver can only be as good as the data we are given to work with.

As the challenges of skills gaps and inclusion affect everyone working in UK screen, we urge you to share your expertise and help us support the screen industries. You can do this by participating in the next iteration of Barometer survey planned for the first quarter of 2019 and by completing our new Employer Survey, which will be available on our website at the beginning of December 2018.

Seetha Kumar

1. Introduction and methodology

The Quarterly ScreenSkills Barometer is one of the three research strands of the Skills Forecasting Service (SFS). As reported in figure 1, the research also includes a UK-wide, in-depth assessment of the workforce and a forward-looking analysis of likely industry trends. In addition, the SFS is complemented by other research into specific aspects of the screen industries.

Figure 1 Research strands of the Skills Forecasting Service

Skills Forecasting Service		
Quarterly ScreenSkills Barometer	Annual ScreenSkills Assessment	ScreenSkills Forecasting Analysis
Purpose: provide responsive, short-term insights on skills gaps and shortages, recruitment challenges and training practices	Purpose: provide an in-depth assessment of workforce profile and diversity, skills gaps and shortages, recruitment challenges and future trends	Purpose: provide a forward-looking analysis of likely changes in our industries' needs and ways of working
Method: quarterly online survey completed by a small rolling panel of industry experts	Method: yearly alternating online employer and workforce survey completed by a large sample, corroborated by literature reviews and national data sources	Method: Delphi panel consultations with industry experts, corroborated by literature reviews and national data sources

The Barometer is based on a survey, undertaken in October 2018, targeting organisations that fall within the following subsectors of the UK screen industries:

- film
- high-end TV
- unscripted TV
- children's TV
- games
- animation
- VFX

The survey was completed by an expert panel of 50 industry stakeholders who accepted our invitation to take part in the research. Panellists from the seven named sectors were invited to participate based on their longstanding professional experience of operating at the forefront of the screen sector. The panellists can be grouped into four main categories: employers, industry bodies, regional screen agencies and trade associations.

This strand of our work uses a purposive sampling technique (Etikan, Musa & Alkassim 2016). As opposed to random sampling, purposive sampling relies on the judgment of researchers to choose an appropriate sample of participants and is particularly appropriate when trying to include people who are hard-to-reach. This is the case for most of the participants in the Barometer as the majority of them occupy very senior positions in the industry.

A sample size of 50 respondents to be consulted at three-monthly intervals was chosen after consultations with industry. This highlighted a desire for frequent, up-to-date labour market

intelligence to support decision-making in the short-run – reflecting the fact that screen is a dynamic and fast-changing sector that requires a regular temperature check.

The sample size means it is possible to undertake the fieldwork in the three-monthly timeframe. Including a number of member organisations in the sample reinforces the strong, on-the-ground understanding of the screen industries, by giving voice to the many individuals they represent.

The larger sample size of the Annual ScreenSkills Assessment, as shown in figure 1, will provide more detailed and granular workforce data and complement the findings of the Quarterly ScreenSkills Barometer surveys.

The composition of the Barometer will continue to evolve to ensure it is representative of the screen industries. We are particularly seeking input from professionals based outside London and the South East, including those working in children's TV, games and VFX.

If you would like to contribute to the research please contact us at research@screenskills.com

Report structure

This report is structured as follows:

- **Section 2** assesses the current picture of business activity in the UK screen industries;
- **Section 3** considers labour market trends and evidence of recruitment difficulties and skills shortages;
- **Section 4** explores evidence of skills gaps amongst the existing workforce and employer investment in education and training;
- **Section 5** looks to the future, considering expectations for change over the next quarter, perceived economic drivers and job roles anticipated to be difficult to fill; and
- **Section 6** concludes by discussing perspectives on how the sector could be responding to skills challenges based on the findings of the survey.

2. Business activity across the screen industries

Key findings

This chapter assesses whether levels of business activity have changed over the past quarter and explores the factors that are driving this.

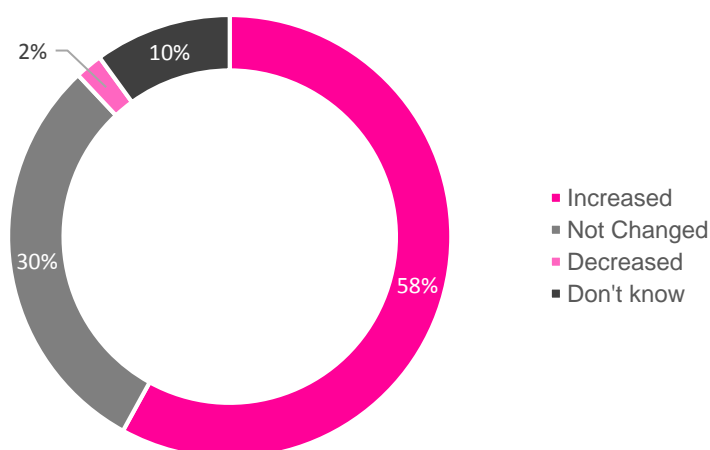
- There is ongoing uncertainty and weakening confidence across the UK economy but the picture is relatively more positive in the screen industries, with the majority of respondents (58%) suggesting business activity had increased over the past quarter.
- A strong domestic market and high levels of inward investment were identified as significant factors supporting the sector.
- However, the limited availability of skilled workers – cited by more than two-thirds of respondents – may hinder business activity, alongside Brexit and wider economic conditions.

Ongoing uncertainty, weakening confidence and slower growth is creating a challenging economic climate in the UK (BCC 2018; ONS 2017). However, findings from the ScreenSkills Barometer paint a relatively positive picture for the screen industries.

More than half (58%) of respondents stated that business activity had increased over the past quarter and a further 30% believed it to have remained stable (figure 2). In stark contrast, only 2% felt that business activity had decreased, while 10% were unsure of any changes.

Although this research looks at the screen industries as a whole, we observe some interesting subsectoral trends. Generally, members of the film and animation industries reported relatively stable levels of business activity in the past quarter. However, all TV and VFX subsectors said business activity had actually increased.

Figure 2: Past changes in business activity



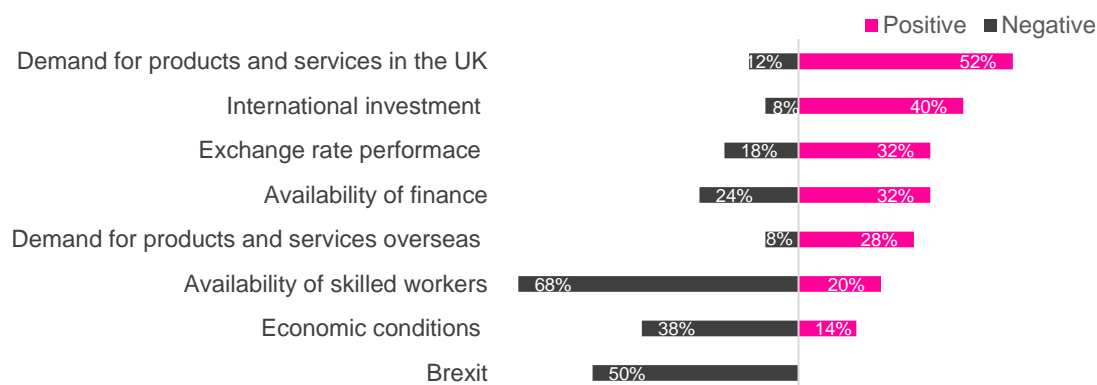
B1: What's your view on the level of business activity across the screen industries over the last three months? (N=50)

Respondents to the Barometer highlight the positive effect of strong domestic demand (52%), investment from overseas into the UK (40%), current exchange rates (32%) and the availability of finance (32%) (figure 3). This suggests a favourable business environment for the screen industries, supported by considerable investment from both the domestic market and overseas –

an impression reinforced by key announcements in the last quarter (see panel on the right). However, the survey also identified a range of constraints to the sector. Most significantly, a considerable majority (68%) reported that the limited **availability of skilled labour** – one of the key factors in making the UK a leading location for the screen industries globally – **is now having a negative impact on the sector**. This is discussed further in chapter 3.

Half of those surveyed also identified Brexit as having negative effects. The remaining 50% were either unsure how the UK's decision to leave the EU would affect business or believed it to be having no effect at all. None of the respondents identified it as having a positive impact.

Figure 3: Factors affecting business activity



B2: In the past three months, what factors have influenced the level of business activity in your sub-sector? (N=50)

Key announcements – last quarter

- The BFI (2018a) reports that the aggregate UK spend in Q1-3 of 2018 for film, high-end television programmes and animation programmes was £2.2 billion. The trend varies by subsector: the figures for HETV at £755 million was a substantial increase from £701 million in 2017. The value for film at £1.5 billion was down from the all-time high figure in 2017, but still the third highest value since the BFI's analysis began in 2002. Spend in the animation sector is also down from high results in 2016 and 2017.
- A Film LA Inc. study suggests that, if individual US states are taken as territories in their own right, the UK is now the top location for big budget movie production in the world (Film L.A. Inc., 2018).
- Creative Scotland established a £600,000 fund for the organisation and running of film festivals (Screen Daily, 2018a). Screen Scotland launched its Broadcast Content Fund for the TV sector (Screen Daily, 2018b).
- The Arts and Humanities Research Council awarded funding, from an £80 million programme, to nine R&D partnerships across the UK. Among other ambitions, the programme aims to increase the use of digital technologies to improve audience experience in the screen industries (AHRC, 2018).
- It was announced that ScreenSkills' first Centre of Excellence – part of the BFI Future Film Skills Action Plan – will be piloted in Yorkshire (ScreenSkills, 2018).
- Channel 4 announced its decision to locate its new national HQ in Leeds and its new creative hubs in Bristol and Glasgow (Channel 4, 2018).

3. Employment and recruitment

Key findings

This chapter explores whether employment numbers have changed within the screen industries over the past quarter, where shortages exist and what is driving the job market within the sector.

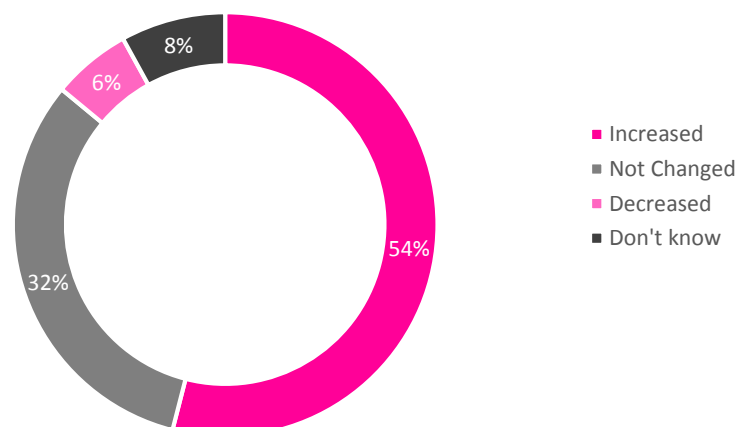
- The buoyant business environment is driving increased demand for talent, with more than half of respondents reporting a perceived increase in workers in the sector over the past three months.
- However, widespread recruitment difficulties persist, as reported by 86% of those surveyed.
- In film and TV, production roles appeared most difficult to recruit for (including production accountants, line producers, production and location managers). A number of technical and supervisory roles were also reported as hard-to-fill in VFX (supervisors, FX artists, creature FX and animators) and games (programmers and project managers).
- The sector feels the impact of skills shortages in a number of ways, including increased operating costs, lost business opportunities and missed deadlines.

The strong business environment evident amongst businesses operating in the UK screen industries is resulting in a growing demand for talent. Despite reported constraints on the availability of skilled workers (see chapter 2), employment levels continue to grow, though potentially not at a sufficient rate to keep pace with demand, or in the skill areas that businesses need.

Consistent with significant increases in employment in the sector reported by DCMS (2017), more than half (54%) of Barometer respondents believed that the number of workers in their subsector had increased in the past three months (figure 4). Just under a third (32%) believed there had been no change in the level of employment, while only 6% noted a decrease.

Once more, there are some variations between different parts of the industry. A slight majority of respondents from the film subsector stated that the number of workers had decreased or not changed in the past quarter. By contrast, the majority of respondents from the TV, games and VFX subsectors reported an increase in personnel.

Figure 4: Changes in the number of workers, three months



C1: In the last three months do you think the number of workers (including full-time, part-time and freelance roles) has... (N=50)

Beyond the above factors, what is particularly striking is the range of jobs currently in demand across the various industry subsectors, as illustrated by figure 5 below.

Figure 5: Jobs/roles where the number of workers has increased

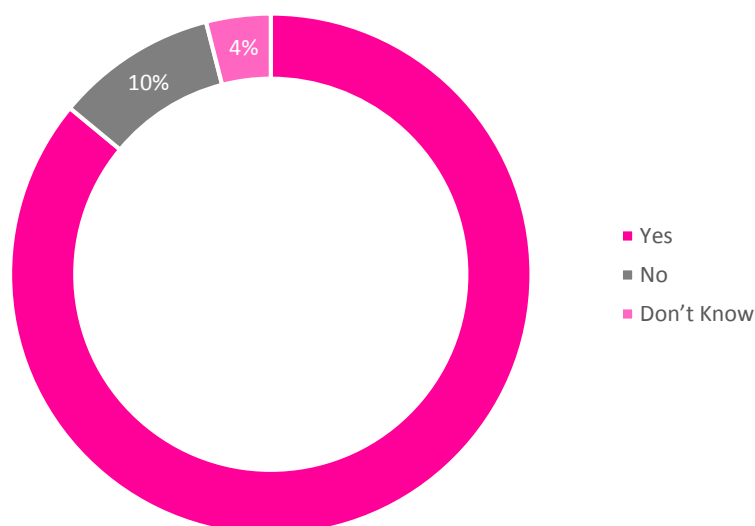
Which roles are in greatest demand?

Film	Unscripted TV
<ul style="list-style-type: none"> Development intern First assistant director Line producer Location manager Production accountant Production manager Post-production supervisor Script editor <p><i>Other roles identified by respondents:</i> Accountancy, accounting generally, assistant directors, art department, construction, costume, senior VFX personnel, sound</p>	<ul style="list-style-type: none"> Development executive Director Editor Executive producer Line producer Preditor (producer/editor) Production coordinator Production manager Series producer Shooting associate producer Shooting producer/director Specialist casters
High-end TV	Games
<ul style="list-style-type: none"> Assistant location manager Assistant production accountant Director of photography Editor Electrician Financial controller First assistant director Grips Line producer Location manager Producer Production accountant Production coordinator Production manager Script supervisor Second assistant director Series producer (HETV factual) Shooting producer/director Supervising art director <p><i>Other roles identified by respondents:</i> sales, VFX</p>	<ul style="list-style-type: none"> Programmer Project manager <p><i>Other roles identified by respondents:</i> 3D artists, artists, technical artist, technical designer</p>
Animation	VFX
<ul style="list-style-type: none"> 2D artist 3D modelling artist Director <p><i>Other roles identified by respondents:</i> animator, junior artist, lighting artist, rigger, technical directors, producer, storyboard</p>	<ul style="list-style-type: none"> Compositor Creature or rigging technical director Pipeline technical director Production assistant Production coordinator VFX producer <p><i>Other roles identified by respondents:</i> 3D animators, 3D generalists, CG generalist, environments TD, FX artists, leads in all departments, pipeline engineers, producer</p>

Against a backdrop of skills shortages in the UK labour market and struggles over the sourcing of talented workers, we asked respondents whether they had faced recruitment difficulties in the past three months.

An **overwhelming majority of respondents (86%)** stated that it had been difficult to recruit for **particular roles** (figure 6). Analysing this in detail, it also stands at two-thirds or above in every industry subsector, suggesting hard-to-fill vacancies are widespread. This resonates with recent findings by Animation UK (2018), which indicate that two-thirds of survey respondents (66%) reported experiencing skills shortages.

Figure 6: Organisations reporting recruitment difficulties



D1: In the last three months was it difficult to recruit for any particular jobs/roles? (N=50)

Of the Barometer respondents who stated they had experienced difficulties, a little over two-thirds identified **competition from inside the sector** and a **low number of skilled applicants** as primary causes of the difficulties, echoing other research (Carey et al., 2017).

As illustrated by figure 7, respondents identified a range of different roles as difficult to recruit for. Many of the job roles identified as in demand (figure 5) are also those identified as hard-to-fill (figure 7). This suggests that the supply of skills to the UK screen industries is not keeping pace with growing demand in a range of occupational areas.

Once again, in both film and TV, the roles that were most commonly identified as hard to fill included production accountants, line producers, production and location managers.

In VFX, hard-to-fill roles included supervisors, FX artists, creature FX and animators while in the games sector, programmers and project managers were reported as hard to find. Hard-to-fill roles mentioned in animation included compositor and storyboard artist, while the list for games featured programmers and project managers.

This is consistent with other research exploring these industries. Other forthcoming research by ScreenSkills suggests a further convergence between the film and high-end TV subsectors. This reinforces the importance of understanding the shared skills shortages in screen subsectors and the extent to which they draw on the same pool of labour.

Figure 7: Hard-to-fill jobs

Which jobs are hardest to recruit for?

Film	Unscripted TV
Art director Costume designer Editor First assistant director Head of development Line producer Location manager Post-production supervisor Production accountant Production coordinator Production designer Production manager	Development producer Development producer/executive Editor Director Executive producer Line producer Preditor (producer/editor) Production coordinator Production manager Series producer Shooting associate producer Shooting producer/director Specialist casters <i>Other roles identified by respondents: development</i>
High-end TV	VFX
Assistant location managers Assistant production accountant Director of photography Edit assistant Editor Electrician First assistant director Grips Line producer Location manager Producer Production accountant Production assistant Production coordinator Production manager Production secretary Screenwriters/scriptwriters Second assistant director Series producer (HETV factual) Shooting producer/director Supervising art director <i>Other roles identified by respondents: sales</i>	Pipeline technical director VFX producer VFX supervisor <i>Other roles identified by respondents: creature animator, creature FX technical director, creature supervisor, data security manager/head, environments technical director, fur groomer, FX artist, head of FX, producer, rigger, technology project manager</i>
Children's TV	Animation
Data wrangler Director of photography Editor First assistant director Gaffer Script supervisor Second assistant director Sound supervisor/editor	Art director Compositor Director Production manager Storyboard artist <i>Other roles identified by respondents: animation directors, content development producer, episodic directors, riggers, storyboard supervisors, systems management, technical directors</i>
Games	
3D modelling artist Project manager Programmer <i>Other roles identified by respondents: lead level coders</i>	

As illustrated in figure 8, there are other factors affecting organisations and across the industry as a whole.

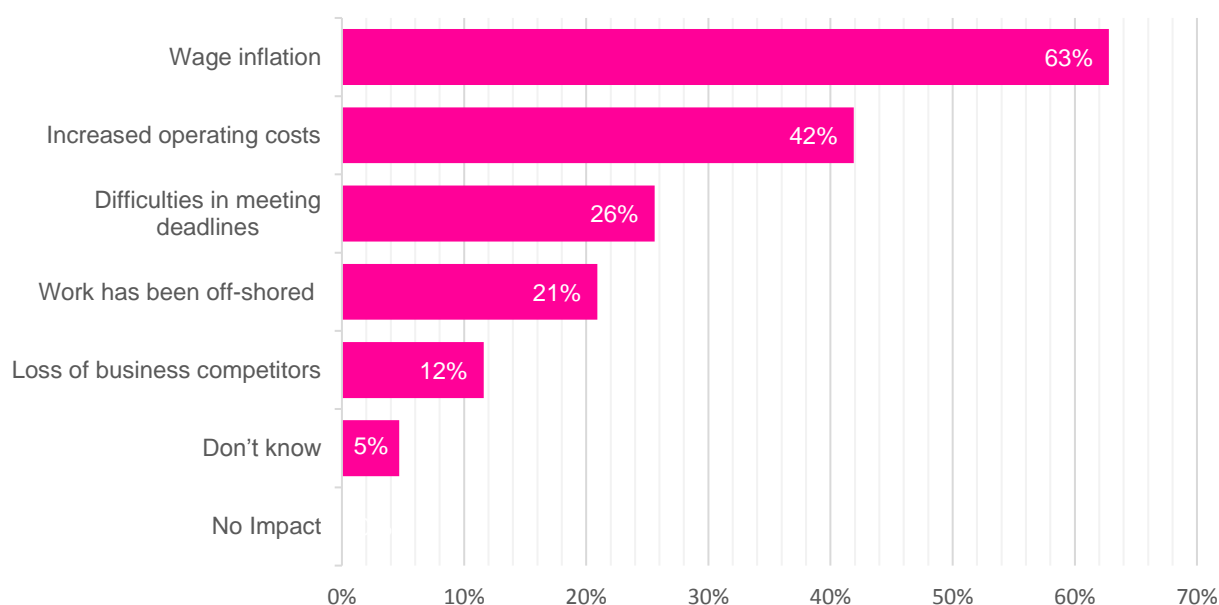
In line with other work outlining the costs associated with skills shortages (Open University, 2018), the ScreenSkills Barometer Survey suggests that **the screen industries have witnessed wage inflation (63%) which appears to be linked to increased operating costs (43%).** This finding resonates with the forthcoming high-end TV research conducted by ScreenSkills which suggests that rising crew rates and operating costs are having detrimental effects on the subsector.

In addition, 26% of respondents pointed to missed deadlines, 21% said that they had to commission work overseas and 12% to a loss of business to competitors.

The survey also elicited a variety of open-ended responses, including suggestions that recruitment difficulties could also be undermining the quality of work, affecting team structures and recruitment practices. Respondents also suggested employers are forced to promote people early, at the risk of embedding skill gaps within the workforce. This is discussed further in the next chapter.

“People are being promoted very quickly with little experience and [we are] not really in a position to train people under them.”

Figure 8: Impact of recruitment difficulties



D4: What has been the effect of any recruitment difficulties over the last three months? (N=43)

4. Investing in skills

Key findings

This chapter explores evidence of skills gaps amongst the existing workforce and employer investment in education and training.

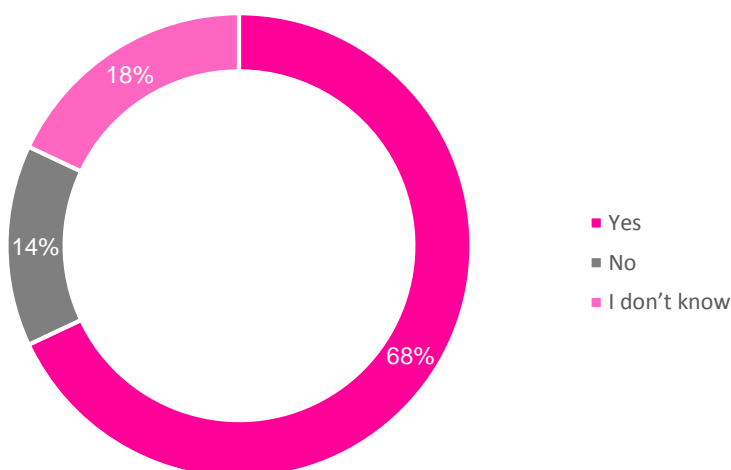
- The growth and pace of change within the screen industries is also creating skills gaps amongst the existing workforce – with more than two thirds of respondents reporting skills gaps.
- Management and supervisory skills and ‘soft’ skills such as communication/interpersonal, problem-solving and team-working skills were most commonly cited as lacking.
- Despite widespread skills gaps, less than one third of respondents felt that employers are investing enough in workforce skills. Key barriers included a lack of time and funds for training.

The growth and pace of change within the screen industries means organisations are often faced with skill gaps among their existing workforce that may undermine business performance and productivity. This section looks at skills gaps within organisations.

As figure 9 illustrates, **more than two-thirds of Barometer respondents believe there are skills gaps among those currently working in the sector.** Compared with the 2017 Employer Skills Survey of the Department for Education (2018), where only 13% of UK employers believe they had any skills gaps in their workforce, this suggests the screen industries could be experiencing more severe skills gaps than other parts of the economy.

As findings by Animation UK (2018) and ScreenSkills (forthcoming) suggest, there is evidence of significant differences in the level of skills gaps across the screen industries. These and other subsectoral differences will be explored in the Annual ScreenSkills Assessment.

Figure 9: Skills gap amongst the existing workforce



E1: Are there any skills gaps among those currently working in your sector/s? (N=50)

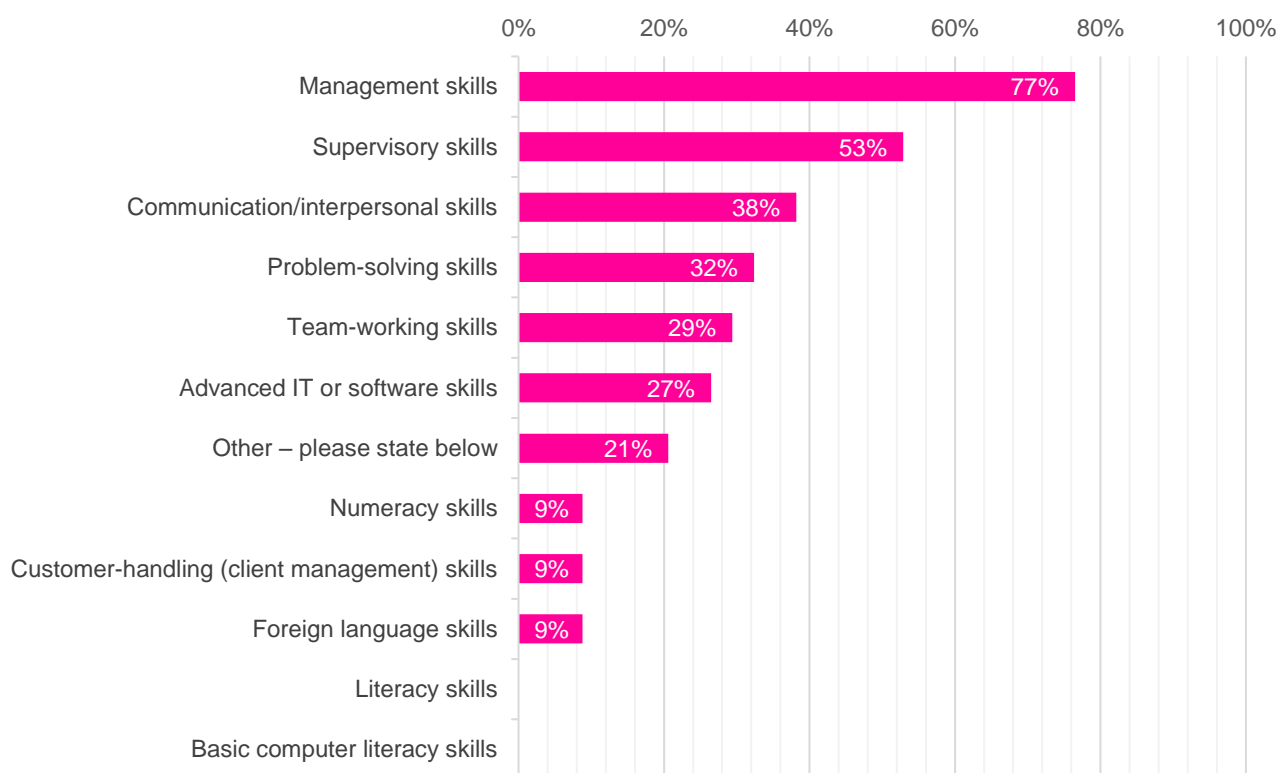
The growth in the screen industries, including the unprecedented success of games, film and high-end TV (Ukie 2018; BFI 2018b; ScreenSkills forthcoming), paints a bright picture for the future. However, one area of concern is the quality of management and leadership within the industry and the effect this has on its ability to capitalise on opportunities.

Of those respondents who felt that there were skills gaps in the sector, 77% felt that the workforce lacked management skills and 53% identified gaps in supervisory skills (figure 10). This echoes concerns regarding poor management practices among UK firms in general, which are thought to play a significant role in hindering growth in productivity compared with international counterparts (Bloom, Sadun & Van Reenen 2017).

Other skills that were noted as lacking included communication/interpersonal skills (38%), problem-solving skills (32%) and team-working skills (29%).

Advanced IT or software skills were also highlighted as an issue for the sector (by 27% of respondents). This might be linked to technological changes having a disruptive impact on the screen industries (Carey et al., 2017). As it is likely that advanced skills in the development and deployment of technologies will be critical to the future of the sector, further research is needed better to understand the relationship between technology and skills gaps.

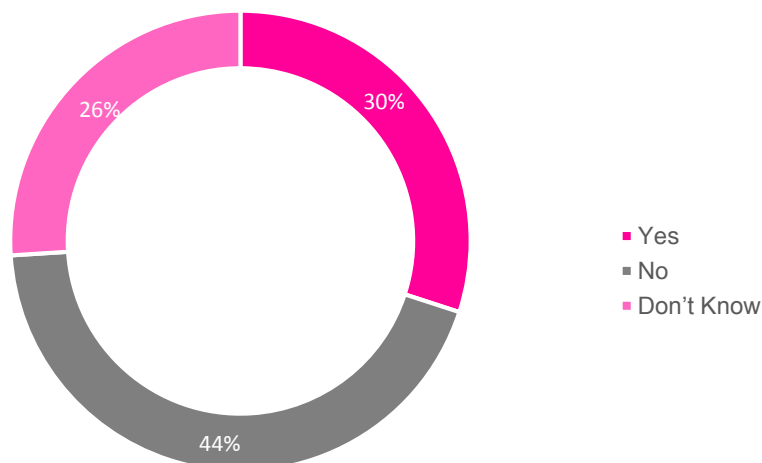
Figure 10: General skills gap in the existing workforce



E1a: Where are the general skills gaps in the existing workforce? (N=34)

Despite widespread skills gaps across the screen industries, only 30% of respondents to the Barometer Survey felt that employers are investing enough in workforce training and skills development (figure 11).

Figure 11: Investment in training and skills development



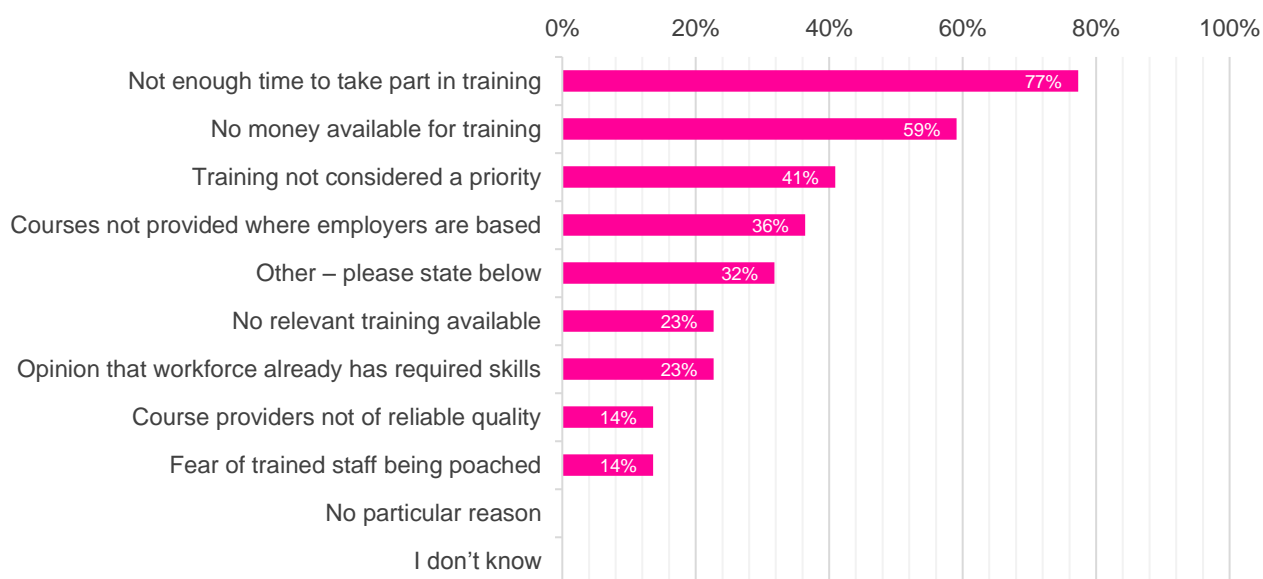
E2: Do you think employers have invested enough in workforce training and skills development over the last three months? (N=50)

The vast majority (90%) of respondents said training is delivered informally, through on-the-job training or mentoring and job-shadowing (Figure 19 in annex A). Moreover, two-thirds of Barometer respondents reported that employers do provide training courses for those currently in the workforce, although significantly fewer (44%) cited the use of technical/vocational training such as apprenticeships for new entrants.

When asked about the factors that prevented employers from funding or arranging training over the past three months (figure 12) respondents pointed to **a lack of time to take part in training** (cited by 77% of respondents) **and/or a lack of funds for training** (59%).

Of significant concern is that 41% of respondents suggested that employers did not consider training to be a priority. Further, 23% stated that no relevant training was available and 36% said courses were not provided where employers are based, which might suggest an uneven distribution of training across the UK.

Figure 12: Barriers to funding or arranging training



E2a: Over the last three months which factors have prevented employers from funding or arranging training? (N=22)

5. Future outlook

Key findings

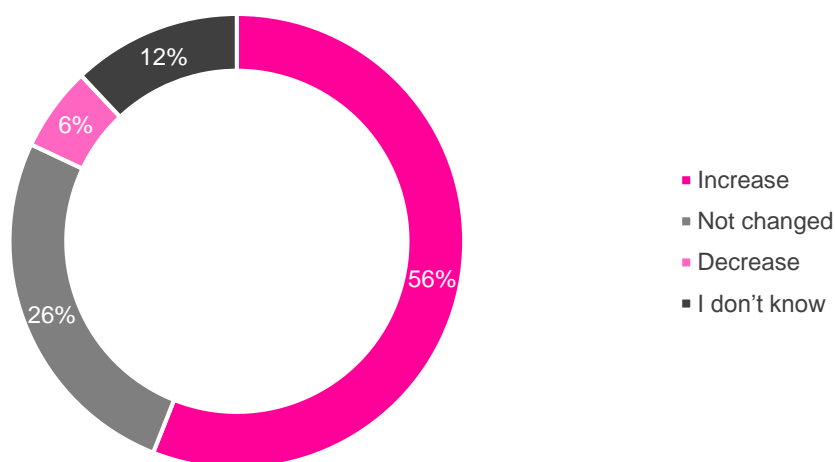
This chapter looks to the future, to consider expectations for change over the next quarter, economic factors affecting screen and which job roles are expected to be difficult to fill.

- The sector remains confident of continued growth, with the majority of respondents anticipating business activity will continue to rise over the next three months.
- The availability of skilled workers is expected to act as the main constraint, alongside Brexit and exchange rate performance, emphasising the way the screen industries interconnect with European and global markets.
- Pressure on the labour pool are expected to continue, with half of respondents anticipating continued job shortages in critical roles despite an increase in the number of workers in the sector.

Despite the economic uncertainties facing the UK, 56% of respondents to the ScreenSkills Barometer Survey believe that business activity will increase over the next three months. Only 6% expect a decrease (figure 13), while 26% anticipate it will remain unchanged.

This optimism may, in part, be driven by the growth discussed in section 2.

Figure 13: Future expectations for business activity in the screen industries

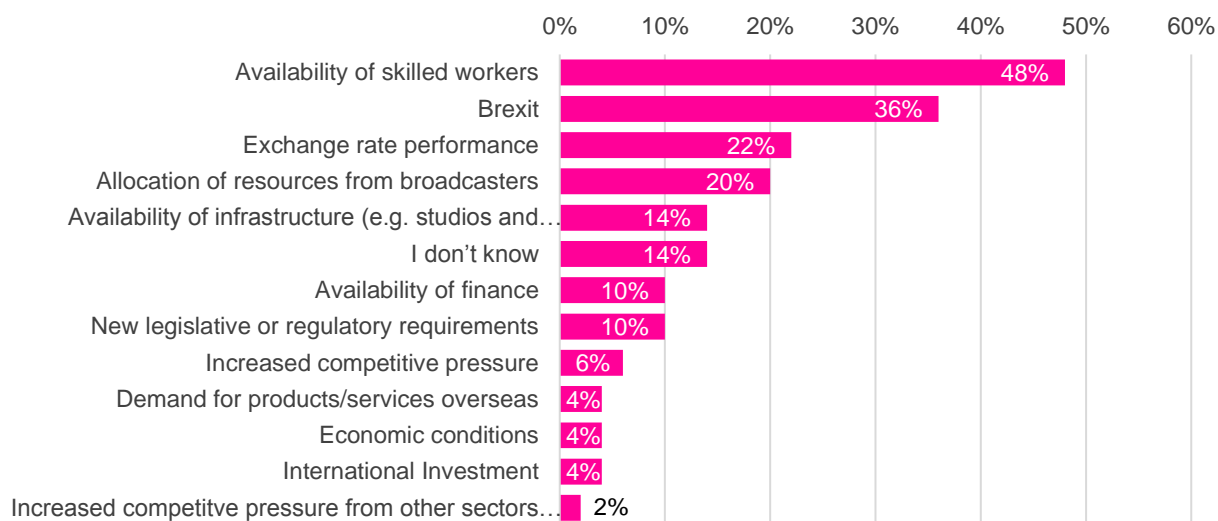


F1: How do you think business activity will change during the next three months? (N=50)

Given previous findings regarding skills challenges, it is no surprise that respondents most commonly predict that the availability of skilled labour will be the most significant factor affecting business activity over the next three months, cited by 48% of respondents (figure 14).

Once again, Brexit looms large in the respondents' view of future prospects (36%), along with exchange rate performance (22%), emphasising the screen industries' interconnectedness with European and global markets.

Figure 14: Factors affecting business activity in the screen industries

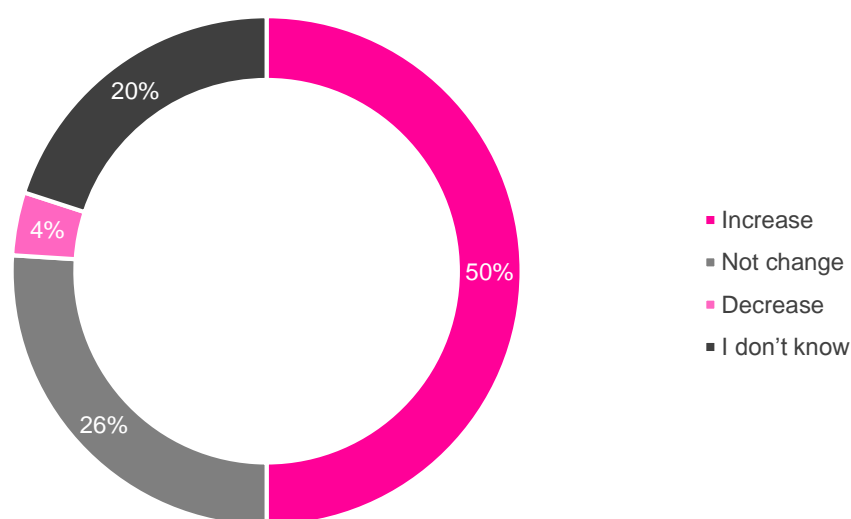


F2: What do you see as the most important factors affecting business activity over the next three months? (N=50)

The positive outlook for the sector is expected to drive a growing need for talent, with 50% of respondents to the Barometer survey expecting the overall number of workers (including freelancers) to increase over the next three months (figure 15).

Although the Barometer does not break down its findings by regions, key announcements, such as the Arts and Humanities Research Council's (2018) R&D partnerships, ScreenSkills' (2018) Centres of Excellence and Channel 4's (2018) decision (announced at the end of October) to locate its new national HQ in Leeds and its new creative hubs in Bristol and Glasgow, are likely to boost growth in the regions and nations and help rebalance employment across the UK. We will monitor changes in the regional profile of the screen industries and the development of talent to support thriving screen clusters outside of London and the South East.

Figure 15: Expectations for employment in the screen industries



F3: Over the next three months, how do you expect the overall number of workers to change (including full-time, part-time and freelance roles)? (N=50)

Those respondents who predicted an increase in workforce numbers, identified a wide range of jobs/roles that will be hard-to-fill.

We observe a large degree of consistency between the roles that are a) in demand, b) currently hard-to-fill and c) expected to be difficult to recruit for in the future.

In the film and TV subsectors, production roles are expected to be hard-to-fill (e.g. production accountants, production coordinators and line producers), as well as roles in the art department, post-production (e.g. editors) and construction crew. A number of managerial and supervisory roles are expected to be difficult to recruit for, in particular in games and VFX, along with composers and storyboard artists in the animation subsector.

Figure 16: Job roles expected to be hard-to-fill over the next three months

Which roles do respondents think will be hard to recruit for the future?

Film	High-end TV
Location manager Production accountant Production manager <i>Other roles identified by respondents:</i> Construction crew VFX personnel	Art director Assistant location manager Assistant production accountant Colourist Editor Financial controller Line producer Production accountant Production coordinator Script editor Storyliner <i>Other roles identified by respondents:</i> Finance Production
Children's TV	
Editor Producer/director Production runner	
Animation	Unscripted TV
Composer Storyboard artist <i>Other roles identified by respondents:</i> Riggers Technical director	Casting director Editor Preditor (producer/editor)
Games	VFX
Programmer Project manager	VFX producer VFX supervisor <i>Other roles identified by respondents:</i> Creature FX TD Environments TD FX TD

6. Responding to skills challenges

Key findings

This chapter concludes the report by discussing perspectives on how the sector should be responding to skills challenges.

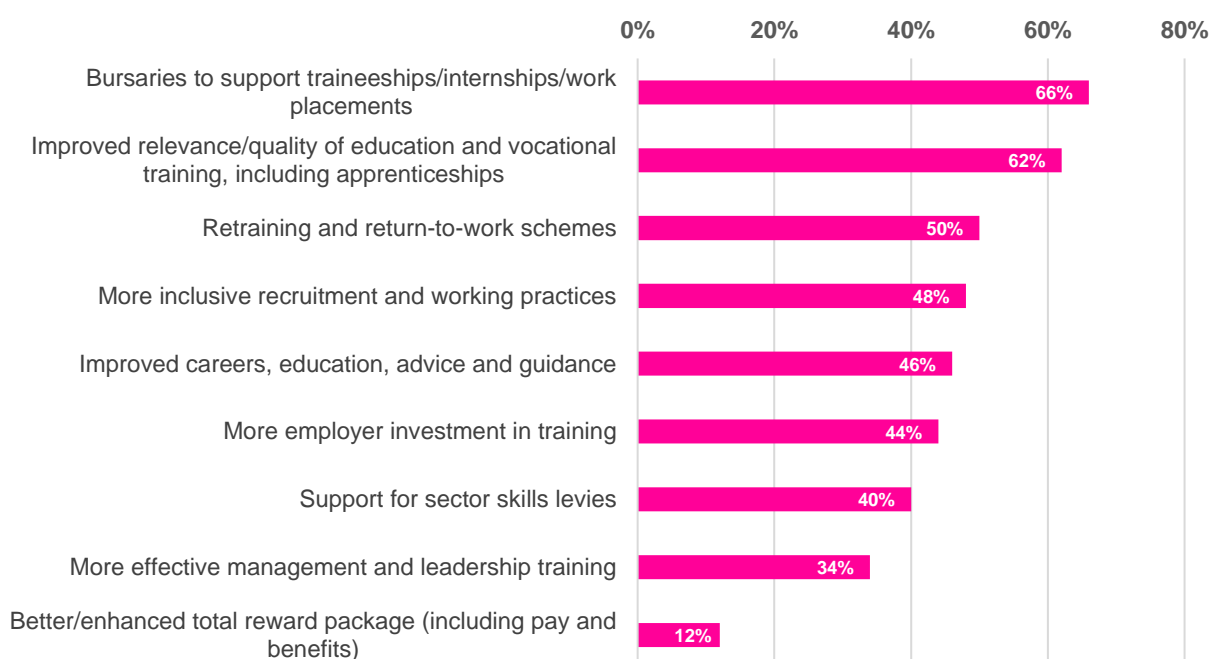
- Asked what measures would bring new talent to the industry, two-thirds thought that bursaries to support traineeships, internships and work placements would help reduce skills challenges, followed by improvements in the relevance and quality of education and vocational training.
- Respondents also suggested a range of actions that skills and industry bodies, training providers or businesses themselves could take to overcome skills challenges. These include investing in retraining and return-to-work schemes; pursuing more inclusive recruitment and working practices; improving education, careers advice and guidance; upskilling the workforce; investing in sector skills levies; and enhancing management and leadership capability.

Rapid growth of the UK screen industries, alongside significant technological change, global competition and shifts in production and commercial models are putting intense pressure on the sector to upskill and expand its workforce.

As illustrated by figure 17, Barometer respondents were clear that decisive action in a range of areas is required to respond to skills challenges.

More than half of those surveyed pointed to measures that would bring new talent to the industry, including bursaries to support traineeships, internships and work placements (cited by 66 % of respondents), improvements to the relevance and quality of education and vocational training (62%) and retraining and return to work schemes (50%).

Figure 17: Responding to skill challenges



F6: Which of the following do you think would help to reduce recruitment difficulties? (N=50)

However, the survey results suggest that responsibility for tackling skills shortages and gaps must be shared between skills and industry bodies, education and training providers, government and industry.

Of relevance to training providers, and skills and industry bodies are the suggestions, provided by the respondents, that improving the relevance and quality of education and vocational training, as well as improved careers advice and guidance, could help reduce skills gaps and shortages in the screen industries.

The survey also identified a range of actions businesses could take themselves. This included pursuing more inclusive recruitment and working practices to widen the pool from which they recruit and attract and retain more diverse talent; and investment in training to upskill those currently working in the sector (44%).

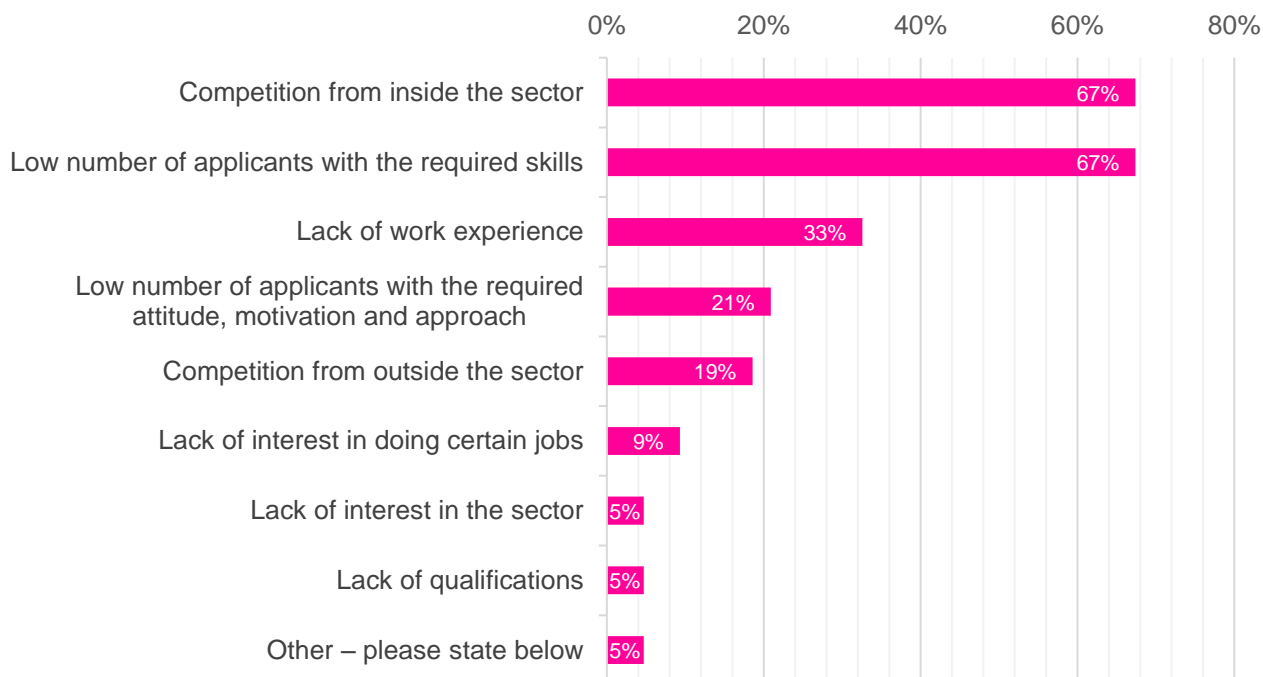
Finally, around one-third of respondents emphasised the need for more effective management and leadership training. This would tackle the shortage of management and leadership training identified in the existing workforce (see chapter 4), and improve management practices to boost business performance, competitiveness and productivity across the screen industries.

References

- AHRC (2018) Major new research investment set to provide boost for UK's Creative Industries.
- Animation UK (2018) *We need to talk about skills: A skills analysis of the UK Animation industry.*
- BCC (2018) BCC Quarterly Economic Survey: Uncertainty bites as survey shows UK economy is stuck in a rut.
- BFI (2018a) Film and other sector production in the UK, January - September (Q1-Q3) 2018.
- BFI (2018b) *Screen Business: How screen sector tax reliefs power economic growth across the UK.*
- Bloom, N., Sadun, R., & Van Reenen, J. (2017) Management as a Technology?
- Carey, H., Crowley, H., Dudley, C., Sheldon, H., & Giles, L. (2017) *A Skills Audit of the UK Screen Industries: Report for the British Film Institute.*
- Channel 4 (2018) C4 confirms Leeds as National HQ, Bristol & Glasgow Creative Hubs.
- Creative Skillset (2017) *HETV: Skills Research.*
- DCMS (2017) *DCMS Sectors Economic Estimates 2017: Employment.*
- Department for Education (2018) *Employer skills survey 2017: Research report.*
- Etikan, I., Musa, S. A., & Alkassim, R. S. (2016) Comparison of Convenience Sampling and Purposive. *American Journal of Theoretical and Applied Statistics*, 1-4.
- Film L.A. Inc. (2018) *2017 Feature Film Study.*
- ONS (2017) *Gross domestic product, preliminary estimate: July to September 2017.*
- Open University (2018) *The Open University Business Barometer.*
- Screen Daily (2018a) Creative Scotland opens £600,000 film festivals fund.
- Screen Daily (2018b) Why Screen Scotland is increasing its support for TV production.
- ScreenSkills (2018) Centre of Excellence initiative to pilot in Yorkshire.
- ScreenSkills (forthcoming) *High-end television UK workforce in 2018: Research report.*
- Ukie (2018) *UK Video Games Fact Sheet.*

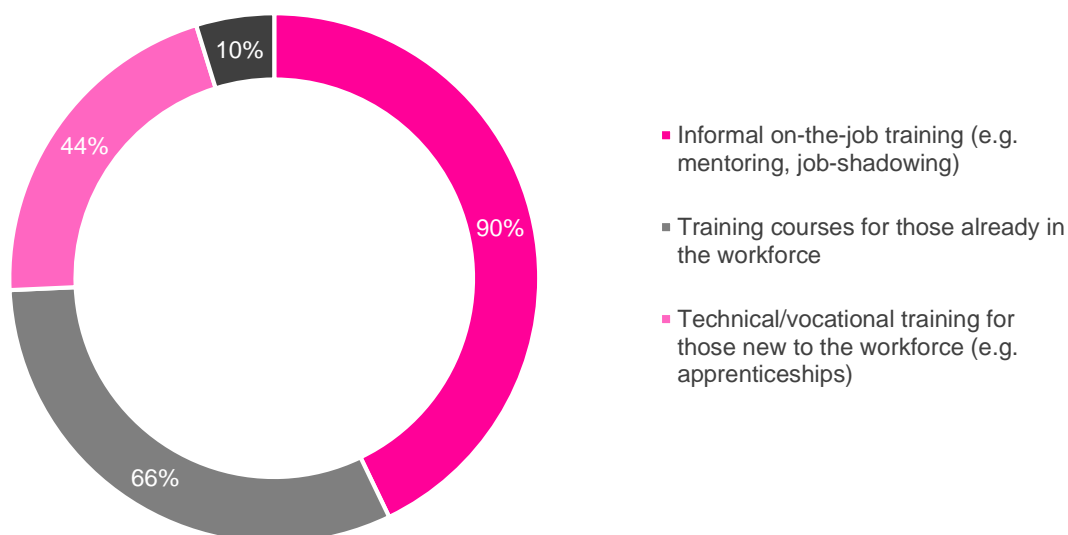
Appendix A: Charts

Figure 18: Causes of recruitment difficulties



D3: What were the main causes of recruitment difficulties? (N=43)

Figure 19: Types of training and skills development



E3: In the last three months what types of training and skills development have employers used? (N=50)