



Northern Ireland
Assembly

Committee for Culture, Arts and Leisure

OFFICIAL REPORT (Hansard)

Inquiry into Maximising the Potential of the
Creative Industries in Northern Ireland:
CementWorks Film Facilities/John Edmund

17 May 2012

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr Dominic Bradley
Mr David Hilditch
Mrs Karen McKeivitt
Mr Cathal Ó hOisín

Witnesses:

Mr John Anderson	CementWorks Film Facilities
Mr John Edmund	Consultant

The Chairperson: We will now hear evidence from Mr John Anderson, who is a partner in CementWorks Film Facilities, and Mr John Edmund, who is a consultant. Gentlemen, you are both very welcome to the Committee. Thank you for your submission and for attending our stakeholder event and coming here today. Please make an opening statement, and members will follow up with some questions.

Mr John Anderson (CementWorks Film Facilities): I will lead off and John will follow, or we will split it into two halves, whatever is handiest. Thank you, Chair and members, for the opportunity to present. Before I make my points, I will run through my background. I am engineer. I trained originally in the racing car industry, and, since 1976, I have been running my own business. I have served as an independent local councillor, and I have been and still am a member of a number of committees and bodies that deal with built heritage and the environment. I include that as an indication of my familiarity with the decision-making processes in local and central government. I have been involved with the film industry, on and off, since 1990. During that time, I have had the opportunity to observe at close quarters the many disciplines working in the industry in Northern Ireland, the Republic and across the water on both successful and disastrous productions, such is the nature of the industry.

Since 2004, I have been bringing film productions to the 400-acre site of the former Magheramorne cement works outside Larne. This site has had planning permission for a film studio since 2009. Following meetings with Ministers at the start of 2011, I have been liaising with Planning Service on the matter of developing a process whereby temporary planning approvals for exterior film sets may be integrated into the existing planning regulations. Over the years, I have observed, on set and in construction lots, probably a collective 250,000 man-and-woman-hours of film industry work across the various trades and professions.

The Committee will be well aware of the potential for the Northern Ireland industry in a world where the market for film and television productions is increasing incrementally as more and more of the

global population can access the means to view and have time available for viewing. As with all industries in a global marketplace, the key to continued success is to achieve and maintain a competitive edge. In Northern Ireland, a technical skill set and expertise has been built up since the early 1990s. There are obvious and varied physical attributes of our landscape and location opportunities allied to a benign system of grant support and UK tax breaks. Individuals and organisations have had continuing success, and they encourage productions to use Northern Ireland. All of those factors have been instrumental in building an international reputation that we must sustain and grow.

Herein lies my area of concern. We have now been successful in attracting world-class, large-scale productions but have been behind the curve in providing a studio base and backlot. I am sorry to explain if you already understand, but a backlot is the land around a studio for all of the external works, outside sets and parking facilities. The film industry is a very untidy industry. It expands to fill every space. The Paint Hall, as it exists, has eight acres, and, in Magheramorne, we have 400 acres, so that speaks for itself.

We have been successful in attracting world-class, large-scale productions. However, we have been behind the curve in providing a studio base and backlot that is capable of housing two or more big productions simultaneously — that is key — with the aim of facilitating the maximum amount of work that can be efficiently undertaken on a single site, and thus allowing us to deliver significantly reduced production overheads and maintain the competitive edge for Northern Ireland. Carefully considered decisions that should have been made several years ago in anticipation of incoming work were not made, and a number of ad hoc actions were taken, partly due to an immediate need to do something rather than lose work. There does not appear to have been transparency or a broad discussion even on those ad hoc actions, and the effect appears to have been the adoption of the perceived wisdom of, "This sort of half works, so it will do rightly for now as it is". Unfortunately, it is my belief that it will not do and that, by default, we are creating a studio base with no useable backlot and no possibility of delivering such in a busy and very noisy, urban, industrial, airport setting. For some entirely shed-based productions, that may be OK, but to intentionally engineer a situation in which cast, crew and facilities must career hither and thither unnecessarily is folly, with the result that the essential competitive edge will be lost and the perception of a world-class production facility is just an illusion.

Surprisingly, that is not to say that there has not been consideration of the options, and a number of consultations on that subject, some quite recent, have been undertaken by the relevant agencies. Unfortunately, those remained either incomplete or unavailable to industry professionals, this Committee and your colleagues in other Committees with an input into policy on the Northern Ireland film industry.

In conclusion, I sincerely hope that this Committee and others will consider the options for studio provision urgently, if belatedly. The Administration have a duty to the seasoned professionals who built the industry and to the young hopefuls making a career, to ensure that this highly valuable activity does not wither on the vine due to fundamental mistakes in infrastructure choice being accepted as the best we can achieve. Thank you, I will take questions when appropriate.

The Chairperson: John, would you like to comment.

Mr John Edmund (Consultant): Madame Chair, I am here to talk about music. Committee members might like to question Mr Anderson first.

The Chairperson: No, I think that we will take both presentations and then ask collective questions.

Mr Edmund: That is very kind. As I said, my interest is in the development of a sustainable music industry in Northern Ireland. Whether good or bad, I have, as they say, been here before and have spoken to the Committee previously as the chairman of the former Northern Ireland Music Industry Commission. Some of the things that I will talk about were current then and, alas, are current now.

As I prepared for today's evidence session, I noticed that you have received a submission from the Oh Yeah music centre. That is a valuable organisation, which is doing exceptionally good work. I commend the centre for that work now as I did in the past, and I thank you for your interest in this activity and the Oh Yeah music centre among other opportunities.

To take John's lead and to provide you with some sort of measure of whatever little personal credibility I have, I will say that I have been involved in the planning side of the creative industries in Northern

Ireland since the mid-1990s, which shows my age. At that point, I developed the first case for a screen commission, recommended the restructuring of the former Northern Ireland Film Council and went on to develop the business case that secured the initial £1 million-plus that enabled the establishment of what is now Northern Ireland Screen. At the behest of the Department of Education, I briefed the Members of the first Northern Ireland Assembly on the creative industries, and, in a professional capacity, I followed up my work in film by looking at the feasibility of creating a parallel organisation for music. Alas, that was not an easy task. Disagreement permeated the sector, and, to a large extent, it still does. Perhaps that is why I am here as the ex-chair of the Northern Ireland Music Industry Commission.

Getting from that first feasibility study for music in 1998 to start-up took a couple of years. In effect, it took until 2001 before there was a fully functioning music sector lead body. 2001 was really quite an effective first year, but, music being what it is, it had fallen apart by 2003. There was so much dissent in the ranks that the folk who then ran it could not make it work, and I got dragged back in. I should have kicked and screamed and avoided it, but I did not.

In the period from 2003 to 2009, we really turned it around. A new team with a new strategy managed to overturn all the negative perspectives on the organisation that had been fostered by the disgruntled few, proving that the organisation was capable of delivering added value for the financial support that was made available from the public sector. The Northern Ireland Music Industry Commission (NIMIC) was able to deliver some quick wins, not least the adoption by the UK Music Sector Forum of the NIMIC strategy as the benchmark for regional music strategies. For five years, we steadily built credibility across the sector with funders, delivering structured support to intellectual property (IP) creators and music businesses with the intention of creating a private sector music infrastructure that could take creative product to market from a base in Northern Ireland and stop the drain of talent to London.

I could spend the next 10 minutes talking about the individual successes that that period has to celebrate. In truth, that is not what you want to hear and not why I am here. NIMIC ceased to exist in October 2009. It was forced to close by a faction within the music industry that was interested only in what it could get for itself and in stopping others going forward if it was not in charge. However, that is history. It is also not the issue. The issue is what happened next, or rather what did not happen next.

The process of winding up NIMIC took time, and there were many conversations with Invest NI, the Arts Council and the Department. Despite consistent reassurances to the contrary, not one of those organisations was capable of dealing with the issue in a strategic way. Platitudes and reassurances? Absolutely. Action? No, I do not think so. However, it was not that there was no action. Invest NI found some money to fund a one-year programme, FastForward, to keep some of the momentum up. However, the funding for FastForward was less than two thirds of that which NIMIC had secured the previous year. It took Invest NI until mid-2010 to put FastForward in place, but at least it was something, and there was the assurance of a new industry strategy development project as the precursor to a developed support structure. Remember that we at NIMIC committed hara-kiri in September 2009. It was autumn 2010 before Invest NI actually got around to putting out to tender the brief to establish the new industry support structure, or, at least, to define what the strategy should be. In Autumn 2010 it rolled out a brief that said that a project initiation document was to be prepared to detail the way in which the work programme would be staffed and conducted to meet the requirements of the scope of the investigation, the outputs and reporting procedures, and the timing of the work programme, because:

"a draft report will be required week commencing 21st February 2011. A final report ... will be required week commencing 28th March 2011".

Good. At last. Obviously, we thought that the intention was to get a new sector lead organisation for music in place for the new financial year. We were wrong. The report was eventually published in September 2011. What happened between February and September to delay it? I do not know. It was ratified in a press release by both Ministers in November, at just about the time that MTV was here and after Invest NI had indicated it was handing back £15 million or £17 million. That is just how it was. At least, in November, there was the instated intention to have a lead body up and running in early 2012. It is now May 2012, and there is still no sign of it. An equality impact study has been carried out and a contract to carry out an economic impact review was commissioned in December 2011. There is still no sign of the follow-up to that.

Honestly, the reality is that the music industry cannot work to Invest NI's timetable. Do you think it good enough that, between October 2009 and May 2012, the sector has been left to fend for itself?

Music made a contribution of £3.9 billion to the UK economy in 2009. Of that, £2.9 billion was contributed by sales of recorded music. In 2010, that contribution had increased to £5 billion. According to research that I commissioned from Queen's business school in 2008, the music industry in Northern Ireland employed around 4,400 people, generated £500 million in turnover and delivered gross added value of £168 million to the Northern Ireland economy in 2008.

The commissioned study that Invest NI paid for determined that the figure was £70 million with a further £8 million generated through music-related tourism. I do not know where the difference comes from considering that the only figures they had to work from were the same ones that Queen's had, but there you are.

There is an awful lot more that I could say about the recommendation for sectoral leadership arising from the new strategy, and there is even more I could say about the way that funding from the creative industries innovation fund (CIIF) has been handled and applied, but I want to get this one, simple message over: if the Northern Ireland music sector is to develop into a sustainable industry, it must have a sustainable infrastructure, and it has to work to the timetables that the industry demands today. The pace of development over the past three years has been stifled by the inability of the public sector to move at the pace of the industry. This has to change. Thank you.

The Chairperson: Thank you very much. You have both highlighted challenges in respect of disciplines within creative industries. Obviously there are issues around the film industry and the very factional nature of the music industry. This Committee is looking at broader solutions to some of the issues and we are investigating a model based around the Creative Scotland model. That has been raised quite frequently throughout many of the presentations that we have had. Do you think a single oversight body such as there is in Scotland might address some of the problems that you are experiencing? We are also aware of the fact that "creative industries" is a very broad term; it covers many disciplines, and that is also reflected in the governance and through the many Departments that have a responsibility for the creative industries.

Mr Edmund: When I first got involved in the sector it was called the cultural industries and there were only six. By the time the Department for Culture, Media and Sport got involved in 1998, there were 17 creative industries. Many of those creative industries — architecture, advertising, graphics and so on — are represented in different ways. They can obviously speak for themselves. The cultural industries have never found the same voice despite the fact that, in truth, that is what it is about, and I think that is part of the difficulty.

If we were to go with the Scottish solution, to my mind, we would need to restructure the entire support network. That would have to start with the Arts Council. Creative Scotland functions to cover all the activities from arts development downwards. There has been the creation of all the national companies, and I have had some involvement with Scottish Opera in some of the things that I have done. I think the first question to ask is this: are you prepared to go that far? It was talked about. A previous Minister specifically announced at one stage that he was minded to follow the Scottish model and restructure the Arts Council accordingly, but for whatever reason, that never happened. It certainly has potential.

Having one sole body that would be able to do more than set a broad strategy and ensure that there is adequate funding would be very difficult to manage at the sectoral-lead level. Having had this debate with the Department of Culture, Arts and Leisure in the past about the role of the Arts Council, the answer I always got back was that there has to be a separation between the policymaker and the deliverer of support, and the Arts Council was that separation. If you go with the Creative Scotland model, you would end up with the same need. You still need somebody out there able to provide the separation, and Creative Scotland does not necessarily always do that.

The Chairperson: More immediately, then, for the music industry, is there an organisation that could take the lead on what you feel the industry needs?

Mr Edmund: There was a point in time when Northern Ireland Screen was a good model. I am not particularly sure that it is a good model anymore. It seems to me, although I am trying to read between the lines with my eyes closed, that if you look at the timetable that was set by Invest NI for the production of the Northern Ireland music industry strategy — the Arts Council commissioned a separate music strategy — and the date when the report was eventually published, you have to wonder why it took so long. There were delays in the system, and the consultants were doing some of the work that was mandated by the terms of reference after they were supposed to have delivered the

final document. However, when you look at the final document, you should consider the argument that was had after Invest NI produced its findings and before it had written its document, which took the idea to create an economic development organisation and turn it into a NI Screen equivalent and create the intent to commission a contractor to deliver services.

Here is the difference: a contractor delivers services to somebody else's strategy and is not there to build consensus or to develop collaboration. Music, as an industry, does not exist in a vacuum. A very big chunk of all recorded music, from a commercial perspective, gets paid for by the film industry, but little or no connection has been made between film and music in Northern Ireland. Yes, there were attempts to do it, and there was one specific joint project that NIMIC paid for that Northern Ireland Screen was part of, but nobody from Northern Ireland Screen, including from the sector, bothered to get involved.

The Chairperson: Why are there two music strategies? Are they complementary?

Mr Edmund: I cannot answer that for you, I am afraid. There is a music industry strategy that Invest NI paid for, and there is a music strategy that the Arts Council paid for. The first element of that music strategy was specifically to look at the future of the Ulster Orchestra. To my mind, the Ulster Orchestra is just part of the music industry, but they chose to do it in a different way. The rest of the music strategy, as opposed to the music industry strategy, looked at everything else right down through to community music and, presumably, covered everything including marching bands, traditional music and all the other things that you would expect it to. I have only read bits of the final report, but they were looking at it from a different perspective. To my mind, there is no different perspective. There are different reasons why individuals get involved in the industry or in music. Some want to enjoy it, some want to earn from it, and some organisations want to become part of the structure but recognise that they will never be musicians. That is the answer.

From a commercial development perspective, we need to build music intellectual property (IP) and the capability to deliver that. I know that Oh Yeah talked to you about how the BRIT School and the Paul McCartney institute in Liverpool developed at a particular point, and the Nerve Centre in the north-west and Oh Yeah, if you bring them both together, have been very good at starting to move on that. However, we need to go to the next stage, which is the BRIT School equivalent. If you go beyond that, NIMIC was, with the IP creator, trying to help those individuals become better IP creators and to help them to commercialise their IP. Part of the commercialisation of the IP has to be the development of the business side. Many creators do not want to do the business thing. You have to build music businesses — publishing companies, record labels, artists, managers and the basic infrastructure providers — together so that they can be IP creators and be the small businesses that they effectively are by producing their IP. You then have to take both of those bits to the international marketplace; those are the three elements. There is the NIMIC strategy, the generator who is cited in the Invest NI report as the one that we should aim at and the generator in the north-east of England that works to a similar strategy to that developed by NIMIC and adopted by everybody else. We need to put those three things in place. Those who commissioned the report should really answer your question on whether that needs a music strategy for music or one for the music industry. Personally, I do not think that it does.

The Chairperson: John, in your written submission and in your comments today, you have criticised the planning that has gone in to the development of the Paint Hall and so on, and you have referred to it as "ad hoc actions". However, the Paint Hall has been quite lucrative for Northern Ireland and has placed us on the map with big screen productions such as 'Game of Thrones'. Obviously, there have also been benefits in relation to skills development and so on. Might there be criticism laid at you for coming here, because, obviously, you are promoting a site in which you have an interest?

Mr J Anderson: I am and I am not. First, you would think that John and I were in cahoots.

The Chairperson: I was trying to be very careful in how I said that.

Mr J Anderson: No, it is fine. I am very thick-skinned and am well known as a heretic. You would think that we were in cahoots, but we are not. We did not discuss this, but I find that we are saying almost the same thing. I have been deeply involved with the Magheramore site. I do not own the site, but I do derive a certain amount of income from it when there is filming on it. I am in a position where I can do work on that site, film planning and so on, because I want to do it; I do not do it for any monetary reward. I have no axe to grind and have no wish to own a studio. I do it because I have observed the industry for 20 years and have seen how it operates across the water.

Funnily enough, John gave me a clip from the 'Financial Times' this morning in which there was an illustration of what Pinewood intends to do. I do not want to harp on about the Magheramorne site, because I am not here to promote it; I am here to promote sensible discussion on the options. I can promote the Magheramorne site, but that is for another day. I do, however, need to mention the 'Financial Times' clip. What Pinewood is hoping to do is exactly what we already have planning permission for at Magheramorne. Pinewood has been in business and has made mistakes for long enough, but it knows the way the UK industry should be going. We should be a component of the UK and Irish industry, and to do that, we should not be cutting off our nose for unknown reasons. The music industry is a step ahead of us, in that various reports have eventually come into the public domain. Over the past seven or eight years, none of the reports on film industry infrastructure has ever hit anybody's desk. They should have come before this Committee and the Enterprise, Trade and Investment Committee.

The ad hoc decisions were correct, but they were correct to create short-term profit, to build on those short-term decisions, just because they are there, and actually to create something that is not competitive. The film industry is perceived to be glamorous but, like a lot of industries that are perceived to be glamorous, the reality is that it is not. It is hard work and involves long hours. When you see an actor in his pyjamas standing in a puddle at midnight on a November night, you realise that there is nothing glamorous about it; it is hard work.

The Paint Hall is being promoted as a tourist attraction. It is not a tourist attraction; it is a Northern Ireland workplace. The last thing you want is tourists. At some time in the distant future, it could be a tourist attraction, if you were able to get a Harry Potter equivalent and if you had enough space for the set to remain there for a while so that you could bring people in to look at it. However, now it is a workplace. It has to be efficient and competitive. People in the industry have said to me that this is a bubble and that they will milk it while it is here. That is totally the wrong attitude. Some of those people are seasoned professionals. There has been a pattern of boom and bust in the UK industry. However, the world market is different now. Entertainment via media productions is growing and will continue to do so because of the amount of people with leisure time, be they affluent or unemployed. The industry is like shoes and coffins: it will always be there, and there will always be a demand for it.

Mr Ó hOisín: Thank you for your presentation. I declare an interest in the film industry, in particular, due to my involvement in the Irish language broadcasting fund and some projects that I have been working on. I think I have met you through that, John.

Mr J Anderson: It is quite possible.

Mr Ó hOisín: If my colleague Oliver McMullan were here, he would probably express an interest in the Magheramorne site, not least because it is in his constituency.

Mr J Anderson: And because I was talking to him today.

Mr Ó hOisín: He told me that. You have touched on the question that I want to ask, John, as have we, in this inquiry. It is a fundamentally honest question. Does the critical mass exist here to justify the governance and infrastructure required in what you are outlining? Or, should we be looking at alternatives to that, be that on an-island, all-islands or even European basis? In my limited knowledge, the industry has fundamentally changed in recent times. We have seen an example of that in the recent ITV production of 'Titanic', which went to Hungary, I believe. I think that what has gone before, not only in the film industry, but in television production, is not what we should be looking at now. I do not know how far you would agree with that. Are we looking at alternatives?

Mr J Anderson: You have two separate streams, in a way. On the one hand, you can have somebody who wishes to set up, as a commercial venture, a studio like the studio in Banbridge, which is a very good small facility, but which is not suitable for a hub. The people who saw the market for that — given the fact that we are fractionalised and do not have a proper hub — and who embarked on it as a commercial venture deserve credit for that.

You have that same thing in an all-Ireland context. You have different commercial ventures that will do whatever in whatever place. They look at their feasibility studies and see whether the project is viable, and they can go ahead as a commercial company. They may wish to get grants, in which case they apply and get a grant or do not get a grant. It is difficult to regard it as an Irish industry or as a Northern Ireland industry. However, because it is such a big income generator and because there are

so many spin-offs and because the multiplier on what one might have to supply in the way of grant aid in relation to what it produces is so good, there needs to be some sort of a central strategy. I do not know why Northern Ireland Screen or Invest NI or whoever has not been able to produce that, despite making all those reports that have never come to light. There is no transparency in that. They were commissioned at public expense to do a particular job, which was to look at the infrastructure options, but their reports never appeared. That does not make sense.

The industry is sufficiently important that there must be a central strategy. Given the relative speed with which these decisions need to be made, they should be made in this Building, and they should be made as a result of you listening to all the lobbies. I can come and lobby for Magheramorne on another day, and I am quite happy to do that, but what I am lobbying for today is consideration of what we are doing, before we go down a road that we cannot reverse out of. At the moment, that consideration appears to be completely non-transparent, and I imagine that you have not had this over your desks and that the Committee for Enterprise, Trade and Investment could say the same. I do not think that that is acceptable.

Mr Ó hOisín: I do not disagree with your contention that decision-making should be made here. I have no issue with that. I am saying that the delivery on the ground, particularly in the film industry, is haphazard and ad hoc on occasions. That is how it seems from an outsiders' view, and from an insiders' view. It is all of those things that are wrong. There is nothing structured to it. I wonder how best we can affect that, for want of a better work.

Mr J Anderson: The first thing to do is to access the various reports. Some of them will be out of date, but even seeing the sequencing and how the issue has developed would be interesting.

The Chairperson: No one else has indicated that they wish to ask a question. I thank you for coming here today and sharing your concerns with us. You raised issues today that the Committee will follow up on.

Mr J Anderson: Thank you very much.