



Quarterly ScreenSkills Barometer

April 2019

QB2: November 2018 – January 2019

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 programme.

Our thanks go to all of the panel members who participated in this research. Please see the introduction for the list of participants that agreed to be mentioned in the report.

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 research on the nature, extent and impact of these challenges is needed to tackle them. As Brexit is causing economic and political uncertainty, it is vital that professionals across UK screen work together to prepare the sector for the future.

To help achieve this, ScreenSkills launched a new Skills Forecasting Service for the UK screen industries. Delivered with The Work Foundation, the Skills Forecasting Service 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 second in a series of Quarterly ScreenSkills Barometer reports – one of the ways in which we are gathering information on recent and emerging trends in the industry. The aim of the Barometer is to provide the sector with regular insights on the levels of business activity, recruitment challenges, skills gaps and training in the sector.

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 animation, film, games, TV and VFX. However, the research we deliver can only be as good as the data we are given to work with.

Since the insights we produce will influence policy and investment decisions in the sector, we strongly encourage you to share your views and expertise. Only if we work together and share information efficiently can we tackle the skills and diversity challenge. You can share your views and expertise by participating in the next iteration of the Barometer survey planned for the second quarter of 2019.

Seetha Kumar
CEO
ScreenSkills

Executive summary

The Quarterly ScreenSkills 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.

The first iteration of the Quarterly ScreenSkills Barometer was published in December 2018, covering August 2018 to October 2018. The fieldwork for the second iteration (QB2) was undertaken in January and February 2019. The research shed lights on the period of November 2018 to January 2019. Key findings are outlined below.

Business activity

- The UK economy has been adversely impacted by ongoing political uncertainty, with erosion of business and consumer confidence. The picture is relatively more positive in the screen industries, with 39% of respondents perceiving that business activity increased between November 2018 and January 2019 and 42% who think that it did not change.
- The continued strength of the domestic market, as well as the exchange rate performance and high levels of inward investment, were identified as significant factors supporting growth. Brexit, economic conditions and the limited availability of skilled workers are identified as the major factors hindering growth.

Employment and recruitment

- 42% of respondents to the Barometer felt that the number of workers had remained stable, with 30% of the sample thinking that it had increased.
- 68% of those surveyed suggested it was difficult to recruit, with respondents highlighting difficulties filling a wide range of roles.
- The sector feels the impact of skill shortages in a number of ways, including wage inflation, increased operating costs and in their ability to deliver and meet deadlines.

Investment in skills

- The pace of change in the UK screen industries, coupled with a perceived lack of skilled workers in the external labour market has an impact within companies, with 88% reporting skill gaps among the existing workforce.
- Managerial and leadership skills are most commonly cited as lacking. In addition, respondents identified a range of technical and job-specific skills deficiencies, associated with the production office, key creative and technical skills, business skills and IT software skills. These skills gaps affect both in-house personnel and freelance workforce.
- Only 18% of respondents were confident that employers are investing enough in workforce skills. Cost and a lack of time to participate in training were identified as the primary barriers to training.

Future outlook

- Despite increased economic and political uncertainty, 42% of all respondents expect business activity to increase during the next three months.
- Brexit and the availability of skilled workers are expected to have the most impact on the sector's short-term prospects.
- Pressure on the labour pool is expected to continue, with respondents anticipating continued skill shortages in a wide range of roles across all parts of the screen industries.

Responding to skills challenges

- Respondents to the second Barometer highlight the importance of bursaries, better careers education, advice and guidance; improvements to the quality and relevance of education and

vocational training including apprenticeships and management and leadership training; and opportunities to gain experience of 'real-life' or simulated work environments.

- There is clear recognition of the need to increase employer investment in training, along with retraining and return-to-work schemes, more inclusive recruitment and working practices, and enhanced total reward packages to help address skill shortages and gaps.

1. Introduction and methodology

The Quarterly ScreenSkills Barometer is one of the three research strands of the Skills Forecasting Service (SFS) 2018-2019. 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 2018-2019		
Quarterly ScreenSkills Barometer	Annual ScreenSkills Assessment	ScreenSkills Forecasting Analysis
<p>Purpose: provide responsive, short-term insights on skills gaps and shortages, recruitment challenges and training practices</p> <p>Method: quarterly online survey completed by a small rolling panel of industry experts</p>	<p>Purpose: provide an in-depth assessment of workforce profile and diversity, skills gaps and shortages, recruitment challenges and future trends</p> <p>Method: online employer completed by a large sample, corroborated by literature reviews and national data sources</p>	<p>Purpose: provide a forward-looking analysis of likely changes in our industries' needs and ways of working</p> <p>Method: Delphi panel consultations with industry experts, corroborated by literature reviews and national data sources</p>

The Barometer is based on a survey, undertaken between January and February 2019, targeting organisations that fall within the following subsectors of the UK screen industries:

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

The survey was completed by an expert panel of 57 industry stakeholders. Panellists from the seven sectors were invited to participate based on their longstanding professional experience of operating at the forefront of the screen sector.

They can be grouped into four main categories: employers, industry bodies, regional screen agencies and trade associations. Panellists were asked to indicate their perception in relation to a series of matters that affect the screen industries such as business activity and skills shortages.

Figure 2 presents a breakdown of the participants by subsector.

Figure 2: Participants in the Barometer Survey, QB2

Subsector	Participants
Animation	7
Children's TV	5
Film	16
Games	3
High-end TV	11
Unscripted TV	5
VFX	3
Representative/membership organisation or screen agency working across one or several subsectors	13

Below the list of the 43 participants that agreed to be mentioned in the report (figure 3). The remainder prefer to remain anonymous.

Figure 3: Participants in the Barometer Survey, QB2

Participants	
Aardman Animations	Pathe UK
Animation UK	Prime Studios UK
Axis Animation	Queen's Film Theatre
Big Light	Saffron Screen
Blue Zoo	Screen Yorkshire
BlueBolt	Sheffield Media and Exhibition Centre
CBBC	Sister Pictures
Centre for the Moving Image (CMI)	Studio Lambert
Darbotron Ltd	The Bureau
Depot Cinema	The Other Planet
Ffilm Cymru Wales	The Production Guild of Great Britain
Framestore	Three Stones Media
Game Dragons	Tiger Aspect
Glasgow Film Theatre	True North
Greendragon TV	Two Brothers Pictures
Hebden Bridge Picture House	Tyneside Cinema
Hillbilly Films	UK Screen Alliance
Independent Cinema Office	Viacom
ITV	Warner Bros
Mammoth Screen	Warp
Nimble Dragon Productions	Wildseed Studios
Northern Ireland Screen	

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 minimum sample size of 50 respondents to be surveyed 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.

It is worth noting that, although more than half the sample participated in both the first and this second quarter, a few participants dropped out. The sample has therefore changed since quarter one and it now encompasses exhibitions (who were not included in the first wave) and a greater number of participants from animation. With this in mind, we have decided to avoid comparison with quarter one because variations in the findings could be attributable to changes in the Barometer Panel.

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

Report structure

- **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

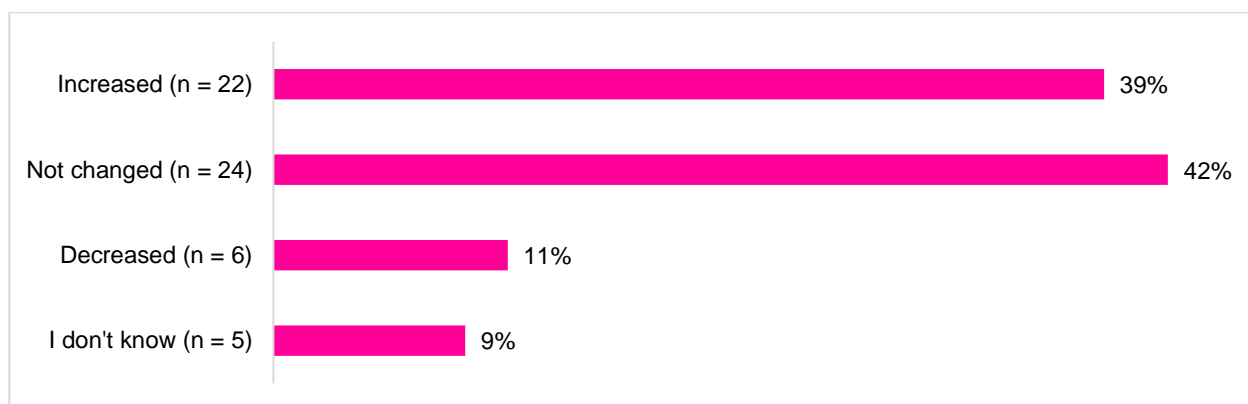
This chapter assesses whether levels of business activity have changed over the past quarter and explores the factors that are driving this.

- **The UK economy has been adversely impacted by ongoing political uncertainty, with erosion of business and consumer confidence. The picture is relatively more positive in the screen industries, with 39% of respondents perceiving that business activity had increased over the past quarter. 42% of the sample felt that it had remained constant.**
- **The continued strength of the domestic market, as well as the exchange rate performance and high levels of inward investment, were identified as significant factors supporting growth.**
- **However, Brexit, economic conditions and the limited availability of skilled workers are identified as the major factors hindering growth.**

The wider UK economy continues to be affected by ongoing uncertainty surrounding the UK's withdrawal from the European Union, with ONS reporting growth of just 1.4% in 2018: the slowest estimated annual growth since 2012 (ONS, 2019).

Data for the second wave of the Quarterly ScreenSkills Barometer (QB2) suggests that the majority of respondents think that, between November 2018 and January 2019, business activity remained stable. **39% of respondents stated that business activity had increased between November 2018 and January 2019** and 11% that it decreased (figure 4).

Figure 4: Perception of level business activity between November 2018 and January 2019



What's your view on the level of business activity across the screen industries over the last three months? (n = 57)

Generally, there were mixed reports regarding changes in the level of business activity across the different screen sectors. The larger-sized businesses in our panel appear to be the most resistant to the adverse conditions (50% of those with 250-499 employees reported growth). Those operating in film exhibition also emphasised positive performance over the past quarter, linked to the strength of new releases in the cinema.

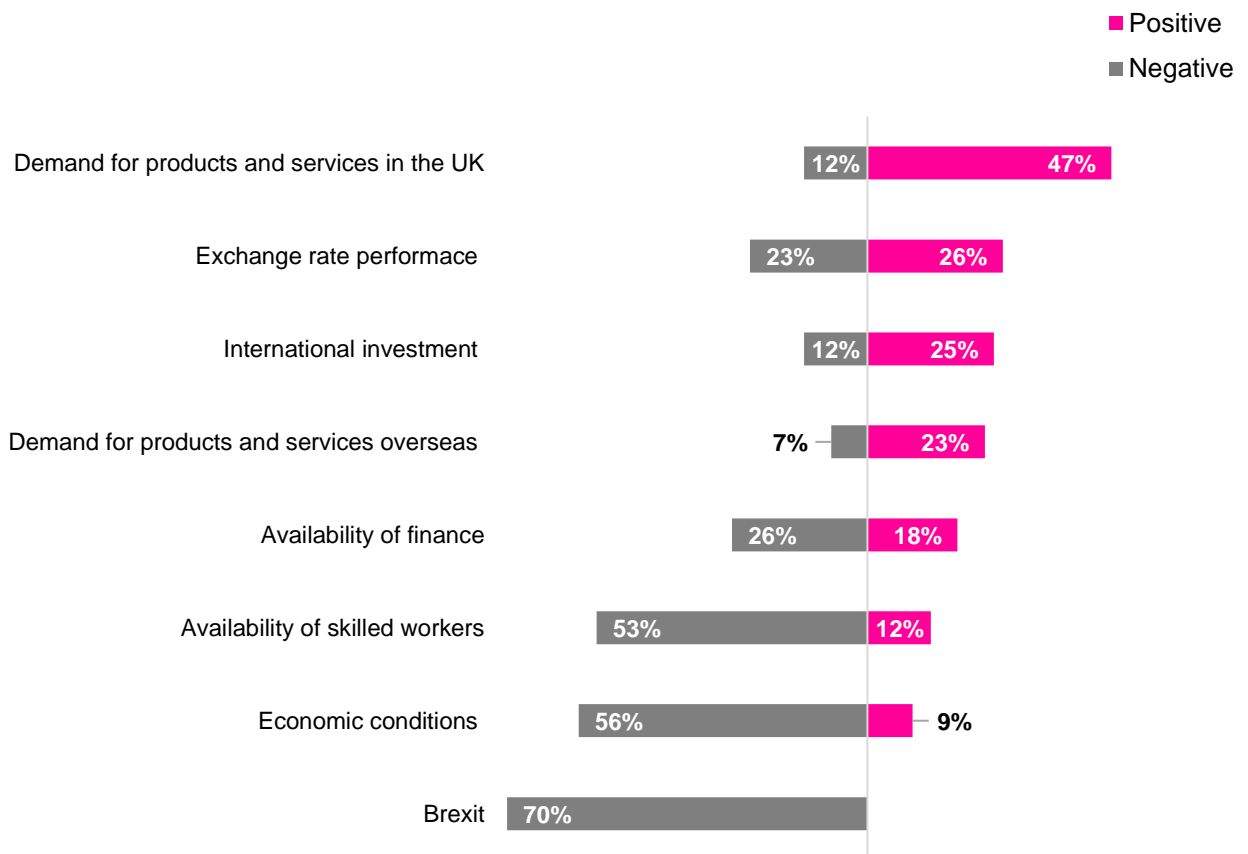
As reported in figure 5, respondents to the Barometer highlighted the **positive effect of strong domestic demand** (47%). International investment is perceived as a positive factor affecting business activities by 25% of the sample. This percentage is counterbalanced by 12% of the sample that perceives inward investment to be having a negative impact. In this regard, a number of respondents emphasised **ongoing international competition**, in particular from countries that also offer tax credits for parts of the screen sector (e.g. Canada, Ireland and France).

Another factor that seems to be having a negative impact on business activity is the **availability of finance** (18% reporting a positive impact, while 26% suggesting negative). Some panellists, particularly those from high-end TV, children’s TV and animation, point to falling advertising spend and investment in programming, which has a negative effect on financing productions.

Further, 56% of respondents reported that economic conditions were having a negative impact on growth. **70% of all respondents reported that Brexit is having a negative impact on business activity in the screen industries**, with panellists pointing to growing challenges around the recruitment and retention of skilled workers, particularly EU nationals. None of the participants thought Brexit is having a positive impact on the sector.

Indeed, **the availability of workers continues to be a significant barrier to growth for the sector**, with 53% reporting this as having an adverse impact. Some respondents suggested a shortage of talent is particularly problematic outside London and the South East (with Northern Ireland and Wales mentioned), despite a number of the panellists suggesting that Channel 4’s relocation decision and other initiatives were generating increased interest and positivity concerning the potential to strengthen regional production hubs.

Figure 5: Perception of factors affecting business activity between November 2018 and January 2019



How do you view the effect of the following factors on the level of business activity across the screen industries during the last three months? (n = 57)

3. Employment and recruitment

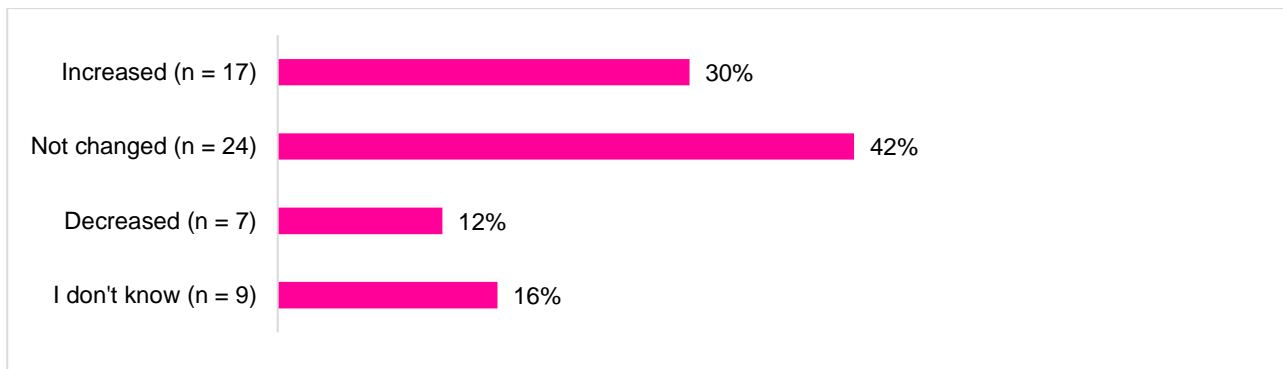
Key findings

This chapter explores whether employment numbers have changed within the screen industries between November 2018 and January 2019, where shortages exist and what is driving the job market within the sector.

- **42% of respondents to the Barometer felt that the number of workers had remained stable, with 30% of the sample thinking that it has increased.**
- **68% of those surveyed suggested it was difficult to recruit, with respondents highlighting difficulties filling a wide range of roles.**
- **The sector feels the impact of skill shortages in a number of ways, including wage inflation and increased operating costs, along with an ability to deliver.**

Figure 6 refers to the perception of changes in the number of workers between November 2018 and January 2019. 30% of respondents to this period’s Barometer stated that they perceived an increase in the number of workers. 42% believed there had been no change in the level of employment and a significant minority of 12% reported a decline.

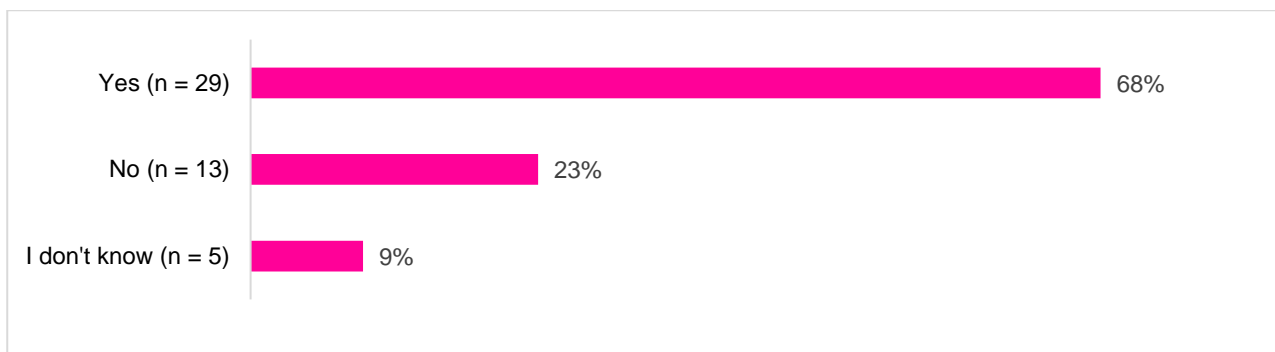
Figure 6: Perception of changes in the number of workers between November 2018 and January 2019



In the last quarter do you think the number of workers (including full-time, part-time and freelance roles) has... (n = 57)

As shown in figure 7 below, a sizeable **68% of respondents stated that it had been difficult to recruit for particular roles.**

Figure 7: Recruitment difficulties between November 2018 and January 2019

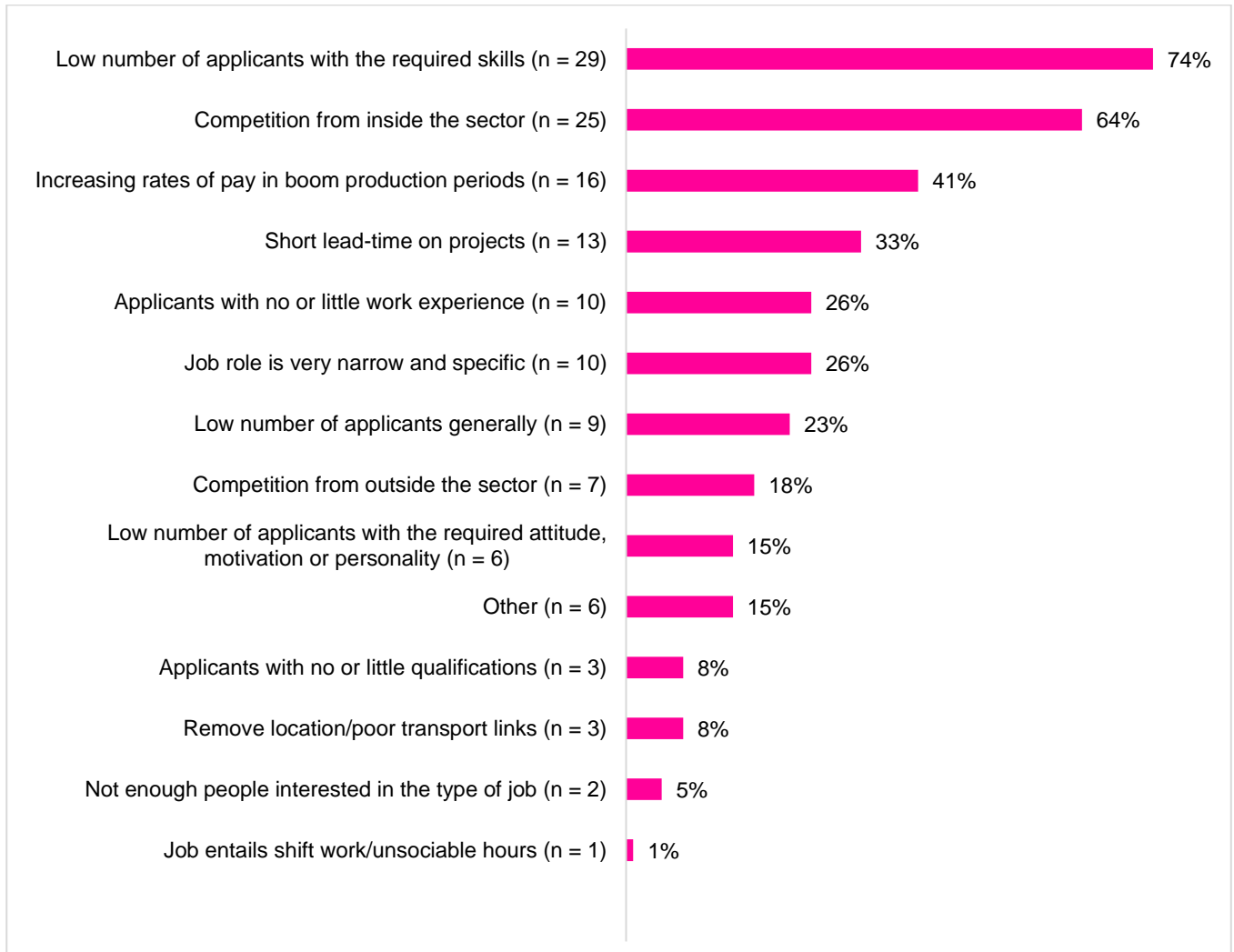


Are you aware of any recruitment difficulties in the sector over the last three months? (n = 57)

Of the Barometer respondents who stated they had experienced difficulties, 75% identified the **low number of applicants with the required skills** and 64% identified **competition from inside the sector**

as the primary causes of the difficulties (figure 8). Competition from outside the sector is also a concern for those sectors that share workforce with other industries such as advertising. According to one panellist, for example, independent TV and film producers struggle to compete with commercial rates for animators on a broadcast budget. This damages their ability to crew up for traditional 2D special effects.

Figure 8: Perception of the main causes of recruitment difficulties between November 2018 and January 2019



What were the main causes of recruitment difficulties in your subsector(s)? (n = 39) *Note: this question was only addressed to the 39 respondents who were aware of recruitment difficulties in their subsector(s) in the last three months. Respondents were given the opportunity to provide more than one answer.

Moreover, as illustrated in figure 9 respondents identified a range of different roles as difficult to recruit for. As for the previous Barometer, this included a range of production roles within film and TV, as well as key creative and technical roles. With the addition of cinemas to this wave of the Barometer, the list includes a shortage of cinema operators and technical managers (projection).

A range of roles continue to prove difficult to recruit for in the VFX sector (including assistant technical directors, creature FX TD, head of production, lead digital matte painter and VFX producer) and games (AI, engine and network programmers, and technical, UI and VFX artists). With a bolstered sample from the animation sector, this iteration of the Barometer identifies a significant number of hard-to-fill occupations, including key production, creative and technical roles.

Figure 9: Views on hard-to-fill jobs

Which jobs were hard to recruit for?

Film		Unscripted TV	
Art director	Location manager	Assistant producer	
Assistant accountant	Marketing manager	Development producer	
Assistant director	Marketing officer	Edit producer	
Audience development/market research	Painter	Editor	
Carpenter	Plasterer	Music researcher	
Cinema operations manager	Producer	Production coordinator	
Concept artist	Production accountant	Series edit producer	
Curator	Production coordinator	Series producer	
Development (fundraising) manager	Production manager	Shooting researcher	
Director of marketing	Props master		
Director of photography	Script editor		
Editor	SFX technician		
Electrical rigger	Sparks		
Electrician	Strategic operations director		
Finance manager	Technical manager - projection		
Grip			
Line producer			

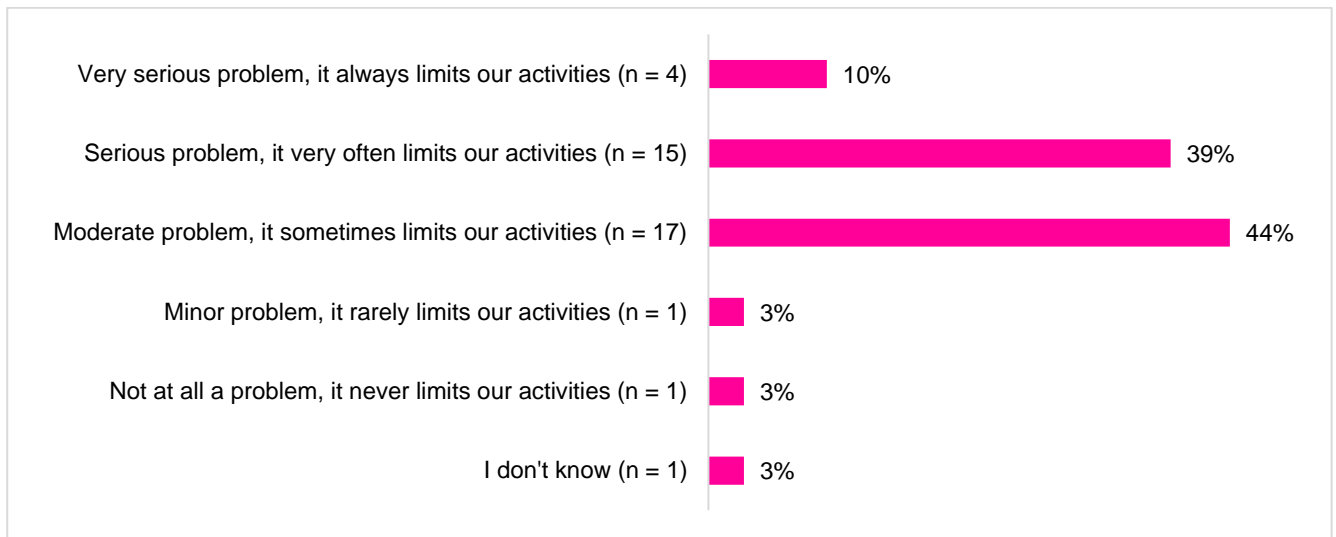
High-end TV		VFX	
Accounts assistant	Focus puller	Assistant technical director	
Art director	Line producer	Creature FX TD	
Assistant accountant	Location manager	Head of production	
Assistant location manager	Producer	Lead digital matte painter	
Assistant production accountant	Production accountant	VFX producer	
Clapper loader	Production coordinator		
Coordinator	Production manager		
Director	Script editor		
Edit assistant	Second assistant director		
Editor	Set decorator		
Financial controller	Unit manager		
First assistant director	VFX coordinator		

Animation	
2D animator	Producer
3D animator	Production accountant
Animation director	Production manager
Art director	Rigging TD
Commercial manager	Senior 2D BG designer
Creative producer	Senior 2D character designer
Director	Senior 2D props designer
Layout artist	Series producer
Lead animator	Storyboard artist
Lead character modeller	Systems administrator
Lead environment artist	Talent manager
Lead FX artist	Technical director
Model maker	

Children's TV		Games	
Compliance executives	Production coordinator	AI programmer	
Director	Production manager	Engine programmer	
First assistant director	Production secretary	Network programmer	
Line producer	Programme planner	Technical artist	
Location manager	Script editor	UI artist	
Media planner	Script supervisor	VFX artist	
Post production editor	Second assistant director		
Producer	Sparks		
Production accountant	TV research analyst		

As shown in figure 10, nearly half (49%) of panellists considered the difficulty in recruiting as a serious or very serious problem that always or very often limits activities, while a further 44% of the sample felt that recruitment difficulties represent a moderate issue.

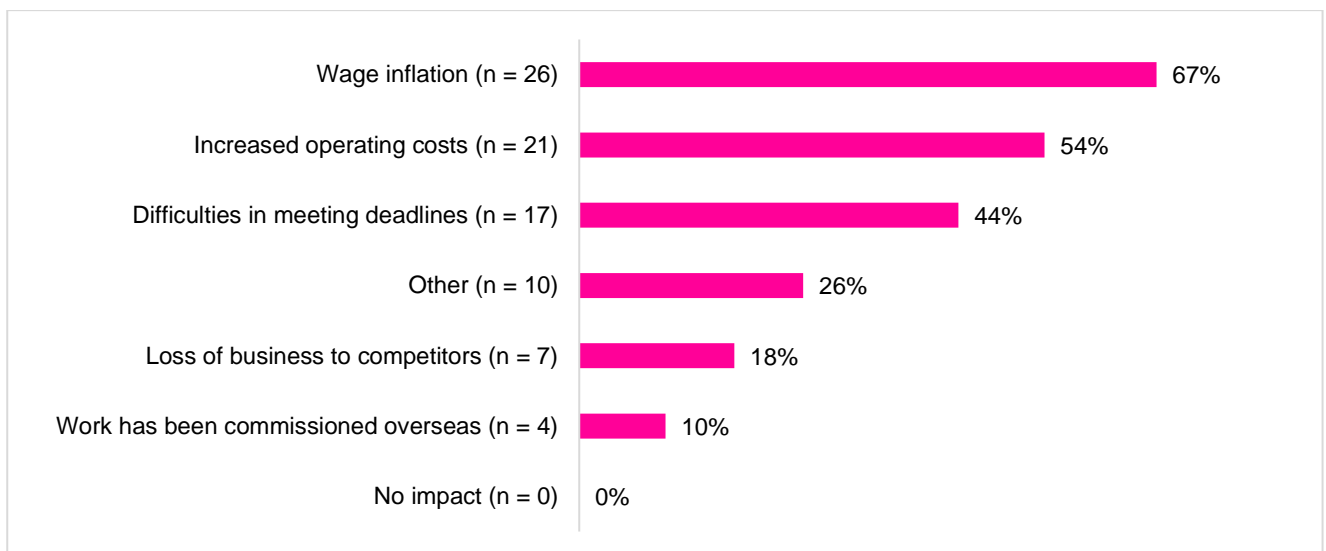
Figure 10: Views on the impact of recruitment difficulties between November 2018 and January 2019



How severe do you consider the problem of recruitment difficulties related to lack of relevant skills, qualifications or experience over the last three months? (n = 39) *Note: this question was only addressed to the 39 respondents who stated they were aware of recruitment difficulties in their subsector(s) over the past three months.

The primary effects of these recruitment difficulties were identified as wage inflation (67%) and increased operating costs (54%). 44% of the sample also felt that there was a direct correlation between increased recruitment difficulties and their ability to deliver (i.e. missed deadlines). Indeed, some respondents suggested that it was taking longer to crew-up (in the case of production), leading to delays in starting work (figure 11). Employers are sometimes forced to recruit underqualified and inexperienced applicants, who then need training to enable them to deliver up to standard.

Figure 11: Views on the consequences of recruitment difficulties between November 2018 and January 2019

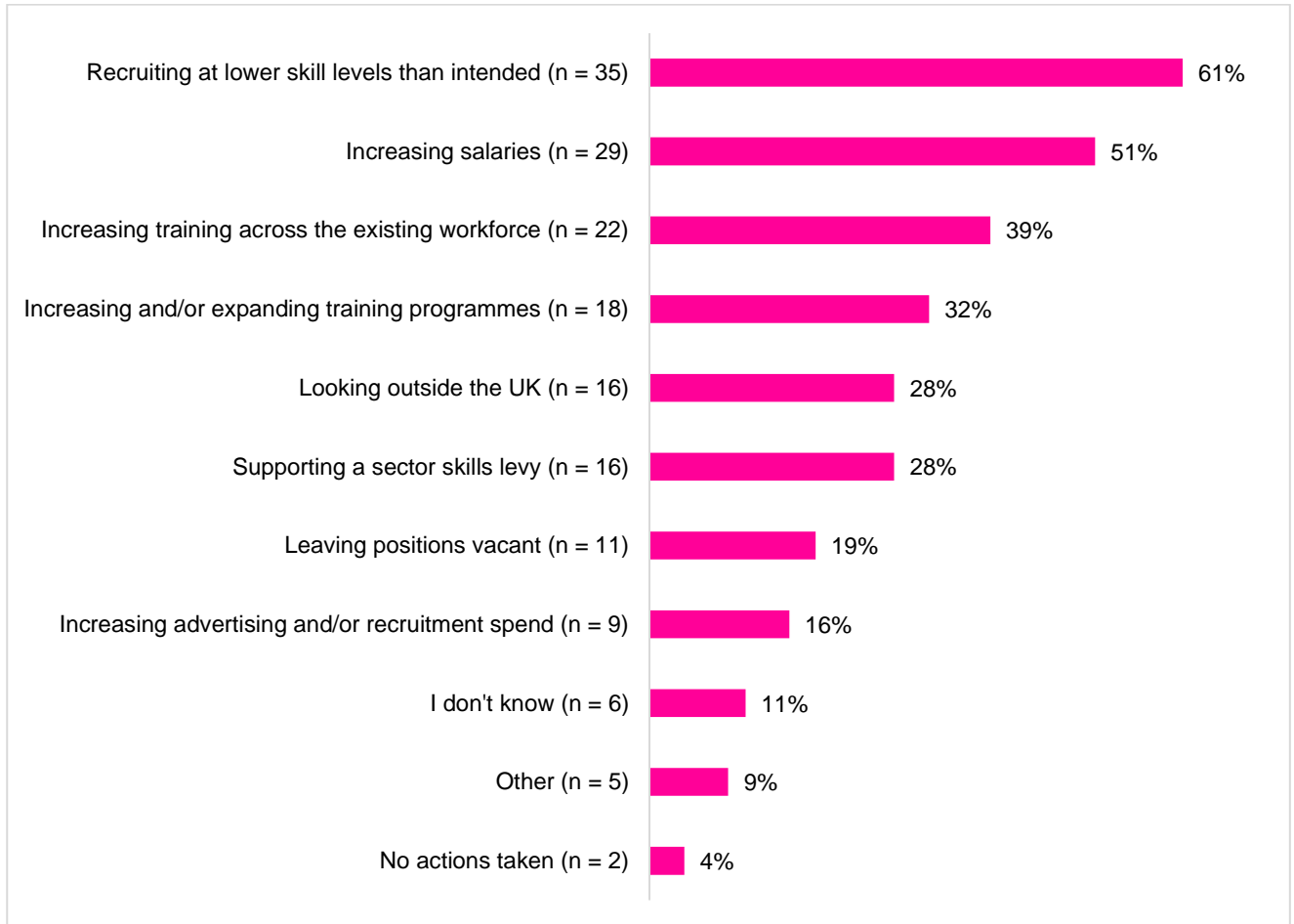


What has been the effect of any recruitment difficulties over the last three months? (n = 39) *Note: this question was only addressed to the 39 respondents who stated they were aware of recruitment difficulties in their subsector(s) over the past three months. Respondents were given the opportunity to provide more than one answer.

This is also shown in figure 12 where the most commonly identified action taken to overcome recruitment difficulties was to recruit at lower skill levels than intended (61%). This does, however, appear to be creating knock-on effects, with some panellists suggesting appointing at a lower skill

level than required is having a negative impact on the quality of work and placing a strain on the existing workforce. In line with the findings in figure 12, moreover, half of the sample pointed to the need to increase salaries to attract applicants.

Figure 12: Actions taken to overcome recruitment difficulties between November 2018 and January 2019



What actions have employers taken to overcome any recruitment difficulties in the last three months? (n = 57) *Note: respondents were given the opportunity to provide more than one answer.

4. Investing in skills

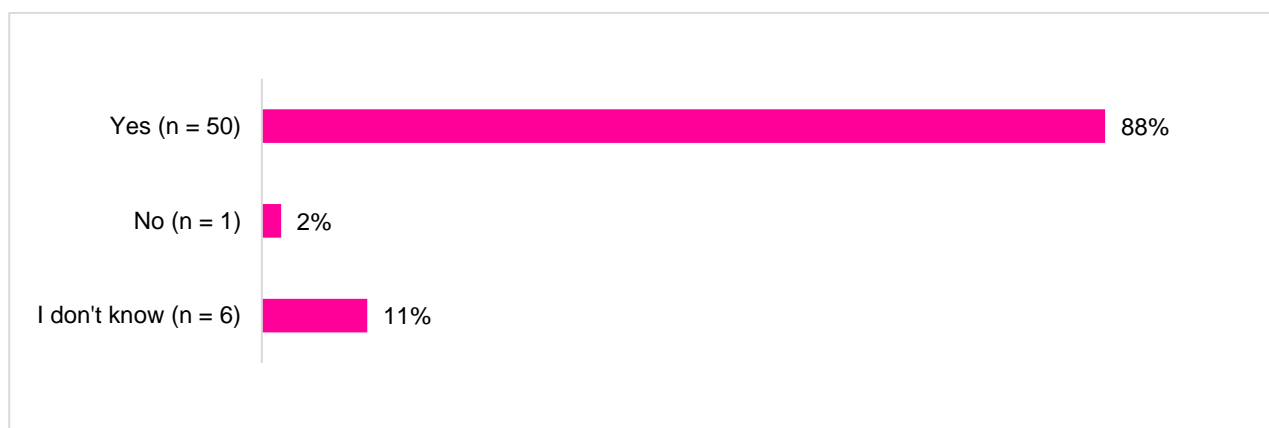
Key findings

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

- **88% of respondents are aware of skill gaps amongst the existing workforce.**
- **Managerial skills were most commonly cited as lacking. However, respondents identified a range of technical and job-specific skills deficiencies, associated with the production office, key creative and technical skills, business skills and IT software skills.**
- **Despite widespread skill gaps, only 18% of respondents were confident that employers are investing enough in workforce skills. Cost and a lack of time to participate in training were identified as the primary barriers to training.**

The pace of change in the UK screen industries, coupled with a lack of skilled workers in the external labour market, continues to have an impact on the sector. As figure 13 illustrates, **88% of respondents are aware of skills gaps in the existing screen industries workforce**. Evidence suggests that this is considerably higher than other parts of the economy¹.

Figure 13: Perception of skills gap amongst the existing workforce between November 2018 and January 2019

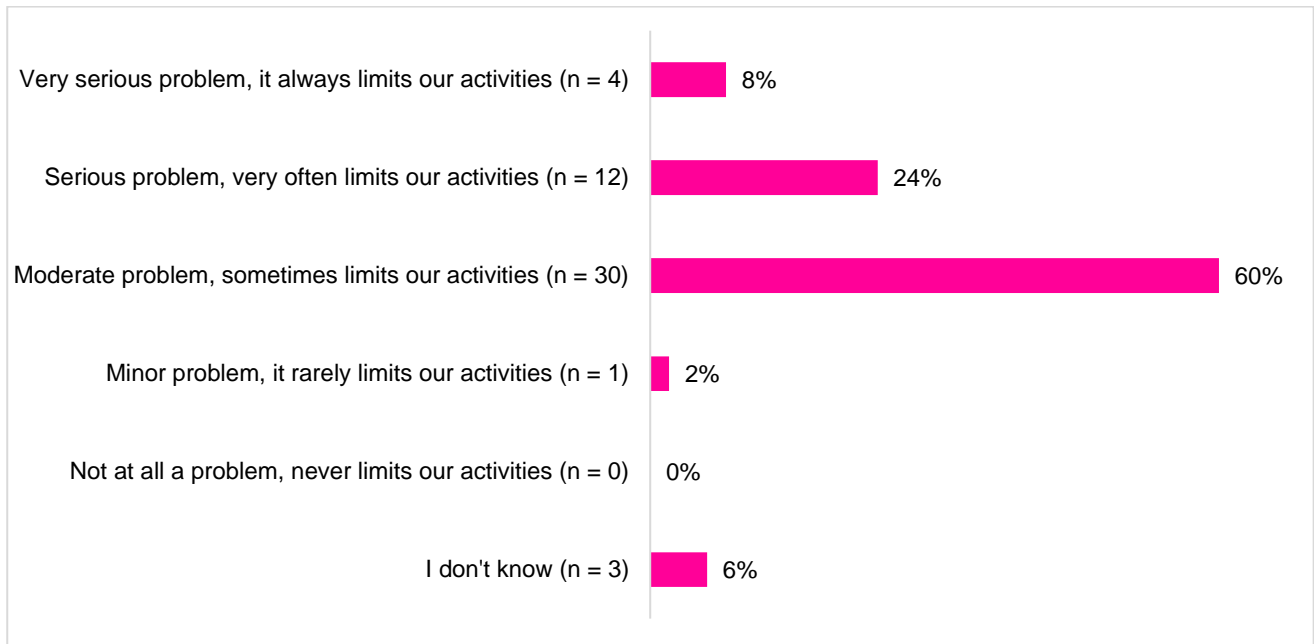


Are you aware of any skills gaps among those currently working in your subsector(s), including in-house personnel and freelancers? (n = 57)

Furthermore, **nearly one third (32%) of panellists considered skill gaps to be a serious or very serious problem**, always or very often limiting activities in the sector (figure 14). A small minority of respondents (2%) stated that skills gaps are causing only minor problems.

¹ Compared with the 2017 Employer Skills Survey of the Department for Education (2018), where only 13% of UK employers believed they had any skill gaps in their workforce.

Figure 14: Views on the impact of skills gaps on business activity between November 2018 and January 2019



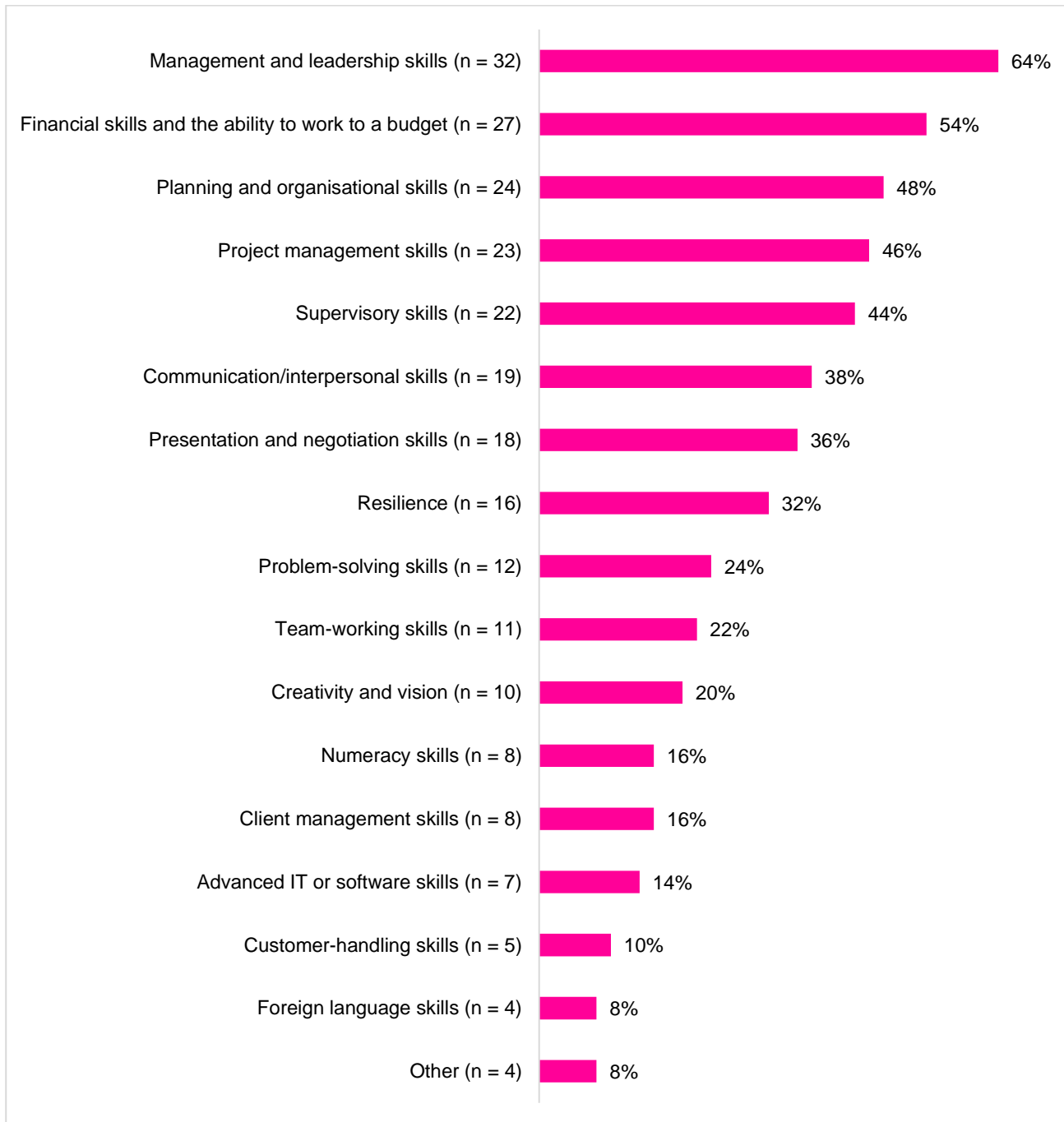
How severe do you consider the problem of skills gaps in the existing workforce (including payroll and freelancers) over the last three months? (n = 50) *Note: this questions was only addressed to the 50 respondents who reported they were aware of skills gaps in the current workforce.

As illustrated in figure 15, **the top five most commonly reported skills gaps were managerial in nature**. This is supported by wider research that reports a managerial skills gap across the UK economy. For example, poor management practices among UK firms are thought to play a significant role in hindering growth in productivity (Bloom, Sadun & Van Reenen 2017).

Around half (54%) of respondents reported a lack of financial skills and ability to manage a budget. Moreover, a large proportion of panellists emphasised a lack of skills in business management, legal and negotiation, HR/people management, accounting, budgeting, financial forecasting and reporting.

However, there appear to be variations in the specific nature of skills challenges faced by each subsector. Management and leadership skills, for example, were widely cited by panel members from animation, film, games, high-end TV, and VFX. In children's TV, a lack of planning and organisational skills was reported as the biggest challenge.

Figure 15: Views on general skills gap in the existing workforce between November 2018 and January 2019



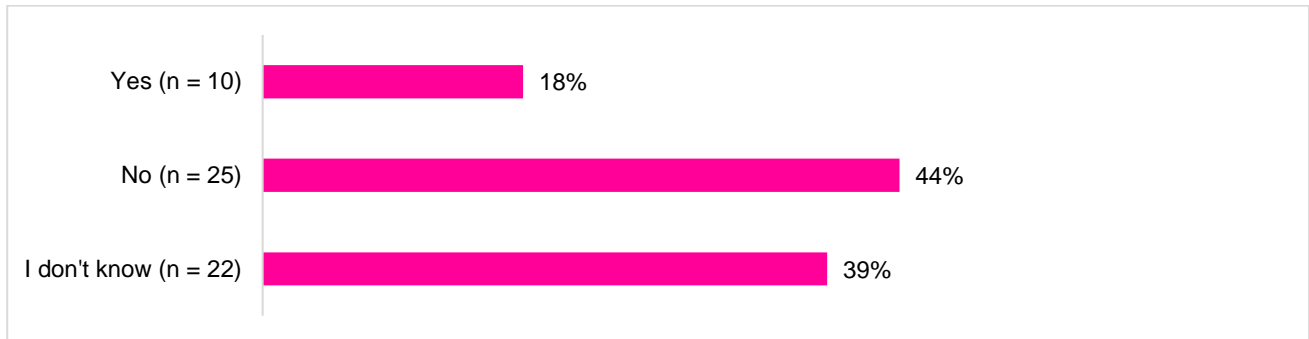
In relation to your subsector(s), which of the following transferable skills are lacking in the existing workforce, including in-house personnel and freelancers? (n = 50) *Note: respondents were given the opportunity to provide more than one answer.

Looking at the technical skills most commonly cited as missing, a significant number of gaps were associated with:

- **the production office** - including gaps in project planning, programming and scheduling, programme and production management, and research skills
- **key creative and technical skills** - including script-writing, directing, editing, curation, animating, graphics, design, compositing, story-boarding, layout artistry, lighting, props, developers and cinema technical skills
- **business skills** - including data analysis, marketing and event management
- **IT skills** - including AI and machine learning, and proficiency in Houdini, Maya, CELAction, Impact, Movie Magic, Shotgun, PMI Accounts, Mudbox, PanelForge, Toon Boom, Unity and Unreal development all mentioned

Respondents were then asked their perception of the level of investment in training and skills development in the sector. **Only 18% of Barometer respondents stated that employers had invested enough in workforce training and skills** (figure 16). A significant proportion of respondents (44%) stated that employers had not invested enough.

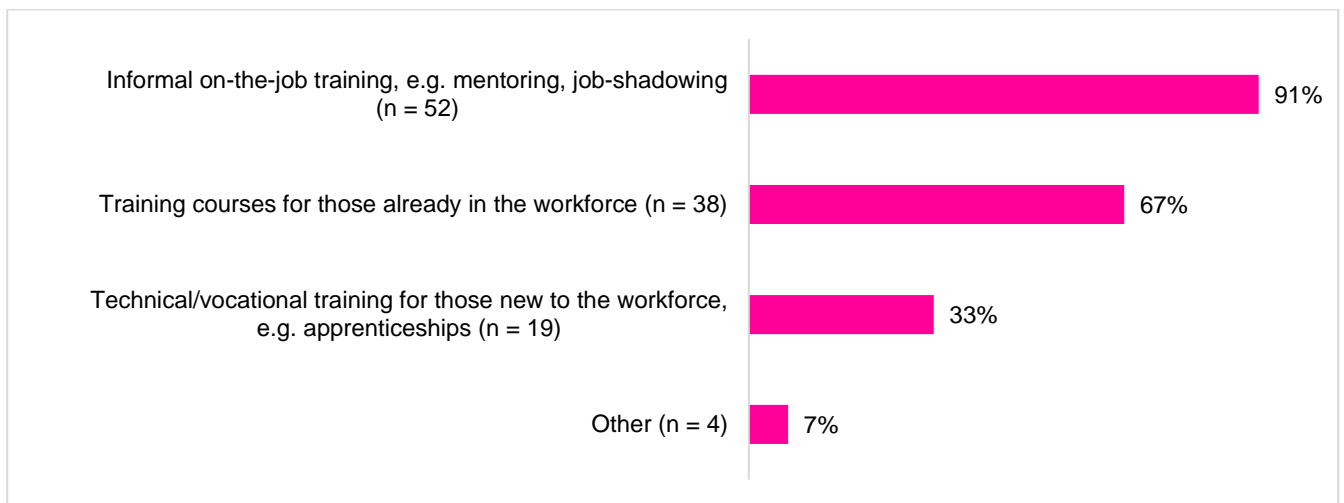
Figure 16: Views on investment in training and skills development between November 2018 and January 2019



Do you think employers have invested enough in workforce training and skills development over the last three months? (n = 57)

The vast majority of respondents (91%) pointed out that **training is delivered informally**, through on-the-job training or mentoring and job-shadowing (figure 17). Moreover, two-thirds reported that employers provide training courses for those currently in the workforce, **although only one-third cited the use of technical/vocational training**, such as apprenticeships, for new entrants.

Figure 17: Types of training and skills development used between November 2018 and January 2019



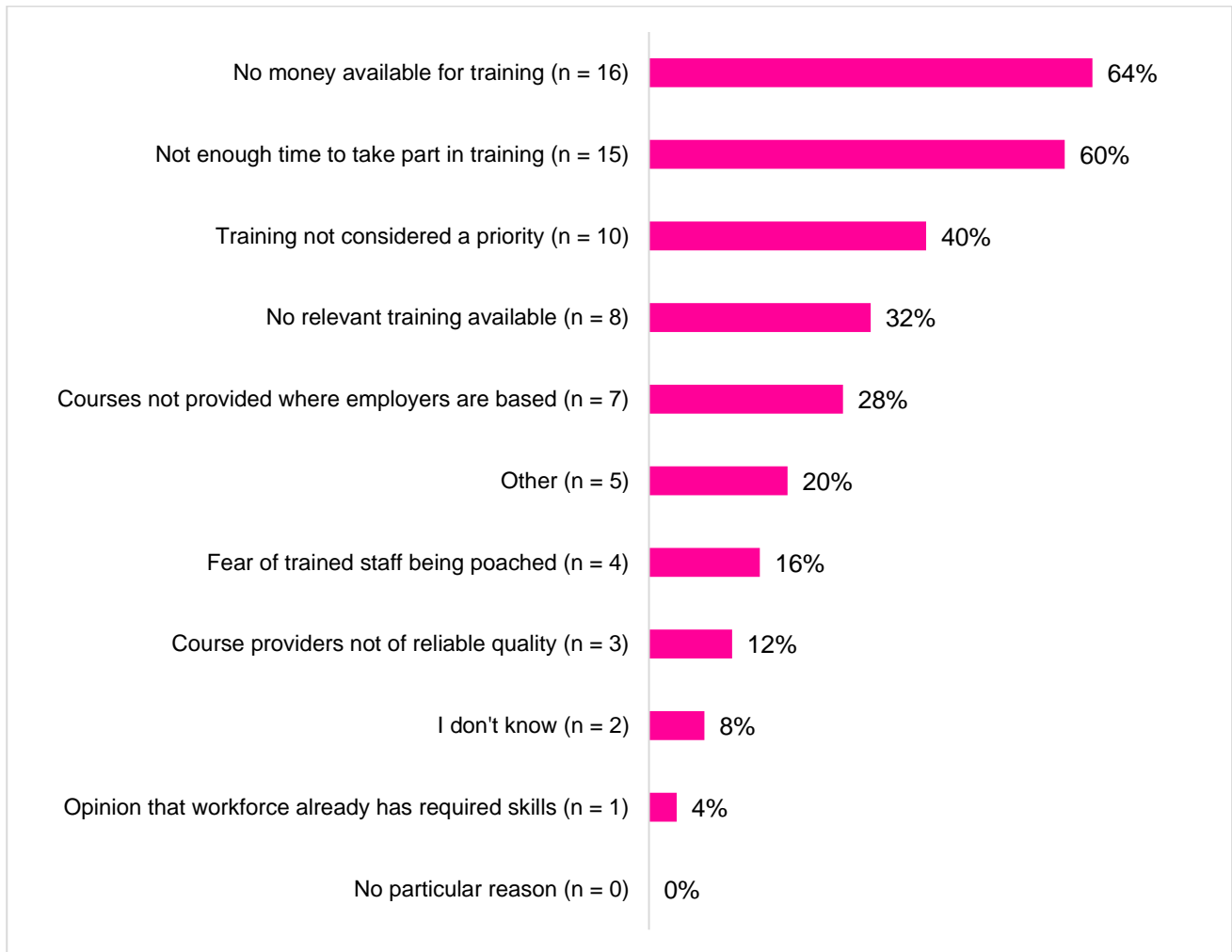
In the last three months, what types of training and skills development have employers used? (n = 57) *Note: respondents were given the opportunity to provide more than one answer.

When asked about the factors that prevented employers from funding or arranging training over the past three months (figure 18) respondents pointed to **a lack funds available for training** (cited by 64% of respondents) **and/or a lack of time to take part in training** (60%).

40% of respondents suggested that employers did not consider training to be a priority. Analysis of the open-ended questions suggests that this could be related to the freelance nature of the workforce (particularly in production). For instance, one respondent said there was resistance to investing in freelancers who may only be with a company for one production. Another panellist stated that the cost of training new entrants who may afterwards become a resource to other employers is a barrier to training provision and workforce development.

Moreover, 32% stated that no relevant training was available and 28% said courses were not provided where employers are based.

Figure 18: Views on barriers to funding or arranging training between November 2018 and January 2019



Over the last three months, which factors have prevented employers from funding or arranging training? (n = 25) *Note: this question was only addressed to the 25 respondents who reported that employers do not invest enough in training and skills development. Respondents were given the opportunity to provide more than one answer.

Recent announcements, such as Screen Scotland’s £100,000 fund to support individuals working in film and television to access training, mentoring and other professional development (Screen Scotland, 2019), and ScreenSkills supported training programmes (ScreenSkills, 2018) and new regional Centres of Excellence currently piloting in Yorkshire (ScreenSkills, 2018), are intended to address skills deficiencies across the sector.

5. Future outlook

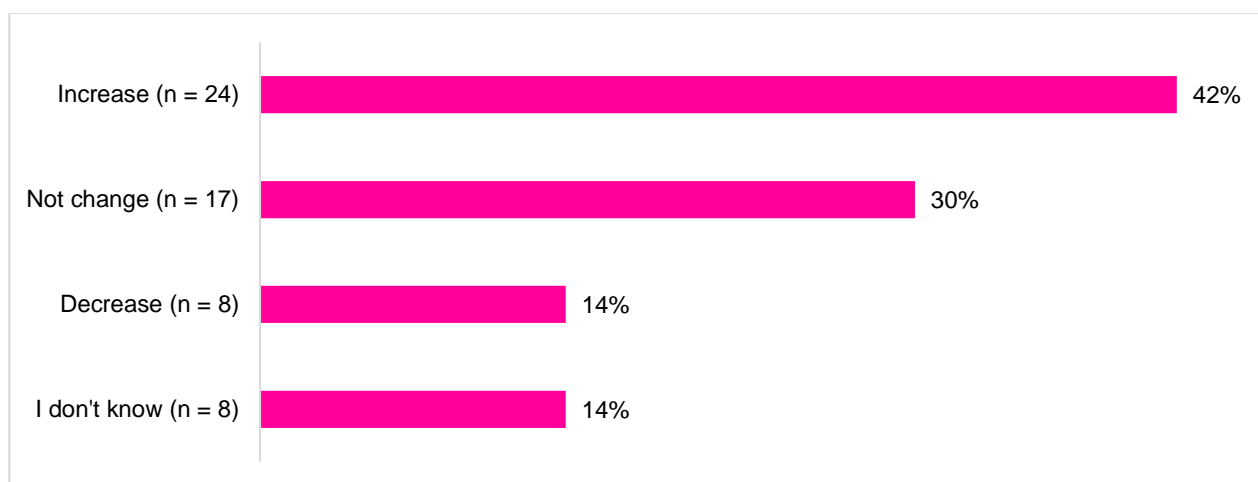
Key findings

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.

- **Recent data from the Barometer survey points to optimism for future growth of the screen industries.**
- **Brexit and the availability of skilled workers are expected to have the most impact on the sector's short-term prospects. The availability of finance is also an increasing concern for panel members.**
- **Pressure on the labour pool is expected to continue, with respondents anticipating continued skill shortages in a wide range of roles across all parts of the screen industries.**

Despite increased economic and political uncertainty, **42% of all respondents expect business activity to increase during the next three months** (figure 19). Only 14% of the panellists expect business activity to decrease.

Figure 19: Future expectations for business activity in the screen industries



How do you think business activity across the screen industries will change during the next three months? (n = 57)

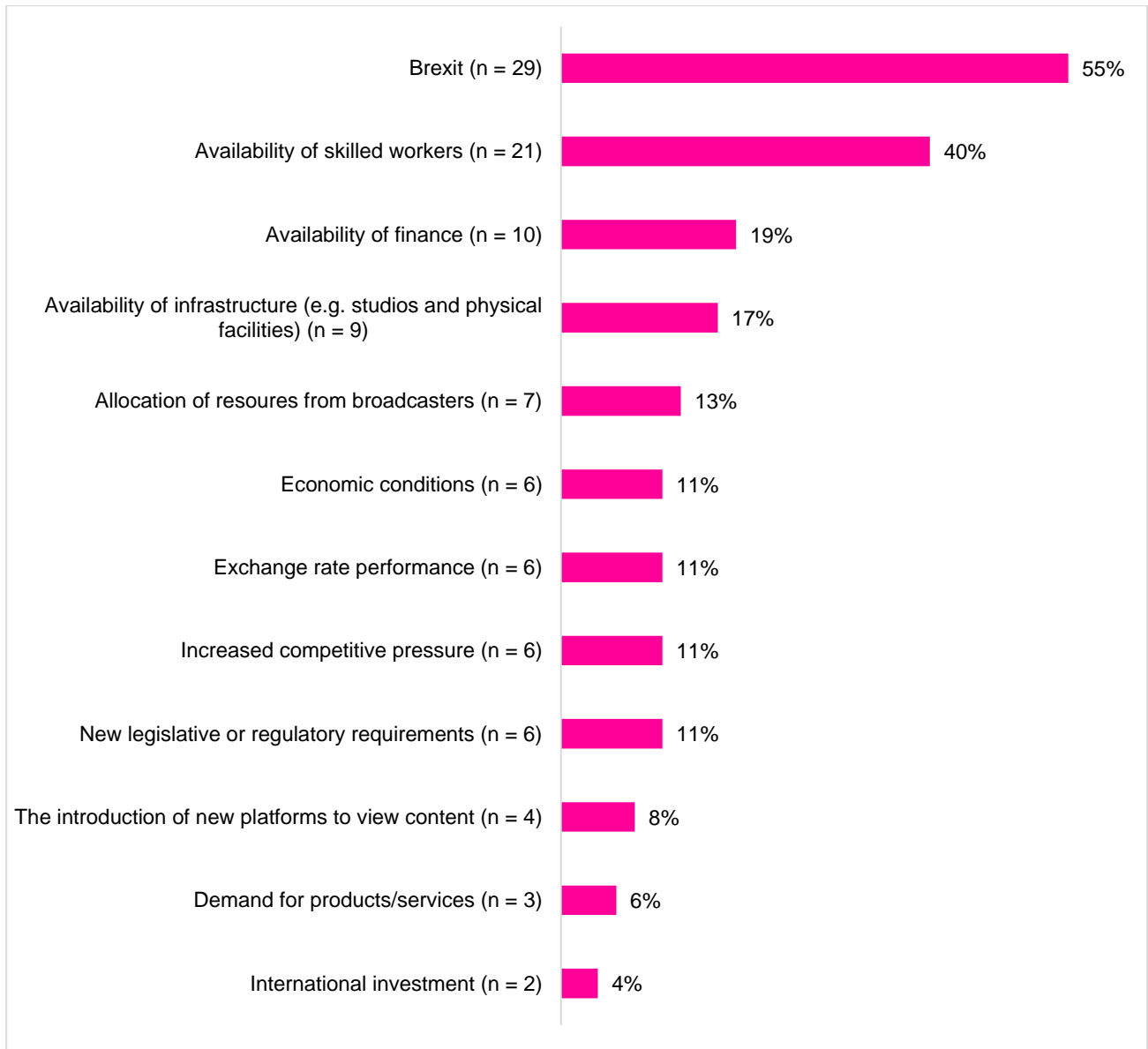
However, given the economic and political uncertainty caused by the UK's pending exit from the European Union, it is perhaps unsurprising that **Brexit is identified as the most important factor affecting business activity in the screen industries over the next three months**, cited by 55% of our respondents (figure 20). Respondents also predict that **the availability of skilled labour will be a significant factor affecting business activity over the next three months**, cited by 40% of respondents.

The availability of finance was also identified as an important factor that will impact on the sector, suggesting that business may be compromised by current political uncertainty and adverse economic conditions. Recent reports suggest, for example, that TV advertising revenue has decreased due to Brexit (Bloomberg, 2019).

There may also be more structural changes arising from Brexit which could have an impact on the sector. The BFI has confirmed that the UK's bi-lateral treaties will remain in place after Brexit (BFI, 2019). There are, however, concerns that in the event of a no-deal Brexit, the movement of goods with the EU may require ATA carnets or customs declarations, as with other non-EU countries (DCMS, 2018).

Broadcasters and on-demand service providers are also gearing up to mitigate the impact of Brexit on their broadcasting rights within the EU. These issues, together with potential loss of Creative Europe funding, access to the European creative talent pool and a common regulatory framework, mean that some businesses from the screen sector are exploring options to co-locate in continental Europe (The Guardian, 2019; Advanced Television, 2019). For example, the BBC is planning to set up a base in Brussels or Amsterdam (Broadband TV News, 2019).

Figure 20: Perception of factors affecting business activity in the screen industries in the next quarter

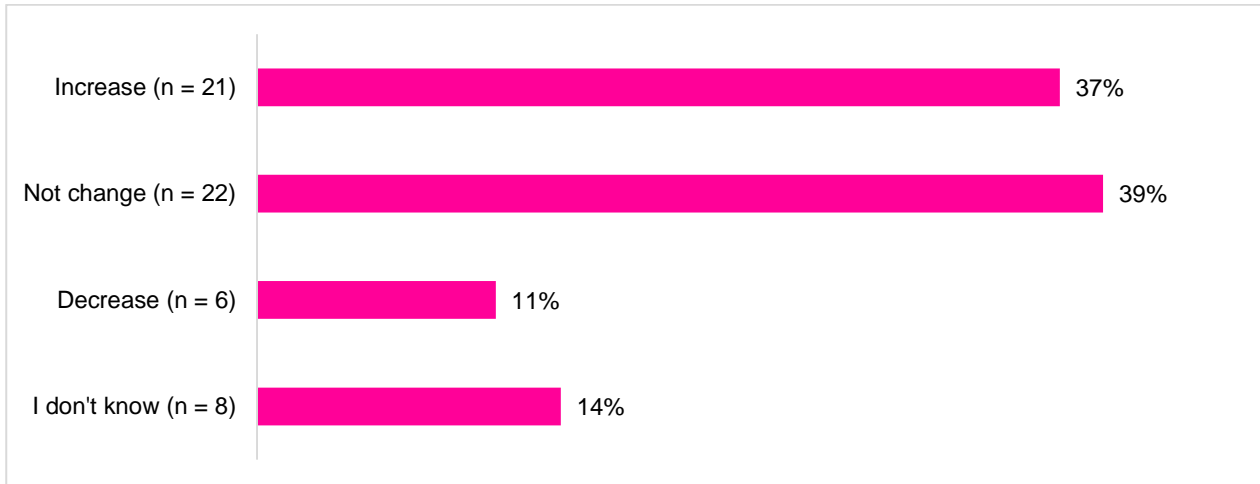


What do you see as the most important factors affecting business activity across the screen industries over the next three months? (n = 53) *Note: respondents were given the opportunity to provide more than one answer.

Brexit aside, the pace of technological innovation and changing consumer demand is likely to continue unabated. There are widespread predictions that the dominance of major players in the streaming market is likely to be challenged (Canada Media Fund, 2019; Nostradamus, 2019). As well as Britbox, the BBC and ITV's joint answer to Netflix in the UK, other news reports suggest that Disney, WarnerMedia and Amazon are also planning new services (Consumer Reports, 2019). In March 2019, for instance, Apple (2019) announced it will launch its Apple TV+ streaming service in the autumn of this year.

The Barometer finds that a vast majority of respondents (76%) think that the overall number of workers will stay the same or increase in the next quarter (figure 21). The findings indicate there are variations between the subsectors, with respondents for high-end TV, unscripted TV and games being more likely to think that the workforce will increase than panellists responding for animation, children’s TV, film and VFX.

Figure 21: Expectations for employment in the screen industries in the next quarter



In relation to your subsector(s), how do you expect the overall number of workers (including in-house personnel and freelancers) will change in the next three months? (n = 57)

Those respondents who predicted an increase in employment figures identified a wide range of jobs/roles that will be hard-to-fill. Roles that are currently hard-to-fill are widely expected to be also difficult to recruit for in the future.

Figure 22: Perception of hard-to-fill jobs

Which jobs will be hard to recruit for in the next quarter?

Film		High-end TV	
Animation director	Lead animator	Accounts assistant	Financial controller
Art department runner	Lead digital matte painter	Art director	First assistant director
Assistant editor	Line producer	Assistant editor	Focus puller
Character designer	Location designers	Assistant location manager	Line producer
Cinema manager	Marketing manager	Assistant production accountant	Location manager
Cinema technician	Production accountant	Clapper loader	Producer
Development officer	Production coordinator	Construction manager	Production accountant
Development producer	Production manager	Director	Production coordinator
Edit producer	Programmer	Editor	Production manager
Event manager	Project/content producer	Episodic director	Second assistant director
Finance director	Projectionist		Set decorator
First assistant director	Props designer		Unit manager
Fundraiser	Screenwriter		
HR manager			
Children's TV			
Continuity producer	Production accountant		
Data wrangler	Production assistant		
Director	Production coordinator		
First assistant director	Researcher		
Line producer	Series producer		
Location manager	Storyboard artists		
Producer			
Animation		Unscripted TV	
2D animator	Line producer	Editor	
3D animator	Network programmer	Location manager	
AI artist	Production coordinator	Producer	
Art director	Production manager	Production finance	
Assistant accountant	Senior designer	Production manager	
Assistant coordinator	Storyboard artist	Series producer	
Creative producer	Technical artist	Shooting assistant producer	
Engine programmer	UX & UI designer		
Layout artist			
Games		VFX	
Programmer		Compositing artist	Producer
Storyboard artist		Creature TD	Production manager
		Houdini creature FX TD	Sales director
		Houdini generalist	Senior 2D designer
		Line producer	Storyboard artist
		Pipeline TD	VFX supervisor

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.

- **Respondents to the second Barometer highlight the importance of bursaries, better careers education, advice and guidance; improvements to the quality and relevance of education and vocational training including apprenticeships and management and leadership training; and opportunities to gain experience of ‘real-life’ or simulated work environments.**
- **There is clear recognition of the need to increase employer investment in training, along with retraining and return to work schemes; more inclusive recruitment and working practices; and enhanced total reward packages to help address skill shortages and gaps.**

In the face of ongoing skills challenges impacting the screen industries, Barometer panellists were asked their views on the steps the sector needs to take to address these issues.

As illustrated by figure 23, **there appears to be significant support for bursaries for traineeships/internships/work experience**, which were most commonly cited by respondents (74%).

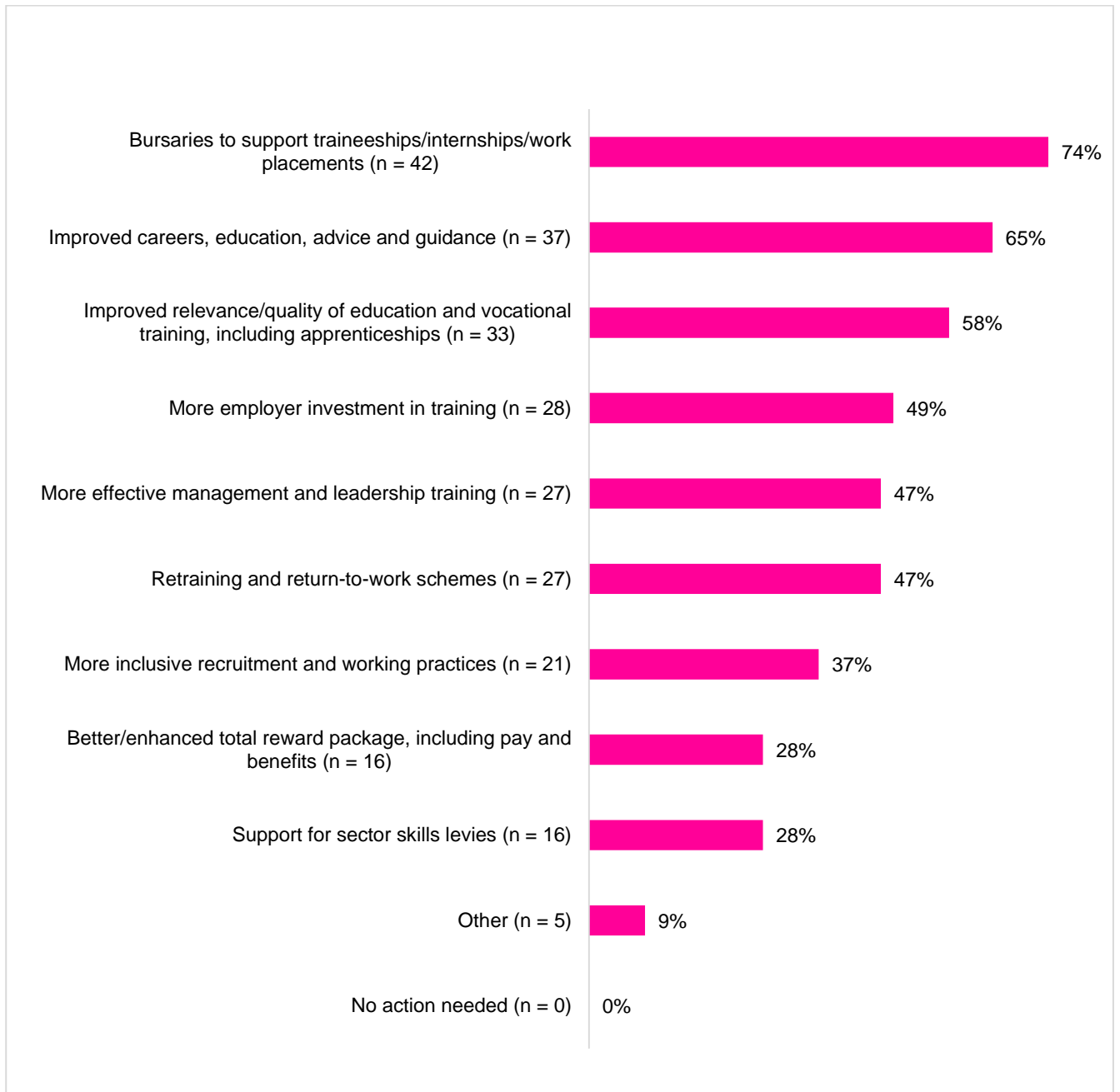
Other areas of emphasis include **the need to improve careers education, advice and guidance**, identified by 65% of Barometer panellists. ScreenSkills’ Creative Careers Programme (launched in March 2019), should go some way to respond to these demands, with £2 million of investment to transform careers information and develop new apprenticeship standards (ScreenSkills, 2018).

Improvements to the relevance and quality of education and vocational training, including apprenticeships, were also commonly cited, by 58% of respondents; as were more effective management and leadership training, identified by 47% of respondents.

These interventions would help address some of the ‘supply-side’ or provision-related issues underlying the skill shortages and gaps identified in chapters 3 and 4 (respectively). However, a number of panellists emphasised the importance of hands-on or on-the-job training, such as the ScreenSkills Make a Move programme, or specialist learning environments that simulate real-life work challenges, to **ensure new entrants are work-ready and support upskilling and progression among those working in the industry**.

There is also **clear recognition that employers must invest more in training**, with 49% of all respondents citing this. A number of other activities are also mentioned as ways to ease recruitment difficulties, including retraining and return-to-work schemes, more inclusive recruitment and working practices and better/enhanced total reward package.

Figure 23: Views on how to best respond to skill challenges



Which of the following do you think would help to reduce recruitment difficulties? (n = 57) *Note: respondents were given the opportunity to provide more than one answer.

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