Researching the Independent Production Sector:

a Focus on Minority Ethnic Led Companies

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ies

The Institute for Employment Studies

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IES aims to help bring about sustainable improvements in employment policy and human resource management. IES achieves this by increasing the understanding and improving the practice of key decision makers in policy bodies and employing organisations.

Pact

Pact is the largest UK trade association that represents the commercial interests of independent feature film, television, animation and interactive media companies.

UK Film Council

The UK Film Council was established by the government in 2000 as the leading agency for film in the UK, ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. The Council supports:

- **Creativity** — encouraging the development of new talent, skills, and creative and technological innovation in UK film, and assisting new and established film makers to produce successful and distinctive British films.

- **Enterprise** — supporting the creation and growth of sustainable businesses in the film sector, providing access to finance, and helping the UK film industry compete successfully in the domestic and global market-place.

- **Imagination** — promoting education, and an appreciation and enjoyment of cinema, by giving UK audiences access to the widest range of UK and international cinema, and by supporting film culture and heritage.

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Foreword from Pact and the UK Film Council

On behalf of Pact and the UK Film Council, we are pleased to present the findings of this joint research project into minority ethnic led (MEL) film and TV production companies. This is an in-depth and well conducted piece of research which we believe sheds significant light on the current difficulties experienced by such companies.

That the project was identified, initiated and carried through to produce a report of such high standard is a great testament to its two main drivers: Celina Smith of Reel-Life Television and Chair of Pact's Diversity Policy Group, and Marcia Williams, Head of Diversity at the UK Film Council. We greatly welcome the passion and commitment they have brought to this project.

As the independent production sector grows and develops, following the historic changes in the Communications Act that led to TV producers being able to retain their intellectual property rights, Pact encourages its member companies not only to be conscious of practising equal opportunities but to have an awareness of the advantages groups of individuals with a wide set of backgrounds and experiences can bring to any specific company's creative perspective. Pact's Diversity Policy Group has been the focus for ensuring that the organisation is doing all it can to promote and encourage diversity in TV and film.

For its part, the UK Film Council has acted both as an employer and a funding body for the UK film industry. Its Leadership on Diversity initiative and report 'Success Through Diversity and Inclusion' are both proving invaluable in leading the way in joined-up thinking across the film sector regarding issues of diversity.

Diversity does of course cover a vast range of issues, from gender through disability to age. Both Pact and the UK Film Council are active in all of these areas, for example through participation in the Broadcasters and Creative Industries Disability Network, as well as carrying out specific actions according to our relative spheres of influence.

In terms of cultural diversity, our organisations felt we could best contribute by seeking to gain a better understanding of the current state of the sector, both in terms of numbers of MEL companies

and, more importantly, whether, and to what extent, those companies were facing barriers to success.

To this end, the Institute for Employment Studies has presented a well thought out quantitative and qualitative study which does much to shed light on both the real and perceived difficulties faced specifically by MEL production companies.

The companies sampled indicate that there is a range of difficulties experienced by MEL companies and the individuals that run them in terms of: 'closed' commissioning practices in television, leading to difficulties for all companies on the outside but particularly for MEL ones. MEL companies appear to suffer from pigeon-holing and ghettoisation to a much greater extent than white-led companies; the lack of role models for aspiring minority ethnic producers, with a lack of sufficient networks for those entering the industry.

We are making Ofcom and the government aware of these findings, both of whom have already shown significant interest in the project. We very much look forward to working with them and the other stakeholders in the TV and film industry as we look to plan the next steps in a long-term strategy to identify and remedy barriers to the success of minority ethnic led production companies.
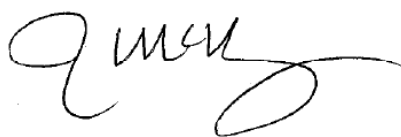
The importance of this research has never been clearer. Key to the debate around both Ofcom's public service broadcasting (PSB) review and the government's review of the BBC charter is the need for PSB content to be made by and for representatives of all sections of the community.

Having a diverse range of voices from a wide set of backgrounds and experiences is key to ensuring that, whatever the structures Ofcom and the government decide to set in place, the best range of innovative content is available to the TV viewer and film goer. Making sure MEL companies do not face specific barriers is a key element of this, and we note with particular interest the report's conclusion that ways need to be found to establish a greater meritocracy in commissioning.
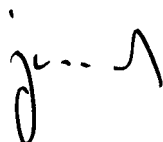
Also important is the need for a greater feeling of inclusion among both existing and aspiring producers from minority ethnic backgrounds, with more visible and better co-ordinated support networks. The CDN and Leadership on Diversity initiatives have begun to look at ways of addressing this and we hope this report will provide extra impetus and understanding to target further initiatives. What is clear is that there is still much to be done.

As well as working to encourage other stakeholders to use the report as a basis for further action, Pact and the UK Film Council will look at what the implications are for our own organisations specifically and address them head on.

We hope you enjoy the report and find it as valuable and stimulating as we did.

John McVay
Chief Executive, Pact

John Woodward
Chief Executive Officer, UK Film Council

Executive Summary

This study has been produced for Pact and the UK Film Council and undertaken by the Institute for Employment Studies, an independent, not for profit research institute.

This is a preliminary study that gathers known literature, industry data, expert views and primary data (both quantitative and qualitative) on the independent production sector within both the film sector and the TV sector. The key focus is to explore the experiences of 'minority ethnic led' (MEL) independent production companies, out of a concern that they may face particular barriers to success.

Indeed, the industry has a poor record on diversity; with low representation of minority groups, particularly those from minority ethnic backgrounds, in the workforce, and in content and portrayal. However, key industry organisations are taking action on diversity, acknowledging its importance and recognising the business case for change. This report will add to the debate and act as a springboard for further action.

Approach

The primary research process involved a series of stages:

The first stage was to define what is meant by a MEL company. This was achieved through reviewing the literature and scoping interviews with experts. The definition constructed focused on leadership rather than workforce or output:

> *A company in which the majority of decision-making power resides with an individual or individuals who consider themselves to belong to a minority ethnic group. Here, the majority is taken to mean at least half. Thus, an organisation where decision making is shared by an individual from a minority ethnic background and an individual from a white background, would be deemed to be a MEL organisation.*

The next stage was to identify and approach such companies to encourage them to participate in the research. This raised two issues – difficulties tracking companies due to the unstable nature of the industry, and difficulties reaching and engaging MEL companies. This was achieved through scoping interviews with experts, and communicating the research within the industry.

The third stage was to define what is meant by success to those operating in the independent production sector, to measure these aspects of success across the film and TV sectors, and to benchmark MEL company performance against this. This was achieved through scoping interviews with industry experts, followed by a web-based survey involving 79 companies (including 14 MEL companies).

The last stage was to explore, in greater detail, experiences of independent production companies' barriers to success, and to compare and contrast the experiences of MEL companies with similar white led companies. This was achieved through ten case study interviews (five with MEL companies and a matched sample of five white-led companies of similar size).

The independent production sector

The online survey provides a detailed snapshot of independent film and television production companies in the UK. Among a wealth of detail encompassing workforce size and make-up, profitability and turnover, sources of financing, membership of networks, access to business contacts and perceived barriers to success, the following figures are noteworthy:

1. Nearly one-third (29 per cent) of organisations surveyed used or were made up of unpaid workers. The survey found that unpaid work was more common amongst those from minority ethnic backgrounds.

2. Around two-fifths of all companies surveyed had no staff from minority ethnic groups (42 per cent).

3. Respondents' median (average) turnover for the last year was £380,000 but ranged from £10,000 to £23 million.

4. A similar proportion of companies had experienced an increase in turnover (35 per cent) as had experienced a decrease in turnover (33 per cent) over the past year. There was no difference between film and TV companies.

5. Over two-thirds (67 per cent) had had programmes shown on UK TV or had had their films distributed theatrically in the last year.

6. Just over one-third (37 per cent) felt their company was doing okay, and a further third (33 per cent) felt it was doing quite well. 14 per cent that felt they were not doing very well, and six per cent (five companies) felt they may not survive.

7. Over one-quarter (27 per cent) of responding organisations reported that most of the time they were unable to compete because of a small number of big companies dominating the market.

8. Over one-third (34 per cent) of all respondents reported that they experienced commissioners using preferred suppliers 'most of the time', and a lack of creative risk taking among film funders or TV commissioners 'most of the time'. These appeared to be a particular issue for small companies. A quarter (25 per cent) of all responding organisations also reported regular problems with the lack of openness and clarity in the commissioning process.

9. Based on available data, IES estimates that MEL companies make up, at most, ten per cent of the independent production sector.

10. The majority (12 out of the 14, or 86 per cent) of MEL organisation respondents are small (turnover was under £1 million and/or they had less than ten staff).

11. MEL companies are more likely to be 'one-man bands', *ie* to have only one worker, than other small companies — 42 per cent compared to 23 per cent.

12. Respondents from minority ethnic groups have a higher qualification level than their white counterparts, with nearly 75 per cent (compared with 63 per cent) having a degree or postgraduate degree.

13. Almost two-thirds (63 per cent) of respondents from minority ethnic backgrounds said that lack of junior positions offering a first rung on the career ladder was never a barrier to their careers. However, almost half (45 per cent) saw the lack of permanent positions available as a barrier often or most of the time, a greater proportion than their white peers.

14. In both film and TV, a greater proportion of white-led companies were commissioned or financed than their MEL counterparts. In the film sector, 40 per cent of white-led companies were financed, compared to 25 per cent of MEL companies. In the television sector the figures for commissioning are 63 per cent and 55 per cent.

15. MEL companies feel far more restricted by the lack of creative risk taking among film funders and television commissioners than other companies, with nearly 60 per cent of MEL companies describing this as a barrier most of the time.

16. Of the 12 small MEL companies, 58 per cent felt they were not doing very well or badly compared to only 16 per cent of small white-led companies.

17. Focusing on only small companies, MEL companies still had a lower average turnover than white-led companies. MEL companies were also more pessimistic about past and future turnover than white-led companies of a similar size.

18. Looking at funding and commissioning, the numbers involved are very small and should be treated with caution. However, they suggest that whilst MEL companies were more likely to

apply for public funding for film or TV projects they were less likely to get full funding. For example, 34 white-led companies applied for funding and 15 of these said they got full funding. This compares to eight MEL companies who applied for funding, only two of whom received it.

19. MEL companies were much more likely to feel they regularly suffered from a lack of contacts in the industry (29 per cent compared with 11 per cent of all companies).

20. MEL companies were more likely to regularly experience a lack of support and advice from sectoral bodies than other companies surveyed (31 per cent 'most of the time'), even more so than small companies (12 per cent 'most of the time').

21. Over half (54 per cent) of all responding MEL companies felt 'pigeon-holed' most of the time, compared to only 22 per cent of small companies, or 18 per cent of the whole group of responding organisations. Indeed, the tendency for commissioners to ghettoise them was considered one of the main obstacles for MEL companies.

22. However, frequent experience of direct discrimination was rare in the sector and, though marginally more likely, was still rare amongst MEL companies.

Breaking in

The survey and interviews demonstrate that the critical factors for breaking into this industry and becoming successful are:

- **work experience** in large, or well-regarded organisations particularly broadcast organisations in the TV sector

- to **know the 'right' people**, belonging to formal or informal networks, and to develop a positive reputation and track record

- **perseverance** (particularly in the film sector due to the lead time involved in developing and producing a film project), possibly working unpaid, on short-term contracts and/or long hours.

This study found that those from minority ethnic backgrounds are disadvantaged in this process. They report that they lack access to networks, experience more *ad-hoc* career paths, rely more heavily on unpaid work and have fewer role models. Those from minority ethnic backgrounds also talk about the existence of negative stereotypes about ability and the commerciality of their product.

Being successful

Interviews and the survey indicated that success for an independent production company was seen as moving from a position of survival through securing work and building a

reputation amongst peers and the industry more generally, through creating (regular) employment for oneself and others and maintaining a good cash flow, to a final goal of self fulfilment and control — being able to make projects that have real personal resonance.

Defining success — hierarchy of goals

survival → securing work → output shown → recognition → employment/cashflow → self-fulfilment control & choice
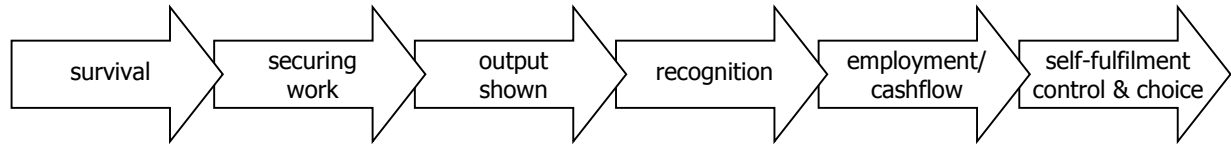
Source: IES, 2004

As the figures above demonstrate, many companies reported they were successful. Their products are broadcast or distributed theatrically, they are obtaining funding or commissions, and roughly half were reaching beyond the UK market and also receiving investment from abroad (particularly those in the film sector). They are also optimistic for the future (particularly those in the TV sector). However, there was a mixed pattern of increasing and decreasing turnover and profits; and general core employment levels remained static, though companies expect to increase their levels of freelance staff.

Responses from MEL companies suggest that they are less successful than others in the sectors. Comparing self-reported performance measures against similar (small) companies, MEL companies were more pessimistic about their success (thus focused on the bottom hierarchy of goals), they achieved smaller financial rewards and had greater uncertainty about future finances. They were less successful in securing funding and commissions despite their activity in this area.

Getting stuck

Independent production companies operating in the film and TV industry face numerous barriers, difficulties and obstacles in their quest to attain success. These have been discussed for some time but are still preventing success.

The most common barriers concern the **decision-making process** in funding or financing films, and in commissioning TV programmes. The process is criticised as being slow, conservative and closed. MEL independent production companies find it harder to operate the funding and commissioning processes effectively. They fall foul of commissioners' and funders' fear of taking risks on new talent (preferring to use the tried and tested or 'preferred suppliers'), and their culturally bound assessment of what constitutes a commercial project. MEL companies are more likely than other similar companies to perceive a lack of clarity and openness in these decision-making processes (particularly TV

commissioning). Interviews highlighted concerns about the inaccessibility of decision makers and a desire for greater dialogue.

A key barrier that affected MEL companies alone, is being **labelled and pigeon-holed** to produce programmes and films for minority ethnic audiences or involving minority ethnic writers and actors ('ghettoised'). Other small white led companies also spoke of being pigeon-holed but this was on the basis of their current output not their company make up. Having choice (arguably the highest goal in the hierarchy of success) is important— with MEL companies being able to make the projects they want to, whether they are mono-cultural to ensure these projects are made, or mainstream projects that reflect the multicultural nature of society.

Competition was also a barrier, with organisations feeling unable to compete because of a small number of big companies dominating the market, and concern that they lack scale and resources. There was higher reporting of inability to compete among the MEL companies, coupled with a lack of advice or support from sectoral bodies.

Other key barriers restrict individuals and companies from **breaking in** to the sectors and making contacts. MEL companies feel excluded from influential and established networks and suffer from a lack of contacts. Many feel they miss training opportunities and permanent positions.

Moving forward

The report concludes that MEL independent production companies appear less successful and face more obstacles breaking in, competing and gaining work, and overcoming attitudes of decision makers than other companies in the film and TV sectors. This preliminary research advocates greater dialogue between all stakeholders in the industry, changing attitudes through learning and understanding (not least about the implications of labelling), and changes to business policy and practice amongst key sector organisations, particularly broadcasters, commissioners and film funders. It is hoped this research will reinvigorate debate and create a climate for change, with all organisations in the industry working together to acknowledge, understand and tackle these issues for MEL independent production companies.

Key recommendations are as follows.

Further research activity:

    a) A study to review what other sectors and organisations have done to encourage engagement with those from minority ethnic groups in the labour market.

b) A review of career paths within the sector and how they are changing.

c) Setting up a research panel; practitioners could be invited to join a research panel of MEL independent production companies. This panel could then be called upon to explore general issues of success or specific issues such as careers, accessibility of schemes and opportunities, and navigating the market-place; either as interviewers or interviewees. They could also comment on research output and dissemination.

d) Regular survey of the independent production sector; updating the web-based survey, to provide a picture of how the film and TV sectors are changing over time.

Career opportunities:

e) Encourage larger organisations to form links with schools, colleges and universities with high proportions of minority ethnic students (through diversity networks).

f) Produce careers materials which are inclusive in their depiction of diversity.

g) Provide work experience places for students and new graduates in larger organisations.

Improving communications:

h) Create a database of companies for information and dissemination purposes.

i) Produce an industry newsletter promoting new talent, highlighting funding opportunities, and highlighting activity in this area.

j) Create new awards for the industry for newcomers or independent production companies of various sizes to help reputation building.

k) MEL companies need to be engaged and empowered through the strengthening of existing networks for them and individuals working in the industry from a minority ethnic background. Rather than a proliferation of such networks, there needs to be consolidation. It is important that MEL companies themselves form these networks and establish membership criteria that will not perpetuate the negative use of labels within the sectors.

Tailored advice and support:

l) Explore the provision of specialist business support for this sector in partnership with DTI, Business Link and Skillset.

m) Mentoring and coaching opportunities for new companies or students provided by larger organisations in the

sector. Staff might be encouraged to do this as part of corporate social responsibility activities and would be likely to gain development for themselves.

n) Write and publish best practice diversity strategies from which organisations can copy and learn.

o) Review practice on diversity constantly and provide new thoughts and ideas to maintain the focus.

p) Provide workshops and master classes to those in the industry (by Skillset).

Procurement best practice:

q) Write and disseminate diversity statements to be included in procurement exercises.

r) Encourage diversity within responding companies.

s) Encourage partnerships and alliances in commissioning explicitly.

Monitoring and feedback:

t) Conduct annual reviews of application and success rates of submissions and publicise results.

u) Set clear outcome indicators for all initiatives so that success can be continually monitored.

1. Introduction

In early 2004, Pact (the trade association representing screen-based content producers) and the UK Film Council (the body set up by the government in 2000 and tasked with developing the film sector) jointly commissioned IES to conduct this research into barriers to success faced by companies led by professionals from minority ethnic backgrounds. These are referred to as 'minority ethnic led' (MEL) companies. These two influential organisations representing the interests of the TV and film industry were concerned that independent production companies led by individuals from minority ethnic backgrounds may be facing particular difficulties in the sectors. The research therefore sought to define and quantify MEL companies, to benchmark their performance against the performance of the wider group of independent production companies, to gather their experiences and to make recommendations for action.

This chapter outlines the research methodology used and issues that arose during the study. It also proposes a definition for a MEL company that will be used throughout the report. However we begin by setting the research in context, describing the size and nature of the film and TV sectors and summarising key characteristics and changes, highlighting those pertinent to diversity.

Key messages

- Measuring the size and shape of the film and TV industry, and the independent production sector within this, is difficult because of issues of definition. Many national datasets do not allow for these sectors to be clearly identified. Thus estimates for numbers working in the wider film and TV industry range from 110,000 to 154,000. Independent production accounts for less than one tenth of this.

- Female representation in the industry ranges from one third to one half (depending on the sources of data and disaggregation available). Representation of individuals from minority ethnic backgrounds is poor, below that in the population as a whole, and is particularly poor in the production sector.

- Estimates put the number of enterprises in the film and TV industry at around 11,000 but the vast majority of these are micro firms with less than ten employees and a turnover of less than £1 million.

- The film and TV industry is somewhat unique in that it: is highly fragmented and largely made up of micro firms, is heavily concentrated in the London and the South East, relies heavily on freelance workers, operates in a high risk market-place, and has poor representation of minority groups, particularly those from minority ethnic backgrounds.

- The sectors are moving to take action on diversity, and many key organisations have relevant policy statements. These statements acknowledge the importance of diversity in society and the duty of the media to reflect this. In some cases, they acknowledge the business case for diversity. The policies call for changes in representation of those from minority ethnic backgrounds, in the make up of the industry workforce, on-screen portrayal and content, and in making programmes and films. To date, information widely available on the progress of these goals tends to be limited to portrayal and workforce targets. It may be too soon to see how organisations are progressing in representing those from minority ethnic backgrounds in film and programme making.

- The industry continues to face challenges and the market-place is changing. The legislation regulating terms of trade and tax incentives has been amended, industry structures have altered, with new leadership and regulatory bodies (*eg* Ofcom and UK Film Council). The sectors are moving towards consolidation – creating larger organisations. The development of digital technology is changing the way film and television is produced, distributed and consumed. The industry is moving towards mainstreaming cultural diversity (including disbanding of dedicated multicultural units).

1.1 Research context – the quantitative picture

Measuring the size and shape of the industry is somewhat complicated as the industry is defined in a variety of ways. For example film and TV form part of the *audio visual industries* (as defined by Skillset, the sector skills council for the audio visual industries). The audio visual industries also encompass animation, radio, commercials, and interactive media and form part of the *creative industries* which come under the remit of the Department of Culture Media and Sport (DCMS). This term includes advertising, architecture, the art and antiques market, crafts, design, designer fashion, interactive leisure software, music, the performing arts, publishing, and software and computer games — along with television and radio, and film and video. (This definition is outlined on the DCMS's website, at www.culture.gov.uk/creative_industries, and used in Creative Industries Economic Estimates).[1]

[1] However, it should be noted here that the DCMS Evidence Toolkit, launched in August 2004, proposes new definitions for DCMS sectors or domains. These new definitions allow for multi-dimensional analysis of the cultural sector, take account of investment, expenditure and participation within the sector, and also the non-commercial aspects of culture. One of the seven proposed domains is

Data is often captured in these broad groups, however some data sources allow particular sectors to be identified although, as noted below, no data source accurately defines either the film and TV sectors nor the independent production sector within this.

1.1.1 Workforce and diversity

The size of the industry workforce can be gauged from the Labour Force Survey (LFS). A quarterly survey of private households in Great Britain that the Office of National Statistics undertakes to provide information on the UK labour market. This survey allows us to focus on industrial classes (or sub-sectors) such as: film and video production, film and video distribution, film exhibition and Radio and TV activities. The latest results (Spring 2004) find that together these account for 136,000 employees and self-employed individuals of working age (see Table 1.1). However, the data for film cannot be separated from video, nor TV from radio and neither can TV be separated from radio. Those working in independent production companies cannot be separately identified.

Table 1.1: Sector workforce information, Spring 2004

Industry class	Number of individuals
Film and video production	27,103
Film and video distribution	* 3,478
Film exhibition	20,341
Radio and TV activities	85,190
Total in Film and TV	**136,112**
Total in all work types (working age)	*26,800,117*

* statistically unreliable due to small sample size

Source: LFS, Spring 2004

The Annual Business Inquiry (ABI) deals with employment and financial information of companies in the UK, and can also provide data on the size of the workforce. The film and TV industry comes within ABI section 'O': community, social and personal service activities. It uses the same industrial classifications as the Labour Force Survey so once again it is not possible to focus solely on film and TV and on independent production. The latest available ABI data shows that there were approximately 110,000 individuals in 2002 working in the wider film and TV sectors (see Table 1.2).

a*udio visual* which includes film and motion picture activities. (see *DCMS Evidence Toolkit – DET: Technical Report*, DCMS, 2004; and the DET website www.culture.gov.uk/global/research/det).

Table 1.2: Employee numbers in 2002

Employees	Male		Female		Full time		Part time		Total
	n	%	n	%	n	%	n	%	n
92.11: Motion picture and video production	8,898	50	8,802	50	12,346	70	5,354	30	17,700
92.12: Motion picture and video distribution	2,071	46	2,435	54	3,457	77	1,050	23	4,507
92.13: Motion picture projection	10,021	54	8,386	46	6,671	36	11,736	64	18,407
92.20: Radio and television activities	35,304	51	34,446	49	56,588	81	13,163	19	69,750

Source: ABI 2003, employee analysis

Data on numbers working in the sectors are also captured by the creative industry itself. For example, the annual employment census, undertaken by Skillset (the sector skills organisation) provides a snapshot picture of the size of the audio visual industries' workforce. On census day last year (25 June 2003), it found over 154,000 individuals working in the audio visual industries (a similar figure to 2002 census data, indicating relatively stable employment levels). The data classification used by Skillset enables us to identify the number working in independent production, approximately 13,600, which accounts for nine per cent of the industries (see Table 1.4). However, the census is likely to underestimate the true numbers working in the film and TV independent production sectors as:

23. film production companies were not included in census scope (they were subject to a separate study).

24. many freelancers are likely to be excluded from a census because of their less stable work patterns (*ie* less likely to be working on the day of data capture).

The census indicated that freelance usage was high in the independent production sector, with freelancers making up almost three fifths (58 per cent) of the workforce.

Looking more closely at diversity of gender in the workforce, the ABI data shows an almost even split between male and female employees in the film and video production, and the radio and TV activities sub-sectors (see Table 1.2). Data on diversity of ethnic groups is not available from this source.

The LFS provides more detail on the make up of industry sectors. This shows a gender imbalance, particularly in film and video production, which is dominated by male workers. It also indicates that both film and video production, and radio and TV activities are largely made up of white people (see Table 1.3). However, figures from the LFS should be treated with caution. Generally its threshold for reliability is 10,000 (or 25,000 when looking at ethnicity). Sample sizes of less than this are not deemed to be statistically reliable, and some of our categories fall below this threshold. We have reported the figures here as estimates only.

Table 1.3: Workforce breakdown, Spring 2004

Characteristics	Male		Female		White		Minority ethnic		Total
	N	%	N	%	N	%	N	%	N
92.11: motion picture and video production	18,530	68.4	*8,573	31.6	26,044	96.1	*1,059	3.9	27,103
92.20: radio and television activities	47,982	56.3	37,208	43.7	79,048	92.8	*6,142	7.2	85,190

* statistically unreliable due to small sample size

Source: LFS Spring 2004

The Skillset Census 2003 allows a focused look at the sectors within the audio visual industry cluster. Table 1.4 shows selected data from the census report, and confirms the very low representation of people from minority ethnic backgrounds in the industry (at only 7.4 per cent) and in the independent production sector in particular (4.3 per cent), considering that 11 per cent of the working age population as a whole are from minority ethnic backgrounds. However, the latest Skillset report indicates that although the reported representation of ethnic minorities has dropped slightly in the audio visual industries (from 8.2 per cent to 7.4 per cent), the reported representation in the independent production sector has increased between 2002 and 2003, from 3.1 per cent to 4.3 per cent.

Data from the latest Skillset survey of those working in the film production sub-sector confirms the lower representation of women and minority ethnic groups. The survey reports that in 2002, 33 per cent of the film workforce were female and only five per cent of the workforce were from a minority ethnic group. Representation is higher in production occupations. Here women make up 53 per cent of the workforce and ethnic minorities make up 7.6 per cent (reported in UK Film Council Statistical Yearbook 2003-04, 2004).

Table 1.4: Workforce breakdown, 2003 by detailed sector

	Total	% of industry	% change since 2002	% freelance	% women	% ethnic minority	% disabled
Broadcast radio	20,300	13	-2	19	43	7.4	1.0
Broadcast TV	25,000	16	0	16	49	8.3	1.3
Cable and satellite TV	5,300	3	8	27	57	7.8	0.0
Corporate production	2,800	2	-13	43	27	6.5	0.0
Independent production	**13,600**	**9**	**2**	**58**	**43**	**4.3**	**0.5**
Total audio visual	154,200	100	2	23	38	7.4	1.1

Source: Skillset Census 2003, Executive Summary Table 1

1.1.2 Companies

The ABI also provides figures on numbers of enterprises and financial output. Data for 2002 (the latest available) show that there were almost 11,000 enterprises working in the wider film and TV industry who were collectively turning over almost £22 billion (see Table 1.5).

Table 1.5: Sector business information in 2002

Description	* SIC code	Number of enterprises	Total turnover (£ million)	Av. total employment (000)	Av. enterprise turnover
Motion picture and video activities	92.1	6,692	4,559	45	681,261
Motion picture and video production	*92.11*	*5,890*	*1,959*	*21*	*332,598*
Motion picture and video distribution	*92.12*	*558*	*1,696*	*6*	*3,039,427*
Motion picture projection	*92.13*	*244*	*903*	*17*	*3,700,820*
Radio and television activities	92.20	4,283	17,163	77	4,007,238

* SIC = Standard Industry Classification

Source: ABI 2003

The majority of film and video production companies and enterprises undertaking radio and television activities has a relatively small turnover (56 and 55 per cent respectively with turnover of less than £100,000). The Companies Act defines a company as small if it has a turnover no larger than £2.8 million; however, the British Bankers Association defines small businesses as those having an annual turnover of up to £1 million (Bank of England Quarterly Report on Small Business Statistics October 2003). The vast majority of organisations in the industry are counted as small companies (see Table 1.6).

Table 1.6: Number of Companies in 2002 by turnover banded (£ 000)

Turnover band	* SIC code	0-49	50-99	100-249	250-499	500-999	1000-4999	5000+	Total
Motion picture and video production	92.11	1,555	1,265	925	405	265	440	205	5,065
Motion picture and video distribution	92.12	110	85	95	40	40	80	80	530
Motion picture projection	92.13	20	35	45	25	45	25	10	205
Radio and television activities	92.20	1,035	1,180	780	325	230	315	175	4,035

*SIC = Standard Industrial Classification

Source: ABI 2003

ABI data also indicate that the vast majority of workplaces in the sub-sectors of concern, particularly film and video production, and radio and TV activities, was very small, according to the size of their workforce. Ninety-six per cent and 88 per cent of workplaces in these sub-sectors have less than ten employees. Similarly, 59 per cent of those in film and video production, work in a place with no more than ten employees (see Table 1.7). The

Institute for Employment Studies

Table 1.7: Company size in 2002

Size of workforce	1-10		11-49		50-199		200+		Total
	N	%	N	%	N	%	N	%	N
Workplaces									
92.11: motion picture and video production	5,588	96	215	4	23	0	*	*	5,830
92.12: motion picture and video distribution	505	87	61	11	*	*	*	*	578
92.13: motion picture projection	184	33	230	41	140	25	*	*	555
92.20: radio and television activities	4,011	88	322	7	149	3	53	1	4,535
Employees									
92.11: motion picture and video production	10,522	59	4091	23	2112	12	*	*	17,699
92.12: motion picture and video distribution	1,345	30	1,173	26	*	*	*	*	4507
92.13: motion picture projection	716	4	6,320	34	10,443	57	*	*	18,406
92.20: radio and television activities	7,721	11	7,962	11	14,020	20	40,046	57	69,749

* due to issues of confidentiality some numbers cannot be quoted. These are indicated by *.

Source: ABI 200, workplace analysis

DTI defines a company with less than ten employees as a micro firm (Bank of England Quarterly Report on Small Business Statistics October 2003). The vast majority of companies in the industry is small or micro.

Data from the Small Business Service (SBS) for 2003 confirm the preponderance of small enterprises in the relevant industry groups (see Table 1.8).

Table 1.8: Company size in 2003

All employers	Enterprises		Employment		Turnover	
	Number	%	000s	%	£ million	%
92.1 Motion picture and video activities						
Micro (1-9 employees)	2,515	*86.9*	8	*23.5*	1,916	*31.3*
Small (10-49 employees)	325	*11.2*	6	*17.1*	1,247	*20.3*
Medium (50-249 employees)	45	*1.6*	*	*	*	*
Large (250 or more employees)	10	*0.3*	*	*	*	*
92.2 Radio and television activities						
Micro (1-9 employees)	1,350	*79.2*	5	*6.8*	942	*6.2*
Small (10-49 employees)	270	*15.8*	5	*7.5*	1,068	*7.1*
Medium (50-249 employees)	60	*3.5*	7	*9.4*	1,234	*8.2*
Large (250 or more employees)	25	*1.5*	53	*76.4*	11,887	*78.6*

Source: Small Business Service, Small and Medium Enterprise (SME) statistics for the UK 2003, 2004

1.2 Research context – the qualitative picture

Having explored the size and shape of the industry — the quantitative picture — we now look a little deeper, in order to understand the forces at work within the film and TV sectors – the qualitative picture. First we focus on the characteristics of the industry and aspects that make the sectors particularly unique, and second we examine the work taking place to address the lack of diversity in the industry (a key issue of this report). Finally we discuss changes that are likely to affect the industry in the future.

1.2.1 Industry challenges

People and companies working in the film and TV industry, and the independent production sub-sector, face particular and unique challenges.

- **Fragmented.** As noted above the industry and its constituent film and TV sectors are difficult to define and measure and these groups lack a cohesive focus with no key organisation bringing together and supporting companies and workers.

- **Heavily concentrated.** Much of the film and TV industry, and independent production sector activity, is located in the South East, and particularly in London. Latest Labour Force Statistics (Spring 2004) demonstrate this. In film and TV production, 52 per cent of the workforce are based in the South East, including 40 per cent in London. In radio and TV, 59 per cent work in the South East, 50 per cent of whom work in London. This corresponds with the latest Skillset finding that 54 per cent of the audio visual industries' employment is based in the South East, including 48 per cent in London. It is also supported by data produced by the Greater London Authority (GLA) which claims that 40 per cent of the UK's creative industries jobs are found in London.

- **Micro businesses.** As noted above, the film and TV industry is largely made up of very small companies (particularly in the independent production sector). Indeed, 96 per cent of production companies have no more than ten employees. Skillset estimate that there are around 1,000 (mostly small to medium-sized) independent production companies in the film and TV sectors. There are only a handful of large organisations, around 40 medium-sized companies of between 10-40 people. The rest is made up of small or very small organisations, many of which are 'one-man bands' employing freelancers on an *ad-hoc* basis.

- **Casualised workforce.** The industry and its sectors have a heavy reliance on freelance workers, brought in for specific tasks or projects on short term contracts. The 2001 Freelance Survey undertaken by Skillset estimated that there are 44,000 individuals working freelance in the audio visual industries,

and that freelancers account for over one-third of the active workforce. There are concerns in the industry that freelancers have lower skills levels than the permanent workforce, and less access to training. Skillset data highlights that the use of freelance workers is particularly marked in the independent production sector. Labour Force Statistics would reinforce this finding. Latest data (Spring 2004) shows that 44 per cent of those currently working in the film and video production sector are categorised as self employed.

- **High risk.** The industry and sectors can offer great personal and financial rewards yet many enterprises fail in this high-risk business environment. The current commissioning process in the television sector, and the way funding is sought in the film sector, require a great deal of initial outlay and development work that is often high risk, with the prospect of little return on the initial investment. In the film sector, the US studios' domination of distribution can mean that projects completed without studio involvement stand little chance of finding an audience. Indeed, for individuals film is a tough place in which to succeed. The media sector is notoriously challenging to break into and succeed within. Work in film and television is characterised by long hours, employment uncertainty and high stress levels (see, for example, 'Tips for Starting Out', on the Skillset Careers website: www.skillset.org/careers/resource/tip).

- **Little employment regulation.** The industry and sectors still rely heavily on informal and outdated recruitment practices, such as the use of networks of contacts. The 2001 freelance survey notes the importance of contacts in securing employment. Almost half of those working freelance had obtained their current posts through people with whom they had previously worked, contrasting strongly with the four per cent who had secured work through responding to adverts. Similarly, the 2003 workforce survey found that less than one-quarter of those working in independent television production heard about their first job through an advert, the vast majority indicated less formal practices (Skillset, 2003; 2004).

- **Poor representation of minority groups.** The industry and sectors have a poor record on diversity with a low representation of women, disabled people and, in particular, people from minority ethnic backgrounds. Data in the section above indicate that representation of minority ethnic individuals in the industry and sector workforces is poor (substantially below that of the national workforce profile). Skillset data also indicate that where those from minority ethnic backgrounds *are* employed, they tend to be concentrated in lower-level positions. Representation of ethnic minorities in terms of output and portrayal is also poor. For example, research looking at representation on TV for the Commission for Racial Equality (CRE) found minority ethnic participants were much less likely to enjoy key roles or be

major presenters, and the CRE was concerned that their participation was marginalised and contributions trivialised (Communications Research Group, 2001). Similarly, work for BSC and Independent Television Commission or ITC (Sreberny, 1999) found characterisation of ethnic minorities on TV was weak and characters existed to make a point rather than because they were integral to the plot. Although representation in mainstream broadcasting of ethnic minorities had increased by 2002, it still needs to increase now. At the time there was a call for colour-blind casting and for conscious decisions to 'go beyond the default white setting' (Millwood Hargrave, 2002).

1.2.2 Recognising the importance of diversity

The film and TV industry acknowledges its poor record on diversity. It now recognises the importance of diversity, particularly in relation to its business and customer base, and it is making efforts through policy statements, action plans and working groups. Indeed key organisations such as (BECTU, Pact, BFI, BSAC, UK Film Council) and key broadcasters (under the umbrella of the Cultural Diversity Network or CDN) have policy documents acknowledging the problems, setting out the case (including the business case) for diversity and indicating the roles these organisations can play in ensuring diversity on and off screen. Examples follow:

The CDN was established in 2000, after research in the TV sector (by Carlton, ITC and BSC) showed broadcasters were losing large numbers of their black and Asian audience base to cable and satellite channels, and that people from minority ethnic backgrounds were increasingly finding terrestrial TV irrelevant to them. Key broadcasters joined together to respond to this business challenge in order to ensure that television responded to Britain's multi-racial society. The network supports cross-industry initiatives and shares expertise, resources and models of good practice. Its aims include: setting ethnic minority workforce targets (at all levels), setting standards for workforce ethnicity monitoring and building a comprehensive picture of ethnic minority employment in UK broadcasting. It aims to modernise the casting and portrayal of ethnic minorities in mainstream programmes, sensitise broadcasters so that they call for diversity in content and employment, and raise the profile of multicultural issues.

The Broadcasting Entertainment Cinematography and Theatre Union (BECTU), through its policy ('Ethnic minority employment in film and television', 2000), recognises the important role that film and broadcasting have in reflecting our diverse society through both content and the workforce. It calls for targets to ensure workforces mirror ethnic minority populations, and for all organisations to undertake ethnic workforce monitoring. It also calls for integrated casting in order to ensure better representation

and portrayal of ethnic minorities on screen. Most pertinent to this research, BECTU calls for an end to ghettoisation of ethnic minority programme makers:

> *'In the way that female media workers used to be confined to areas of specific concern to women and denied access to areas of more general or "harder" concerns, minority independent producers say they tend to be confined to ethnic minority programme areas, and are not considered for other areas such as mainstream drama. Funders should recognise the talent of ethnic minority film makers and make a conscious effort to fund projects other than those specifically confined to black issues.'*

The British Screen Advisory Council's policy ('Achieving diversity in the film industry', 2000) recognises that those from minority ethnic backgrounds face greater problems than others, because of the closed nature of the film sector, with its white male networks of power, and white 'gatekeepers' who commission projects. It acknowledges that these gatekeepers might have stereotypical views, first of ethnic minorities themselves suggesting, for example, that Asian film makers make only Asian films. Such suggestions lead to ghettoisation. Second, gatekeepers might believe that ethnically driven projects are not commercial.

The British Screen Advisory Council (BSAC) also acknowledges that career development is *ad hoc*, unprofessional and unclear. It recommends a five-year plan to achieve a target of minority ethnic employment with actions including: raising awareness in, and of, the sector; monitoring employment in the sector; developing training initiatives with targets for minority ethnic participation; enhancing visibility of the minority ethnic workforce with a database; sharing best practice for encouraging diversity, and setting targets.

The British Film Institute (BFI) has developed a cultural diversity strategy, *'Towards visibility'* (2001), which sets out plans to engage more effectively with ethnic minority communities and to overcome a lack of representation of issues of cultural diversity. It notes the importance of film and moving image in helping people to learn about themselves and the world. It sees its role as follows:

> *'The institute has a duty both to celebrate the UK's cultural diversity and ensure the widest possible access to our film and moving image culture. In this way, it can contribute to the liberation of the creative vitality and innovative practices coming from these hitherto marginalised communities and silenced voices'.*
>
> (Towards Visibility, 2001, p9)

Pact's Council (or governing board) signed up to a mission statement which committed Pact fully to adding to the range and diversity of film and programming by ensuring that people of all cultural backgrounds are encouraged to play a full part in the production industry. Pact's Diversity Policy Group, made up of Pact members, looks at the key issues facing the production sector. Discussions between the Diversity Policy Group and the UK Film

Council led to the commissioning of this research project. Pact is also a member of the CDN, and the UK Film Council-led Leadership on Diversity Network. Pact is promoting diversity in areas other than ethnicity. For example, it is an active member of the Broadcasting and Creative Industries Disability Network (BCIDN).

In 2003, the UK Film Council produced a consultation document promoting diversity in the film sector. It aims to identify and tackle barriers leading to exclusion and a lack of opportunities and choice, and to help the sector achieve a diverse workforce. The document acknowledges the workforce and output is not representative of British society and that little had been done to change the situation. It also emphasises the lack of diversity awareness in the sector, of responsibility for diversity objectives, and of co-ordination of diversity activity. The document sets out three main challenges for the sector: creating a diverse workforce, mainstreaming activity and providing access to film culture for all groups of society. Most importantly it describes the business case for diversity in the film sector both in the workforce and in the output produced. It acknowledges that diversity is linked to business performance, and argues that multiculturalism leads to creativity and innovation, which is essential for competition and success in the UK and internationally:

> *'It makes good business sense to ensure that talents are not marginalised, excluded, under-used or wasted on the basis of the ethnicity, gender, disability, sexuality, religion, age, geographical location or economic status of any individual.'*
> Success through diversity and inclusion, 2003, p10

The UK Film Council's document sets out six long-term goals, one of which was to 'create a [business] culture that supports diversity and equality, levelling the playing field to enable the full and active participation of film makers from under-represented or disadvantaged groups' (Success through diversity and inclusion, 2003; p10).

However, across the TV and film sectors our literature search has uncovered little published evidence of the impact of such policies, in terms of the funding and commissioning work from more diverse organisations, particularly MEL companies. Where evidence has been identified and reported, it has been confined to portrayal and workforce targets.

1.2.3 Industry changes

The film and TV industry has been subject to changes in the last few years. Changes in structure and governance include:

● the enactment, in 2003, of the Communications Act, the most significant change in the TV sector in recent years. The new act sets out ways to support the independent production sector by

creating codes of practice that regulate terms of trade between public service broadcasters and independent producers (including ownership of intellectual property). This should change the relationship between the independent companies and the broadcasters, giving greater rights to independents and allowing producers a stronger position when negotiating with broadcasters and commissioning organisations.

- setting up of the body, the Office of Communications (Ofcom). This was formed from the following former organisations:: ITC, the Broadcasting Standards Commission (BSC), the Radio Authority, the Radio Communications Agency and Oftel. The new organisation is charged with regulating the UK communications industries, with responsibilities across television, radio, telecommunications and wireless communications services. Ofcom are currently reviewing public service broadcasting. This should provide a clearer focus for industry regulation although Ofcom's remit aims to emphasise a more 'hands-off', 'light-touch' approach to regulation.

- creation of super-indies, through mergers of key independent production companies in the TV sector and encouragement of partnerships and 'umbrella' working in the film sector, through a small number of development slate deals. This is causing concern among smaller independent organisations about their ability to compete with such large companies.

- increasing focus on digital media. The rapid development of digital technologies has, and will increasingly have, a huge impact on the way films and television programmes are produced, distributed and consumed. Digital production methods in both film and television have the potential to make programmes and films cheaper to make and therefore more accessible to those on a low budget. It has been argued that this might open up film and TV production to a much wider and more diverse pool of producers. The development and convergence of communication technologies is changing the landscape of distribution and reception of new media, including the internet, digital and interactive television, digital film distribution and mobile technology. These developments can be seen to allow for a greater diversity of programming and, for audiences, a greater accessibility of diverse experiences.

- new skills initiatives. Initiatives have been developed in recent years, to increase training opportunities and develop skills in the sectors. Schemes have been put in place by the DCMS, Skillset, Pact and other sectoral organisations. Training and skill needs have been identified for example the need for greater business skills, the need for long-term goals and sustainability, and maintaining and developing skills in new technologies. Schemes such as the skills investment fund and Skillset and the UK Film Council's strategy, 'a bigger future', are addressing the skill needs in the film sector.

- creation in 2000 of the UK Film Council to deliver a sustainable UK film sector and a strong film culture in the UK and to provide a focus for publicly funded film initiatives. This will allow a longer-term focus on the film sector and ensure evidence-based policy making.

- changes in the sources of finance available to film and television production companies. These have re-sculpted the landscape of funding in the independent sector. The broadcasters remain an important source of funding for the film sector. However, recent changes in funding from broadcasters, such as the closure of FilmFour (with a reduced film funding budget continuing from Channel 4), and the end of film funding from Granada, will all have had an effect. Public funding sources for film production have been centralised to some extent, moving away from the BFI and the Arts Council, with the creation of the UK Film Council. Regional screen agencies, part funded by the UK Film Council, have attempted to promote greater access to film funding in England, so have Scottish Screen, Sgrîn Cymru Wales and the Northern Ireland Film and Television Commission, in the rest of the UK.

- changes in taxation arrangements for funding in the film sector. Tax incentives to stimulate the UK film sector were introduced in the 1990s in order to allow tax deductions from production and acquisition costs for 'British' films. This provided a cash-flow advantage to film makers. Current arrangements under section 48 of the Finance Act 1997 are due to expire in 2005. However, the government has recently announced that it will introduce a new system of tax relief for film producers in July 2005.

- disbanding of designated multicultural units in broadcasting organisations. Key organisations such as Channel 4, BBC and the BFI used to have dedicated units tasked with encouraging talent from minority ethnic communities. These were regarded positively by some in the industry but over time have been disbanded or subsumed into other departments, in an attempt to integrate diversity across commissioning. This follows the ethos that mainstream and minority tastes are no longer divided. However, many organisations still employ people to monitor diversity, for example the BBC's head of diversity co-ordinates the organisation's efforts to reflect the diversity of the United Kingdom fully and fairly in its programmes and workforce.

1.3 Methodology

The research aims to:

- provide a definition for a MEL independent production company

- identify such companies and the scale of their operations

- survey these companies and compare them with white led companies of similar age, size and output

- find out where successes have happened and evaluate them

- establish whether or not there are specific barriers to progress for MEL companies.

The work commenced in March 2004 and was completed in November 2004. It involved the collection of both qualitative and quantitative data using a three stage methodology.

Stage 1 — qualitative scoping work involving interviews with industry experts and stakeholders, a review of secondary data on the industry and independent production companies, and the collection of relevant literature about the industry, including policy statements.

Individuals from across the industry have participated in discussions with researchers on the following topics: key issues affecting the TV and film sectors; diversity and multicultural initiatives (drivers to diversity); defining and recognising MEL companies; defining and recognising success; barriers faced by companies in the sectors and additional barriers specific to MEL companies; and examples of successful and unsuccessful businesses. In total 13 individuals were interviewed representing both the TV and film sectors, regulatory bodies, trade associations, funding and commissioning bodies, a sector skills organisation, and independent production companies.

Stage 2 — quantitative survey of independent production companies. Member companies and contacts of Pact and the UK Film Council were contacted and invited to participate; so were companies identified as MEL independent production companies during the scoping stage of the research. This gave a potential sample of about 1,000 companies. It is difficult to derive a precise sample size due to the likelihood of double counting (because companies may appear on several contact lists). For data protection reasons, Pact and the UK Film Council undertook the mailings using their own distribution lists and these were not shared with IES. The survey was web-based, and companies were given a link to a secure site, hosted by IES, which gave details of the study and who should complete the survey, and then asked questions regarding:

- the company

- the workforce

- the product

- the key individual (respondent)

- barriers to, and support for, success.

Initial contacts were made during the week commencing 7 June 2004, and a reminder was sent during the week of 28 June 2004. Pact and the UK Film Council produced a joint press release to publicise the study to the industry (it was subsequently covered by *Broadcast,* the leading broadcasting industry weekly title).

Companies from the TV and film sectors participated, so did 'white-owned' and MEL companies. By 6 September 2004, 79 survey returns had been gathered. It is difficult to determine the exact response rate because of the overlapping nature of the sample but a conservative estimate is about eight per cent (which had been anticipated, and corresponds with that achieved in other surveys of the sector and other web-based surveys). Of the 79 responding organisations:

● 55 were categorised as small companies. They had a turnover of less than £1 million or they had fewer than ten staff (including owner, other core staff, freelancers and unpaid volunteers).

● 56 had experience of working in the TV sector (40 of these were TV only companies).

● 37 had experience of working in the film sector (21 of these were film only companies).

● 16 worked in both the TV and film sectors.

● 14 were defined as MEL companies.

Stage 3 — qualitative case study work with a small number of MEL independent production companies and a matched sample of white led companies to explore and contrast their key areas of success and the barriers experienced.

Using the definition of a MEL company derived in the scoping stage of the research, these companies were identified from the respondents to the survey. Of this group, those who had indicated willingness to participate further in the research were approached as potential case studies. Five MEL companies participated and a further five white led companies were matched with these, using the key characteristics of sector, turnover, size of workforce and perceived company health. Thus a total of ten companies kindly shared their experiences with us. Case study interviews took place between August and November 2004. The discussions covered the following areas: setting up the company and how the organisation has changed over time (if at all); breaking into the industry and making a career in production; organisational performance and key areas of success; barriers faced during career and organisation history; looking to the future, the changes anticipated and what needs to happen to encourage and support success.

1.4 Methodological issues

The process of undertaking the research has highlighted several interesting issues which are outlined below.

1.4.1 Companies or individuals?

The objective was to research MEL companies but can companies have an ethnicity? Are small independent companies largely about their key individuals? When discussing minority ethnic companies with industry experts, participants tended to focus their attention on key individuals, and talked about individuals' experiences and backgrounds.

Implication — should diversity research focus on individuals or companies? Should it include freelancers who may go on to set up their own companies?

Outcome — we focused the survey aspect of the research on a key individual in the company, requesting that the survey be completed by the key decision maker on a day-to-day basis (eg, the owner, partner or director of the organisation). We captured data on this individual's career and experience, and also gathered information about the company. A similar approach was taken in the case studies. Interestingly although all individuals who took part in the first phase of case studies described themselves as from an ethnic minority background, only two felt they would define their organisation as a MEL company.

1.4.2 Difficulties tracking companies and building a history

The unstable nature of the industry means that companies may fail. Also discussions with industry experts indicated that in some cases, particularly in the film sector, companies can be formed by key individuals around particular projects and then disbanded. This means companies in the sectors tend to be fleeting, a group of individuals brought together to achieve a short term goal.

Implication — tracking companies will be difficult. Any snapshot methodology is likely to under-represent unsuccessful (failed companies) or short-term partnerships.

Outcome — we used contacts gained in the scoping stage of the research to try to contact individuals who may have previously led an independent production company to capture their experiences through the survey. In the survey we asked whether the company had been known by any other names, and asked if the company had been established for a specific purpose. Half had only ever been known by one name, but 30 per cent had been known by one other name, and twenty per cent had at least two

other names. This indicates that we are capturing some degree of 'churn' or change. The survey found that most responding companies (69 per cent) were not set up for a specific project. However, MEL companies were more likely to be created for a specific project.

1.4.3 Reaching and engaging MEL companies

Watson (2001) in her seminal work on black producers in the TV sector was concerned about the lack of monitoring in the industry. She argues that no one knows how many black-owned companies there are, and that commissioning organisations do not know the characteristics of companies pitching to them. Desktop research and interviews with experts indicate there is no data available on the numbers of MEL companies.

Implication — identifying and accessing MEL companies will be difficult.

Outcome — we used contacts gained in the scoping stage of the research to try to target companies described to us as MEL and individuals, and to encourage their participation. We stressed the industry backing for the research, the independence of the Institute in undertaking the research and assured confidentiality. However we found that it was still difficult to identify and access MEL companies and this was largely because of:

- few established networks of minority organisations and people. There are many networks but these are not well known, they tend to cover very specific groups in the sectors and do not appear to be co-ordinated in any obvious way.

- a lack of perceived relevance of the study amongst potential organisations.

- a general suspicion of the research agenda, of sharing experiences (because of confidentiality issues) and of the real potential for action.

It seems that many of the people and organisations forming the key group of interest for the research feel disempowered and disillusioned with actions and initiatives, aiming to help MEL companies. Feedback gathered during the research process indicates that people feel they have shared their stories and participated in research or initiatives in the past but that little has happened to change the industry since then.

1.4.4 Defining a MEL company

First we should note that throughout this report we use the term MEL Companies to refer to companies led by professionals from minority ethnic backgrounds. The use of the term minority ethnic is subject to debate but is considered to be an inclusive term that

acknowledges it is not just minorities that have an ethnic identity but that everyone has, including those in the majority; as such the emphasis is on the minority status rather than ethnicity.

Discussions with industry experts indicated whilst these experts talked about minority ethnic independents or black independents there was no real consistent approach to defining this concept. Individuals knew what these companies were, and could give examples of them but tended to be very broad in their interpretation of the concept or switched from one conceptualisation to another.

Implication — should a range of data be monitored to allow for various interpretations of a minority ethnic business?

Outcome — there are four key ways to define a minority ethnic company, according to:

- workforce — majority of employees from a minority ethnic background

- product — film/programme aimed at a minority ethnic audience

- how it sees itself — whether those associated with the organisation would class it as a minority ethnic company, or whether they would use a different term *eg* multicultural

- its leadership and financial backing — the self-reported background of key individuals.

Interview discussion guides and the company survey were designed to capture data across these four axes.

Arriving at a definition

The broadest definition of a company led by a professional from a minority ethnic background (a 'MEL company') would incorporate any of the four definitions or axes above. We believe the most useful definition in order to identify and track companies to promote change in the sector and target policy/action, would focus on leadership. As leadership influences the other axes:

- leadership is likely to influence make-up of the workforce, but the make-up of the workforce does not necessarily influence its leadership (data reported earlier indicates that Minority Ethnic individuals working in the industries tend to be confined to lower level occupations)

- leadership focuses on decision making and therefore on what type of product the organisation will make and in what type of market it will operate. As discussed in this report, companies do not like to be defined on the basis of their output as this can become restrictive and to some degree self fulfilling.

- leadership focuses (generally) on an individual, and the tendency is that individuals are the driving force in the industry. It is individuals that have ideas, devise products and create organisations to deliver them; rather than organisations that draw in leaders. It would appear that organisations in the sector do not tend to live on without their leaders.

There are examples of definitions that focus on leadership or key decision making whether formally (*ie* focusing on directorship/ ownership) or informally (*ie* focusing on perceived 'power') in work, concentrating on small businesses:

- *'Black and minority ethnic organisations are defined as organisations primarily led by and servicing people from black and minority ethnic communities, but increasingly to a growing number of white communities.'* ('Mapping the black and minority ethnic voluntary and community sector in the East Midlands', Voice East Midlands, 2002).

- *'Although definitions of ethnic minority businesses vary, most approaches tend to equate it with minority ethnic ownership or control of a business'* (p15). *'In the USA, a 51 per cent minority ownership guideline has been followed; but recent developments suggest this might be reduced to 30 per cent'* (p3; 'Assessing the potential of supplier diversity initiatives', Ram, Smallbone and Linneker, 2002).

- *'I have defined a UK black-owned company as one where at least 50 per cent of the decision-making authority or ownership of equity, resides with principles who are of African or Caribbean descent. This is based on the definition used in the USA as part of the Minority Supplier Policies.'* (Watson, 2001).

- Small Business Service, and the Ethnic Minority Business Forum define an Ethnic Minority Business as one in which 51 per cent or more of ownership rests with an individual(s) from a minority ethnic group(s). Similarly regional business support organisations such as the Birmingham Chamber of Commerce and Industry, also use a definition based on ownership *ie* fully or majority owned by individuals from minority ethnic groups, (this organisation notes that ethnic minority businesses form 25 per cent of the total market-place in the West Midlands).

We therefore defined a MEL company as follows: if the majority of decision-making power resides with an individual or individuals who consider themselves to belong to a minority ethnic group. Here the majority is taken to mean at least half. Thus an organisation where decision making is shared by an individual from a minority ethnic background and an individual from a white background would be deemed to be a MEL organisation.

It is important to note here, that MEL companies are not a homogeneous group, they will come from different backgrounds (different ethnic group, religion, gender) and have varying

attitudes towards and experiences of the film and TV sectors. The differences within the group described as MEL companies should therefore not be minimised, and we will not assume that all such companies are the same.

Estimating the population

Based on available data we estimate that MEL companies make up, at most, ten per cent of the independent production sector. This is based on the fact that Pact and UK Film Council contacts indicate that there are approximately 1,000 independent production companies in the UK. During the research, we were given contact details of approximately 100 individuals and/or companies that were referred to as black or Minority Ethnic — accounting for ten per cent of the population.

1.5 Report structure

The remainder of this report uses the definition outlined above to examine the experiences of MEL independent production companies and their leaders or key individuals.

Chapter 2 looks at how individuals, particularly those from minority ethnic backgrounds, get started in the industry, setting up companies and gaining experience and a reputation.

Chapter 3 profiles the industry and benchmarks the performance of MEL companies against the sectors as a whole. It examines measures of success and the relative success of MEL companies.

Chapter 4 explores in detail barriers and difficulties faced by independent production companies and particularly those faced by MEL companies.

Chapter 5 draws the report to a conclusion with a discussion on whether there is a differential experience for MEL companies, and whether particular types of companies face extra difficulties in the industry. It then moves to look at the actions that could be taken to support MEL independent production companies.

2. Getting In

In the preceding chapter we outlined the available demographic information concerning the independent production sector. The picture that emerges is that a far smaller proportion of the independent production sector is made up of people from a minority ethnic background than would be expected. In this chapter, we will use data from all three stages of our research to examine the possible routes into the sector, to see how these mechanisms might result in the apparent under-representation in the sector.

Key messages

- Those in the sector tend to be highly qualified. However, personal characteristics and work experience appear to be the factors that enable entry and success in early careers.

- The right work experience, working for a large company, can provide credibility and access to networks that in turn provide access to commissions and funding. It is important to ensure that these opportunities are communicated and accessible to all, including those from minority ethnic backgrounds; particularly as there is a perceived lack of training opportunities amongst this group.

- There are a range of training and work experience schemes, some targeted towards minority ethnic groups, but the information available is patchy. A 'one-stop shop' for the film and TV sectors would be helpful.

- Moving from a successful career in a large organisation, particularly in a decision-making role, to set up an independent company appears rare among those from minority ethnic backgrounds. This group have a more *ad hoc* career path.

- Unpaid working is common, particularly amongst minority ethnic individuals in the industry. This could be due to a lack of paid work opportunities. It could mean that work in the sector is only available to those with other sources of income or financial support, and may further disadvantage those from minority ethnic backgrounds.

- There are few role models from minority ethnic backgrounds, on screen but particularly in the industry or in successful independent production companies, who could encourage others.

- Organisations need to build a reputation and communicate it to commissioners and funders, who will tend towards organisations they know and ideas they feel will be commercially successful.

> Despite hard evidence, MEL companies may have a reputation of being less able, so have to start building a reputation from a negative base.
>
> ● There are concerns that submissions from MEL companies (particularly those from black film and programme makers) will not be seen as commercial, as decision makers (generally from white backgrounds) may lack cultural understanding, may make stereotypical assumptions and pigeon-hole ideas. They may prefer to stick with successful formulae and established companies they have worked with before.
>
> ● There are also concerns, fuelled by the industry's 'grapevine', that MEL companies may be put off applying for commissions and funding out of a mistrust of the process and a fear of losing control of their ideas.

2.1 Gaining experience

The independent production sector, both film and TV, is seen as a tough environment to break into, for people of all backgrounds. This sentiment was echoed by many of the experts and producers who were interviewed during the course of the research project.

2.1.1 Qualification level

Before we consider how people may gain experience in the independent production sector and examine the importance placed on this experience by commissioning editors and funding organisations, it is worth considering the qualification levels producers have. In general the independent production sector is highly qualified. Indeed, according to careers advice published online by the graduate service, 'Prospects', 66 per cent of the broadcast workforce have a degree or equivalent, compared with only 16 per cent of the UK workforce as a whole. However, several producers and industry experts consulted in the research were of the opinion that qualifications matter very little in gaining a foothold in the sector, and one producer commented: ' … *what matters most is passion, this is worth far more than a media studies degree'*. In fact, none of the people who were interviewed during the course of the research implied that a certain qualification level was required to work in the sector.

The evidence from our survey of independent production companies and their leaders revealed that respondents from minority ethnic groups have a higher qualification level than their white counterparts, with nearly 75 per cent (compared with 63 per cent) having a degree or postgraduate degree. Therefore we could argue that the available evidence concerning qualification levels does not explain the observed low representation of minority ethnic groups in the film and TV independent production sectors.

2.1.2 The importance of work experience

'People who want to break into the sector really must want to do it and keep working at it.'

TV Producer

From the initial expert interview scoping stage there appears to be a feeling in the industry (both in the film and TV sectors, and from decision makers and policy bodies) that minority ethnic film and programme makers are perceived to lack experience and as such have been associated with poorly considered submissions (*eg* unsolicited, unfocused, poorly researched) or poorly managed productions. However, little has been done to either validate or dismiss this assumption, or to improve the situation, *ie* to provide experience, mentoring and support. Interestingly, credibility is equated with experience of working for a large company. Relevant work experience is seen as demonstrating ability but it can also enable individuals to access the informal networks and to seek the patronage required to become a preferred supplier (this concept is discussed more fully later). However, it would appear that rather than moving successfully from a career in a large organisation to start independently, minority ethnic individuals may make the move precisely because they have not managed to get noticed or progress in the large organisation. They move out of frustration rather than design. This situation exacerbates the claim that individuals from minority ethnic backgrounds lack experience.

Our survey of independent production companies and their leaders collected data on the number of years of work experience (see Table 2.1). The results show small differences in work experience, with a greater proportion of white producers having over 20 years experience but also having less than five-years' experience. It is probably unsurprising to see only small variations in work experience amongst already established producers. What is more telling is how these respondents accessed this experience.

The survey gathered information on the previous work experience of key individuals, and suggests that those from minority ethnic

Table 2.1: Years experience in the industry of key individuals (per cent)

Years experience	Minority ethnic producer	White producer
Less than one year	0	2
Three to five	7	11
Six to ten	27	11
Eleven to twenty	53	35
Over twenty	13	41
Total	**100**	**100**
Base (n)	*15*	*54*

Source: IES Survey, 2004.

backgrounds have a great deal of production experience. Key individuals of MEL companies were more likely than the group of respondents as a whole to have worked in other independent production companies either managing them or in an executive or other role. They were marginally more likely to have worked in a broadcasting organisation in a production role. However, they were much less likely to have worked as a TV broadcaster or in a commissioning role

The survey could not capture the precise career paths of respondents. We were able to explore this issue in the case study phase of the research with MEL companies, gathering more detail about an individual's journey into the independent production sector. The overwhelming theme from these case study interviews with key individuals (from minority ethnic backgrounds) was the *ad-hoc* nature of their entry into the independent production sector. The following career stories are presented to give a flavour of the variety of unconventional routes into the sector.

The creative accountant

This TV producer started her career as an accountant who eventually ended up working for a large television production company, in an accountancy role. She formed a partnership with a producer from the company and set-up as an independent, bringing financial and business knowledge to the venture. This partnership lasted for eight years and during this time the individual learnt and became more interested in the creative side of things, resulting in the formation of her own production company.

The 'reluctant producer'

A third career move into production was born out of frustration for this producer and so he describes himself as 'reluctant'. Initially qualified as an engineer, this producer went to drama school to re-train as a classical actor. After becoming frustrated with being employed only for his skin colour and being paid less than white actors, he decided to move into film making to help change this situation and improve the portrayal of British-Asians and British-Asian issues.

Administrator to producer

This producer started a career as a secretary in a television company mindful that production was the intended career. Although this job provided her with the opportunity to gain experience of the industry, it was only facilitated by her driving the process, often working extra hours to make up for the time she spent on attachments. After realising that she would not make the transition to producer inside this organisation, she left to work for

a series of independent production companies. After being made redundant she made the decision to work freelance. Her big break came from an initial three-week assignment which eventually led to her having a stake in the company she was assigned to. Although it was a long journey from administrator to producer, she feels the experience she gained was the reason she has been successful.

The leader of a white-led independent production company also began her career in a secretarial role in an independent company, but moved within this organisation to gain experience of TV and film. She then moved to another independent to gain more experience, becoming involved in the decision making process of making movies. After a career break, she returned to the industry to set up her own company with a friend: 'My parents gave me contact names to pursue so I had a great deal of knowledge about the industry. I knew the language used in the industry. I was very lucky in that respect.'

IT professional to TV / film producer

After a first career as an IT professional, this producer became interested in film-making having attended a Channel 4 workshop. A group of film makers set-up a film co-operative and asked him to join on account of his business knowledge. This spurred him on to study for a film studies degree. He now heads his second company (the first folded) and has worked in music videos, corporate videos, documentaries and more recently feature films. This diversity of work is out of necessity rather than choice.

Successful TV producer to first time film producer

This film producer had quite a conventional career. She went to film school and then became successful in TV production. She chose TV over her greater passion of film because of her perception that she was more likely to have a stable career in TV. Certainly when she qualified from film school there were very few films being made in the UK. This contrasts with the United States, where the film industry is considered to be a business. After a recent career break she has now decided to try film production.

Case studies with white-led company leaders also highlight the variety of routes into the industry. However, their career stories would suggest that the following are important factors:

- Media-related experience prior to their entry to film and TV production, moving within the creative sector (for example one person began his career as a script writer and another began in print journalism before moving to production)

- Good contacts within the industry, sometimes through family, (one person had strong connections in the USA industry as he had studied and worked there)

- Purposeful moves to build relevant experience, often working for key broadcasting organisations before working in independents: 'I spent several years moving around in the sector, gaining experience and working in different genres, learning and moving on'.

2.1.3 Accessing work experience

Gaining relevant work experience is key to becoming established in both the TV and film sectors. Reviewing the data collected, two main themes emerge: the first concerns the communication of work experience opportunities to the people who will benefit from them; the second is the unpaid nature of some work experience opportunities.

Creating and communicating opportunities

In our survey, we asked respondents to what extent their opportunities in the industry had been restricted by certain barriers. Respondents from minority ethnic backgrounds perceived a lack of training opportunities to be a greater barrier than white respondents (see Appendix C, Tables A11 and A12).

Throughout the research process, details of training and work experience schemes in the TV and film sectors have emerged, however the number and variety can be confusing. Indeed, a recent exercise to map the independent production training sector in London (Burns Owen Partnership, 2004; for Film London) found that there were over 36 organisations offering training, with funding coming from a very wide range of sources. There may need to be a clearer way of communicating the existence of these courses to the people who require the training. Particularly to individuals from minority ethnic backgrounds, who, as the survey indicates, perceive a gap in training opportunities. The film sector is working to address the communication issue with their film skills strategy, 'A Bigger Future' (UK Film Council/ Skillset, 2003). This acknowledges the potential confusion: 'for decades, the skills support available to those working in the British film industry has been sporadic and fragmented. What opportunities did exist have often been poorly communicated and delivered by a myriad of uncoordinated training providers.' (p05). Amongst other things, the strategy is working towards a one-stop shop approach for individuals to be able access information relating to skills development for the UK film industry (see www.skillsformedia.com). We did find evidence of training schemes specifically targeted at people from minority ethnic backgrounds. For example, in 2003 Channel 4 provided 11 researcher and six senior researcher positions to minority ethnic

applicants. The presence of these schemes would reinforce the notion of a gap in provision or opportunity for those from minority ethnic backgrounds, and that it is tougher to gain experience in the industry if you are from an ethnic minority group.

Unpaid working

Unpaid work is another way to gain experience and would appear to be prevalent in the TV and film sectors. Over one-quarter (29 per cent) of organisations we surveyed used or were made up of unpaid workers. TV companies were more likely to use unpaid labour than film production companies (this could be a reflection of their size as generally these companies were larger than film companies). The survey found that unpaid work was more common amongst those from minority ethnic backgrounds: a higher proportion of unpaid workforces were from minority ethnic backgrounds (much more so than amongst core workforces and freelance staff). Individual respondents to the survey from minority ethnic backgrounds were more likely to report having undertaken unpaid work during their careers than those with white backgrounds. This might suggest that those from minority ethnic backgrounds are more willing to work unpaid, but perhaps it is more likely that they have to work unpaid to gain relevant work experience and break into the industry.

> *'There is no route for black talent to develop in. In the industry everyone has to fight hard to get anywhere but if you're black you have to fight doubly hard.'*
>
> Minority Ethnic Film Producer

The survey indicates that access to junior level positions was not an issue for respondents from minority ethnic backgrounds, but the relative permanence or stability of these jobs was a concern. Almost two thirds (63 per cent) of this group said that lack of junior positions offering a first rung on the career ladder was never a barrier to their careers. However, almost half (45 per cent) saw the lack of permanent positions available as a barrier often or most of the time, a greater proportion than their white peers. The survey also shows that freelance working appears more common in the careers of minority ethnic individuals than their white peers.

The prevalence of unpaid work is likely to have ramifications for the socio-economic status of entrants and/or their families. It becomes an issue of whether or not someone can afford to be supported whilst they gain the relevant experience to develop their career. A theme from the interviews was that if you put in the hours you will eventually make it. As one of the interviewees expressed it:

'Although it is tough for young people to enter into the industry, as it can be a hand-to-mouth existence, if they are determined enough they will make it.'

<div align="right">Minority ethnic television producer</div>

As long as the practice of unpaid work experience continues, those able to afford such conditions will be in a more favourable position to develop in the film and TV sectors. As we have already seen, a large proportion of people in the industry are graduates. According to recent research (DfES, 2004) average graduate debt is set to increase to around £15,000 for those starting their course in 2006. For some leaving university, unpaid work is just not a viable option:

'Interest in entering the business is low because the starting pay is low, and the risks are high. Many Asian young people think "What is the point of struggling to get into an industry that discriminates against me when I can earn more and get more respect as a solicitor or accountant?"'

<div align="right">Policy body (film)</div>

Role models

Another theme emerging from the research is the lack of minority ethnic role models in the industry: black and Asian people leading successful independent production companies, or individuals from minority ethnic backgrounds in key positions in large organisations:

'The majority of people in the business and especially those with decision making power are white middle class and so the system naturally excluded BME freelancers and company leaders from breaking into the industry and becoming successful.'

<div align="right">Policy body</div>

This lack of role models could partly explain the low participation rate of minority ethnic individuals in the independent production sector. Another related perception concerns portrayal on screen. There is a feeling that the portrayal of minority ethnic characters in the industry is limited and, in some cases, damaging:

'People seem to only want familiar black faces and black stereotypes on TV. But this is a serious concern because it perpetuates these stereotypes amongst white people which is a dangerous thing.'

<div align="right">Minority ethnic TV and film producer</div>

Gaining experience in the independent production sector is a tough process, characterised by poor pay and frequent job moves. This process seems more challenging for those from minority ethnic backgrounds, who typically have better qualifications, are more likely to be unpaid, are perceived as having less experience and have fewer role models. It is perhaps unsurprising that there are fewer minority ethnic producers than would be expected.

2.2 Building a reputation

'The determining factor in getting commissions is your relationship with the commissioning editors. The TV world is a small network and you have to make a name for yourself and build relationships.'

TV commissioner

Not only has the independent producer got to gain experience in order to develop the relevant skills to be judged competent, but he or she also needs to communicate this to commissioning editors and funding organisations.

Getting known by the right people and countering negative perceptions

'The sector is characterised by the "old boy network". You get on because of who you know in the industry, who your friends and family are in the business, who you circulate with and who you know at the top of the ladder.'

Policy body (TV and film)

In the television sector, the issue of building a reputation seems to affect all small production companies — as large organisations and those headed by 'names' are already well known in the film and TV sectors. Sreberny (1999) describes the independent production sector in broadcasting as being made up of three super independent and production groups. These companies are large organisations with a proven track record. Next in the seniority stakes comes a list of nearly thirty organisations that are typified by being owned, fully or partly, by well-known names in the industry. These organisations are described as being run by those who have had a career with a big terrestrial broadcaster, who have gone on to set up as an independent, taking with them their reputation and pre-existing network of commissioning contacts. At the bottom are the rest; the small independent production companies grown from scratch and led by those without such career experiences or social networks. It is in this group that the majority of MEL companies reside.

The literature does point to success stories of MEL companies but Watson (2001) feels that these grew out of a movement in the sector to recruit minority ethnic producers (spearheaded by John Birt at LWT) but that this moment has now passed, and there is a subsequent lack of minority ethnic success.

It would appear that MEL production companies face additional problems in building a reputation, to those faced by small independent companies more generally. As indicated earlier, one of the mechanisms of building a reputation is to establish a career with a broadcast company (and gain useful contacts) but our discussions with industry experts and producers themselves suggest this is harder for those from minority ethnic backgrounds.

The literature suggests that MEL companies have to fight to shed an undeserved image of being less able to deliver (Watson 2001).

Being considered commercial

The degree to which MEL companies are pigeon-holed increases their difficulties building a reputation in the film and TV sectors. For example, the film sector acknowledges in its diversity policies (*eg* BSAC, see chapter 1) that commissioners are guilty of stereotyped thinking when considering minority ethnic companies. Specifically, MEL production companies are perceived as only able to produce films that have an ethnic theme, and as a result, these producers are ghettoised (isolated to the margins). The phenomenon of ghettoisation is not new, with a recent publication (SSMR, 2000) pointing out that this has been the case for the past thirty years (see chapter 4 for a more detailed discussion of this issue).

One of the experts interviewed described his own struggle not to be marginalised in the sector,:

> *'I have had to make a concerted effort not to be ghettoised or marginalised but at the same time try to represent diversity in all the programs I make.'*
> Minority ethnic television producer

We gained a mixed view from the experts in the TV and film sectors of whether it is harder for MEL companies to succeed and for individuals from such backgrounds to break into the industry. Some felt those from minority ethnic backgrounds did not face any greater or additional barriers or difficulties than their white counterparts, with decisions about commissions and funding made on the basis of commercial potential and track record. However, others spoke of initiatives designed to support and encourage this under-represented pool of talent. It is interesting to note, that — with the recent mainstream success of films such as 'East is East', 'Bend it like Beckham' and 'Bride and Prejudice' — crossover films with Asian characters and themes may be commercial and less likely to be pigeon-holed. However, without a similar black British film that has gained commercial success, black filmmaking appears to remain on the margins and under threat of ghettoisation.

Longevity — surviving long enough to be considered

Our survey of independent production companies allowed us to probe some of these issues further. For example, we were able to relate the years a company had been operating to the number of commissions they had received in the last 12 months (Table 2.2).

The numbers are small, but the table shows the proportion of companies (within a group) that have gained commissions or

Table 2.2: Experience profile of companies commissioned or funded in the last 12 months (per cent)

	Companies commissioned/funded in the last 12 months				
Years operating	**Overall**	**MEL film**	**White led film**	**MEL TV**	**White led TV**
Less than one year	0	0	0	0	0
One year	5	0	0	0	7
Two years	2	0	0	0	3
Three years	17	0	17	17	14
Four years	5	50	8	17	3
Five years	7	0	8	17	3
Six to ten years	22	0	17	17	24
More than ten	42	50	50	33	45
Base	*41*	*2*	*12*	*6*	*29*
% of company type commissioned	*52*	*25*	*40*	*55*	*63*

Source: IES Survey, 2004.

funding in the last 12 months. In both film and TV, a greater proportion of white led companies were commissioned or financed than their MEL counterparts. In the film sector, 40 per cent of white-led companies were financed, compared to 25 per cent of MEL companies. In the television sector the figures for commissioning are 63 per cent and 55 per cent.

The table indicates the relative experience (years of operation) of companies that have been successful in gaining commissions or funding, and suggests that the longer a company has been operating, the more likely it is to be commissioned/funded. In the film sector, no company with less than three-years' experience was financed (despite there being responding organisations with less than three-years' experience). The TV sector appears less critical of operating history, particularly for white led companies. This group were commissioned with less operational history than MEL companies.

The preceding discussion has shown that gaining a reputation in the television and film sectors is tough but that there are extra hurdles faced by minority ethnic producers. These hurdles are:

● being ghettoised

● shedding a false perception of amateurism

● making commissioners and funders realise that there is a market for their work

● gaining access to funding and commissioning gatekeepers who tend to be white.

2.3 Taking risks

'A commissioning editor takes a big risk when they commission a production so the better your relationship with them the more likely they are to commission you.'

TV commissioner

'The key barrier in the sector is the conservatism of commissioning editors, they tend to be young, creative and sensitive, and are carefully watching their backs…nervous about losing their jobs. This is understandable but it makes them pick the safe bet, the company with a track record and a reputation for delivery rather than the young company, whatever the ideas. This means it is very difficult to break into the industry.'

White-led independent production company

Related to the importance of building a good company reputation is that of risk taking by commissioners and funders, which in turn is related to perceived commerciality. Recent research has described the job of the film funder as difficult, as there are far more demands for the money than there is money to distribute and they have no scope for failure (SSMR, 2000). The authors describe film funders as having a fear of the unknown, and therefore as being more likely to finance ideas that are culturally pertinent to themselves. This lack of risk taking was also identified in our discussions with industry experts who spoke of a lack of confidence or a general reluctance on the part of commissioners or funders to try new companies and new ideas. Instead these decision makers would rather stick to tried and tested formulae and companies they have used before. This presents a catch-22 for young or inexperienced independent companies and for MEL companies who are accused of lacking experience. Decision makers will not fund or commission work by a company with little experience. There also seems to be a reluctance to change in the sectors, and some experts have called for a cultural shift towards a willingness to change.

Our survey of independent production companies revealed that MEL companies feel far more restricted by the lack of creative risk taking among film funders and television commissioners than other companies (see Appendix C, Tables A11 and A14), with nearly 60 per cent of MEL companies describing this as a barrier most of the time.

Funders and commissioners need to make decisions on the basis of what they believe will be successful but in doing so they may not only be failing MEL companies but also minority ethnic audiences. As one expert noted:

'The biggest risk broadcast organisations are taking is failing to acknowledge ethnic audiences. If you fail to cater for them they will switch off.'

TV commissioner

However, the perceived lack of risk taking is not confined to decision makers in the funding and commissioning organisations. Our interviews with industry experts also identified a lack of risk taking amongst minority ethnic producers. Some spoke of a lack of confidence or a suspicion on the part of minority ethnic independent producers. They are either fearful of rejection 'out of hand' so do not apply for commissions or funding; or are fearful of their ideas getting 'stuck in a drawer' hijacked or stolen. This situation seems to be exacerbated by an industry 'grapevine', telling stories of poor treatment.

The picture that emerges is that there is an element of risk in every decision to fund or commission an organisation, but the lack of risk taking is being felt by a greater proportion of minority ethnic producers. This might be a result of broadcasters, who tend to be white, having less understanding of a proposal from a MEL company. Moves within the industry to increase the representation of individuals from minority ethnic backgrounds in key decision-making roles may improve the situation, and facilitate the representation of minority ethnic groups in the production sector (also see chapter 4 for a discussion of these issues).

3. Getting On — Becoming Successful?

In this chapter we profile independent production companies. We look at what success means to independent production organisations, and measure their successes. We then use the definition of a MEL company outlined in chapter 1 to identify such companies and the scale of their operations, and to compare their progress with the independent production sector (in TV and film) as a whole.

Key messages

- Companies in the independent production sector are led by highly qualified and experienced individuals, many of whom gained experience through working freelance or for other production companies. Moving from a commissioning role to production was relatively rare.

- Most responding companies had been established for several years, although smaller companies tended to be younger, and the majority were based in London and the South East. This geographic concentration was stronger amongst those in the film sector and smaller companies.

- Most companies were small or micro-sized, having less than ten staff and/or a turnover of less than £1million. Film companies tended to be smaller in terms of staff and turnover than those in the TV sector. Representation of minority ethnic groups was poor but representation of women was better, and both were better amongst TV companies than film companies.

- Many companies felt they specialised in a particular type or genre of product to some degree although it was larger companies who more likely to consider they made multicultural programmes. Most companies made products for a mainstream audience. Very few made programmes targeted towards particular ethnic communities, both of these were MEL companies.

- Individuals view success as moving from a position of survival, which involves securing work and building a reputation amongst peers and the industry more generally, to a final goal of being able to undertake projects that have real personal resonance. This is particularly important to MEL companies who want the ability to choose their projects and markets (including choosing whether to make, or indeed not to make, multicultural programmes/films), and to retain control of the creative process. Creativity, pride and self-fulfilment appear to be key drivers for all individuals in the industry.

- Many companies are successful, in that they feel their companies are doing well or at least okay, their products are broadcast or distributed theatrically, and they are obtaining work. They are also optimistic for the future. However there was a mixed pattern of increasing and decreasing turnover and profits. Generally core employment levels remained static though companies expect to increase their levels of freelance staff.

- MEL companies differ from the general model. Minority ethnic company leaders were more highly qualified and experienced but more likely to operate alone (*ie* one man bands), and the companies were more geographically concentrated (in London) and home based.

- Although the numbers available were small and therefore only suggest patterns, MEL companies appear to be less successful than companies in the film and TV sectors, and than companies of a similar small size. They were more pessimistic about their success despite their entrepreneurial flair and strong desire to succeed, they achieved smaller financial rewards and had greater uncertainty about future finances, and were less successful in securing funding and commissions despite their activity in this area.

3.1 Profiling the sector

The survey of independent production companies across the film and TV sectors has allowed us to build a general profile of all such companies in terms of their leadership, how they became established, and their activities.

3.1.1 Key staff

Looking at all responses, we can identify the characteristics of company leaders. We asked for the survey to be completed by the key decision maker in the organisation, usually the company director (59 per cent) or owner (48 per cent). However, respondents often considered themselves to have several different roles and therefore titles (which were not mutually exclusive). Just over half (56 per cent) had sole control of the running of their organisation, but a substantial group shared control with others (in one case, this was shared between five individuals). There were more male respondents to the survey, than female respondents (59 per cent compared to 41 per cent). This corresponds with the industry profile as outlined in chapter 1. Very few respondents considered themselves to have a disability (only three out of 79).

As noted in chapter 2, these key individuals tended to have a great deal of experience in the industry and to be highly qualified. Almost three quarters (74 per cent) had over ten-years' experience (including 37 per cent with over twenty-years' experience), and the same proportion (74 per cent) had higher education qualifications. Interestingly, leaders of smaller companies (*ie* less than ten employees or a turnover of less than £1 million) tended to

be more highly qualified but with marginally fewer years' experience in the industry (this may indicate that over time and years in the industry, leaders can grow their organisations into larger companies).

Looking more closely at experience in the industry, freelance working was common, with over two-thirds (69 per cent) having previously worked as a freelancer. Gaining production experience in another company was also common, just over half (55 per cent) had worked for another film/TV production company in a non-executive role, and a similar proportion (51 per cent) had worked for a TV broadcaster in production. However, few had moved from commissioning work to producing, only 15 per cent had previously worked for a TV broadcaster in a commissioning role. Those in film companies were more likely to have worked in a freelance role or for another TV/film production company than those from TV companies, whereas those from TV companies were marginally more likely to have had experience working for a TV broadcaster in production. Working freelance or in another independent production company in a non-executive role was more common amongst leaders of small companies than larger ones.

3.1.2 Company set-up

Most companies had been around for a while. Just under two thirds of companies were at least six years old (61 per cent, including 39 per cent that have been operating for more than ten years). There was no real difference by sector (*ie* film or TV), however smaller companies are younger, *ie* fewer have been operating for more than five years (58 per cent compared to 71 per cent of larger companies). The majority of companies (69 per cent) were not set up for a specific project.

There was evidence of geographic concentration with the majority of responding organisations based in London (68 per cent) or the South East (six per cent). However, a good response was gained from Scottish companies (11 per cent). Geographic concentration was greater amongst film companies. Most commonly, companies operated from leased business premises (56 per cent). There was greater geographic concentration amongst smaller companies, and also a greater tendency to work from the family home. No large companies worked from home, but 27 per cent of small companies did.

3.1.3 Staffing

On average (median), companies had six staff (including owners, core staff, freelance and unpaid workers), and total workforces ranged from one (the owner) to 700 individuals. Most had a combination of core employees (including owners), supplemented by freelancers. As noted in chapter 2, just over a quarter of

companies (29 per cent) also had unpaid volunteers but generally only a small number (*ie* one or two). Two-thirds of organisations (67 per cent) were micro companies (they had no more than ten people working there). Film companies tended to have a smaller workforce than TV companies, indeed all but three film companies were categorised as small companies. On average (median) small companies had five staff.

Generally, representation of minority ethnic groups was poor, but representation of women was much better; this corresponds with the industry profile as outlined in chapter 1. On average (median), companies had only one member of minority ethnic staff but had three female members of staff. Around two-fifths of the organisations surveyed had no staff from minority ethnic groups (42 per cent), this compares with only 13 per cent with no female staff. Five responding organisations had all minority ethnic staff, and six had all female staff. Minority ethnic representation was marginally better in the TV sector (64 per cent with at least one member of staff from a minority ethnic group compared with 49 per cent in the film sector). Female representation was also better amongst TV companies (93 per cent with at least one female member of staff compared with 78 per cent in the film sector).

3.1.4 Finances

The median (average) turnover for the last year was £380,000 but ranged from £10,000 to £23 million. TV companies had a greater average turnover than film companies, £930,000 compared to £150,000 but this is because of their larger size. Small companies, by nature of their definition, had smaller turnover. This was on average £150,000, which compares to £2,350,000 for large companies.

Only about two-thirds of respondents gave details of their profit.[1] Amongst those the median profit was £20,000, but ranged from a loss of £100,000 to a profit of almost £14 million. Again TV companies (due to their larger size) had greater average profits than film companies (£30,000 compared with £10,000), but it was

Table 3.1: Average (median) turnover and profit by company type and sector

Company type	Median turnover (£)	Base	Median profit (£)	Base
Large TV	1,900,000	20	90,000	18
Small TV	258,500	30	10,000	23
Small Film	140,000	29	10,000	17

Source: IES Survey, 2004

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[1] It could be inferred that those who withhold profit information are likely to have made smaller profits or have a made a loss, thus the figures quoted here from the survey responses are likely to overstate profits achieved amongst all survey participants.

TV companies that recorded the greatest loss and the greatest profits. The average profit of a small company was £10,000 compared to £90,000 for large companies.

3.1.5 Output

Of those working in the TV sector, the most common areas of specialism included documentary/factual (69 per cent), drama (43 per cent) and arts/music (29 per cent). However, 13 organisations (22 per cent) said they made multicultural programmes. Small companies were more likely than larger companies to make drama, educational or radio programmes. This may indicate that smaller companies feel more able to compete in the market for these genres. Interestingly, larger companies were much more likely to say they made multicultural programmes than smaller companies — 41 per cent compared to only 11 per cent. This could indicate that larger companies fare well in this market niche, and as MEL companies are almost exclusively small companies (as discussed below) they may well be being pushed out of this area of the market.

Those working in film described their genres. These included: drama (including historical, period, 'biopic', and general drama), comedy (including romantic comedy), thriller (including psychological thriller), horror/fantasy, film noir/art-house, animation, short films and low-budget films.

Most responding independent production companies felt their products were aimed at a mainstream audience, but a minority (15 per cent) aimed its films/programmes at a particular audience or niche market. These niches included: children, teenage/youth, art-house, sophisticated/well-educated, Gaelic speakers/learners, and religious stations. Only one responding organisation aimed its programmes/feature films at the black community (this was a MEL company) and one targeted the Latin-American market (again a MEL company). Film companies were more likely to target their output than TV companies, as were smaller companies, indicating their likelihood of operating in a niche rather than mainstream market. This may suggest that small companies grow by moving from a niche to a mainstream market, and may be in danger of being pigeon-holed by their niche or specialism.

3.2 What is success?

Interviews with industry experts, a review of relevant literature, open questions in the survey, and in-depth discussions with independent production companies enabled us to explore what success looks like, and what companies in the sectors aspire towards.

It would appear that success is generally about moving from a position of survival, through one in which organisations and individuals can secure a steady stream of work (through commissions and funding), to being able to make projects that mean something to, and have real resonance with, the individual producer.

● Survival is the most fundamental aspect of success, and individuals talked of their fears for their companies and of organisations they know that have failed and been disbanded. Individuals talked about being able to make a living or pay themselves a wage. Critical to company survival appears to be the character of key individuals. Both themes of survival and personal strength were found to be prevalent amongst MEL companies, more so than amongst comparative white-led companies:

'Success for me is about being able to sleep at night without having to worry about the business being able to pay the bills…when we started we only committed to a six-month lease because we were not sure. Being thick skinned and patient have been two qualities which have been very helpful in becoming established as a producer. For every twenty ideas you send to a commissioning organisation, you will only get one idea into production – if any at all. You need to be able to take rejections constructively.'

Minority ethnic independent producer

'I believe I don't have a fair chance to make an impact in the industry but I shouldn't have to feel like that, and I'm not the only one. It's a real shame it has got to this state. A lot of good film makers are out there not working or doing what they want to do. They are disillusioned about the business as a whole.'

Minority ethnic independent producer

'For us, it [success] is more about survival and making films than creating employment for others or making profits; not saying that profit is unimportant but success for us is not about profits. Sometimes we employ 80 people at a time for a film and when the film is finished we let them go.'

White-led independent production company

'We are in a fairly strong position now so I wouldn't say that success for us was about survival. We have our own premises.'

White-led independent production company

Citing 'survival' as a key goal or indicator of success is somewhat worrying as is perpetuates the perception that companies operating in the sectors are hand-to-mouth outfits. It is important to encourage ambition to be pitched higher.

● The key to survival is securing work. This involves getting ideas commissioned or funded. But not just once. It is important for companies to obtain repeat business (funding or commissions) so success is about volume of commissions or

funding for more than one project, a steady flow of projects, regular work and long running returning series.

- The next stage is to get these programmes or films shown either on UK TV or distributed theatrically in the UK and internationally. Having a visible output enables companies to build a reputation or 'name' in the industry. Number of broadcast hours or number of films distributed and their box office performance therefore becomes important.

- Recognition is also an important aspect of success. This has two key elements: recognition from peers in the industry, through critical acclaim or industry awards, and recognition from the marketplace through commercial success, audience and box office figures. These elements help organisations build their reputation. Part of recognition may also involve becoming a 'preferred supplier' for a funding body or commissioning organisation (although two case study companies noted the potential dangers of relying on only one key source of funds or commissions):

'Critical and commercial success of a project, which bring in enough money so that we can bring in staff, that is important for us. Working on something that the industry sees as a good project, that is part of that very important peer recognition... I co-produced [a film] which won many awards, that helped my career a great deal.'
White-led independent production company

'For me it is the loyal and regular subscriber base that really count. I get a real kick when I hear someone in a petrol station talking about how much they enjoyed watching my programme. Also we have developed a series of ways of making programmes that others didn't adopt ie new ways of shooting things so creative input is very much part of the process.'
White-led independent production company

- Creating regular employment for oneself and for others, keeping staff permanently, is also considered a signal of success.

- Finances are also important. Generating profits and maintaining a good cash flow are considered indicators of success.

- Finally creativity, pride and self-fulfilment are important aspects of film and TV production to which individuals aspire. This involves having choices, having creative input or control (creative independence), and a good rights portfolio. It also involves:

  - 'making programmes that change peoples' views'

  - 'realising something of your own'

  - 'doing something you enjoy'

  - 'having pride in your product'.

This final aspect of success is of particular importance to MEL companies, as responses to the survey indicate:

'It [success] is defined by the broadcasters as returning a series of low rent tabloid wall paper as opposed to well crafted, stimulating, quality programming.'

' … being able to break grounds, bring something new and of great quality to audiences and make a decent living out of it … '

'… do work that is challenging and interesting to make and see …'

For these companies, and some of the MEL case study organisations, success is about being able to choose their projects and markets without being pigeon-holed into a particular genre, and about being able to control the creative process without ideas or project teams being taken over. The key here is 'choice'.

One producer from a MEL company felt that success was about looking to the future, *'projecting forward'*, and developing ideas. He also felt strongly that it was about being able to do what you want *'not just what brings in money'*; about repeat business such as producing a series or several projects rather than a one off; and importantly, about making a programme *'that the black community respect and enjoy'*. He feels black film makers need to blaze a trail for future generations, to inspire, encourage and develop talent.

However White-led independent production companies also spoke of the importance of fulfilment and control:

'We are strict on ourselves, we work on projects that we like to watch ourselves so we don't go after things that would just be money-spinners…We both believe in having a say in what we make and how we make it. That's why control is a great part of the process for us. We always say that we are not in this just for money, self-fulfilment is also important.'
White-led independent production company

'Self indulgence is our strength… we always make programmes we enjoy so having a large degree of choice on what we make is very important to us. I feel that while I am still enthusiastic about what I make, that is what I consider as great success.'
White-led independent production company

There is a subtle difference here, and it would appear that for some MEL companies there is a need to go beyond choosing and making programmes they enjoy but to make programmes and films to meet a particular personal agenda.

3.3 Measuring success

As we have seen, success can be defined and measured in a variety of ways. It can be linked to individuals and include aspects relating to employment, earnings, qualifications and skills,

self-fulfilment, and peer recognition; or linked to organisations and include aspects relating to financial stability, growth, and output. It can include hard or objective measures (*eg* numbers) but it can also include soft or subjective measures (*eg* attitudes and perspectives).

A range of these measures were used to gather information about the relative success of companies in the independent production sector.

3.3.1 Finances

Looking at changes in finances, a similar proportion of companies had experienced an increase in turnover (35 per cent) as had experienced a decrease in turnover (33 per cent) over the past year. There was no difference between film and TV companies. Generally companies were more optimistic about the future, and 56 per cent expected their turnover to increase over the next 12 months. TV companies were more positive for the future than film companies (who tended to be less certain of their expectations). Smaller companies were less likely to have seen an increase in turnover or to expect an increase in the future.

The majority of respondents indicated how their profits had changed over the last 12 months. For one-fifth (21 per cent) their profits were stable, but for over one-third their profits had decreased (34 per cent) and for 29 per cent they had increased — so more felt their profits had fallen than had increased. There was no real difference by sector. Again companies (particularly those in the TV sector) were more optimistic about the future and 55 per cent expected their profits to increase. Smaller companies were again less likely to have seen an increase in profit or expect one in the future.

3.3.2 Employment growth

Core staffing levels tended to remain static over time, whereas freelance employee numbers increased. Just over half of responding organisations reported that the number of their core employees had not changed in the last 12 months compared to only a quarter who had seen their core staff levels increase. However, more companies had seen an increase in the number of their freelancers in the past year than had kept this flexible staff group the same or have seen it decrease. Again, the small group with unpaid volunteers have tended to see their numbers of these remain static (61 per cent). The patterns were similar for TV and film companies, although TV companies were more likely to have increased their freelance workforce than film companies. Smaller companies were less likely to have seen an increase in either their core or freelance workforce but relatively more likely than larger companies to have seen an increase in their unpaid staff numbers (see Appendix C, Table A6).

Table 3. 1: Staffing changes in the last 12 months and expected for the next 12 months

	Changes over last 12 months		Changes expected for next 12 months	
	No.	%	No.	%
Core employees				
increased	19	25	26	35
decreased	13	17	3	4
stayed the same	41	54	36	49
company less than one year old	2	3		
can't say, constantly changing	1	1	9	12
Total	*76*	*100*	*74*	*100*
Freelance employees				
increased	27	43	36	54
decreased	13	21	4	6
stayed the same	15	24	10	15
company less than one year old	1	2		
can't say constantly changing	7	11	17	25
Total	*63*	*100*	*67*	*100*

Source: IES survey, 2004

Looking to the future, the majority expect core numbers to remain static (49 per cent), but expect the numbers of freelancers to increase (54 per cent). TV companies were marginally more likely to anticipate increasing their staff numbers through increased numbers of freelancers than film companies, whereas film companies were marginally more likely to expect an increase in core staff over the next year than TV companies. There was little difference between small and larger companies in their expectations for staff changes.

3.3.3 Investment

Almost one-half of the companies (49 per cent) made programmes or feature films for foreign consumption, most commonly North America (USA and Canada) and the rest of Europe. Film companies were more likely to export their product than TV companies. Similarly, 44 per cent of the responding organisations received foreign investment, generally from wider Europe and from North America. For those companies receiving foreign investment, funding ranged from ten to 100 per cent, but the average was 45 per cent foreign investment. Film companies, corresponding with the greater likelihood of exporting their output, were much more likely than TV companies to receive foreign investment. Smaller companies were marginally more likely to make programmes or features for foreign markets but were marginally less likely to receive investment from outside of the UK.

Case study discussions highlighted the importance of the North American market. One company noted how going outside of the UK became a way for the company to grow, and spoke of importance of US financing:

> *'You can only go and see commissioning editors in the UK so many times, in the end you saturate the market so you have to look elsewhere, you have to go to the states.'*
> White-led independent production company

> *'The most important factor in our success is getting money from America. We manage to get quite a lot of funding from the USA – that is partly because of our connections in America…for other independent film companies funding is a big problem and they struggle a lot.'*
> White-led independent production company

3.3.4 Securing funds and commissions

Funding for projects

Roughly one-half (53 per cent) of the independent production companies noted they had applied for public funding for film or TV projects in the last year, but only one-third of the whole group reported they had received full funding. Film companies were more likely to apply for public funding than TV companies, yet TV companies were marginally more likely to get the full funding for which they applied (see Appendix C, Table A8). The ease of securing funding may reflect the relative size of funding requested. Smaller companies were more likely to apply for public funds and were also marginally more likely to get them. For example:

- ten larger companies said they applied and three of these reported that they got full funding (30 per cent)
- whereas 32 smaller companies applied and 14 of these reported receiving funds (44 per cent).

Budgets

Not all responding companies gave information about budgets but, where given, yearly budgets (*ie* total budget for all feature film or TV production activity in the last 12 months, given to the nearest £10,000) ranged from £10,000 to £115 million, with a median average of £1 million. On average, half of these budgets came from public sources. A quarter (24 per cent) of respondents had no public funding at all, whereas the exact same proportion received their entire budget from public sources. Across the responding organisations, the average (median) yearly TV budget was higher than the average yearly film budget but this is largely influenced by size of company. Smaller companies had a smaller average budget than larger companies, and larger companies tended to be confined to the TV sector. Larger TV companies had a reported average budget of £2.35 million compared to £350,000

Table 3.2: Yearly budget for feature film and TV production activity by sector and type of company

	N	median	min	max
Film sector	22	900,000	10,000	20,000,000
TV sector	41	1,000,000	10,000	115,080,000
MEL company	11	150,000	10,000	3,500,000
Small company	36	355,000	10,000	9,000,000
All	*56*	*1,000,000*	*10,000*	*115,080,000*

amongst small TV companies, and £400,000 amongst small film companies.

Key sources of commissions and funds

Just over one-half (52 per cent) of the organisations had been commissioned or funded to produce a programme or film in the last year. Yet smaller companies were significantly less likely to have been commissioned or funded. For TV companies, most commonly, commissions were received from the BBC, followed by Channel 4 and ITV but non-terrestrial companies were also a good source of commissions. For film companies, key funding sources included: non-UK production companies, finance companies, private finance and regional screen agencies. However, figures are indicative only as the numbers involved are small.

Figure 3.1 Sources of commissions (those working in TV only)
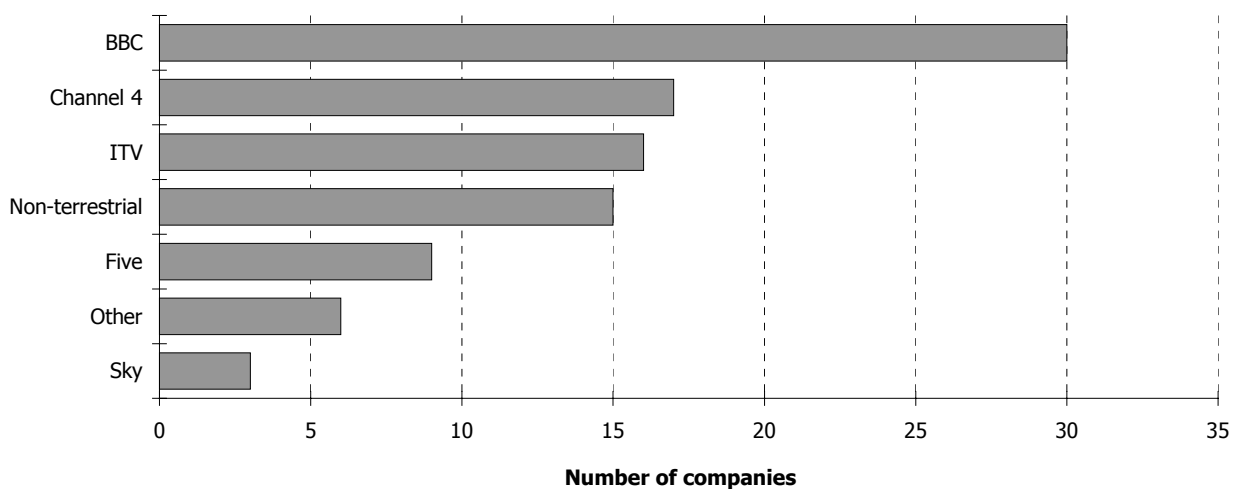
Note: Base = 41 responding companies

Figure 3.2 Sources of funding (those working in Film only)
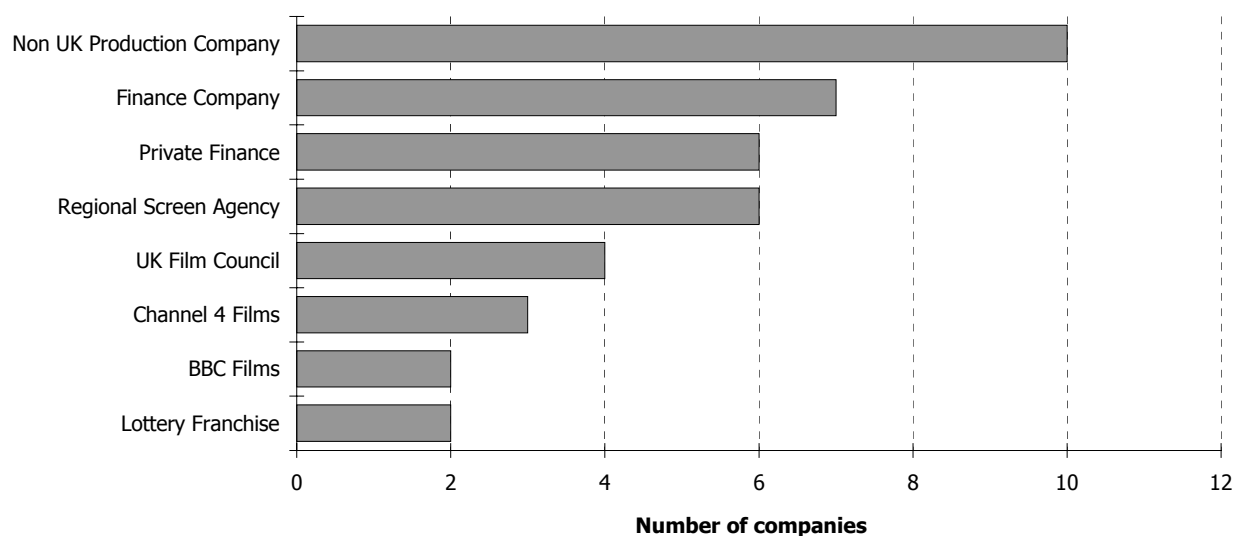
Note: Base = 17 responding companies

Source: IES survey, 2004

Visibility of output

Over two-thirds (67 per cent) had had programmes shown on UK TV or had had their films distributed theatrically in the last year. TV companies were more likely to receive commissions and were more likely to have their output shown in the UK over the last year, than film companies were to get funded and distributed theatrically. Again, smaller companies fare worse, in that they were less likely to have had programmes shown/films distributed (see Appendix C, Table A8).

The number of broadcast hours achieved last year by TV companies ranged from one to 778. Six organisations (including one MEL company) had at least 100 broadcast hours last year compared to 16 organisations who had ten or less. The median average was 13 hours for the whole group of respondents from the TV sector. The number of broadcast hours was fewer amongst smaller companies — a median of five compared to 40 hours for larger companies.

The majority of companies in the film sector completed one film in the last 12 months, and had one film distributed theatrically in the last year. There was no difference by size but largely because the vast majority of film companies who responded to the survey were small companies.

3.3.5 Self assessment

The survey showed that respondents were modest about their company well-being. Just over one-third (37 per cent) felt their company was doing okay, and a further third (33 per cent) felt it

Figure 3.3: Assessment of company health

How well is your company doing?

■ Very well　■ Quite well　□ Adequately/OK　■ Not very well　□ Very badly/may not survive
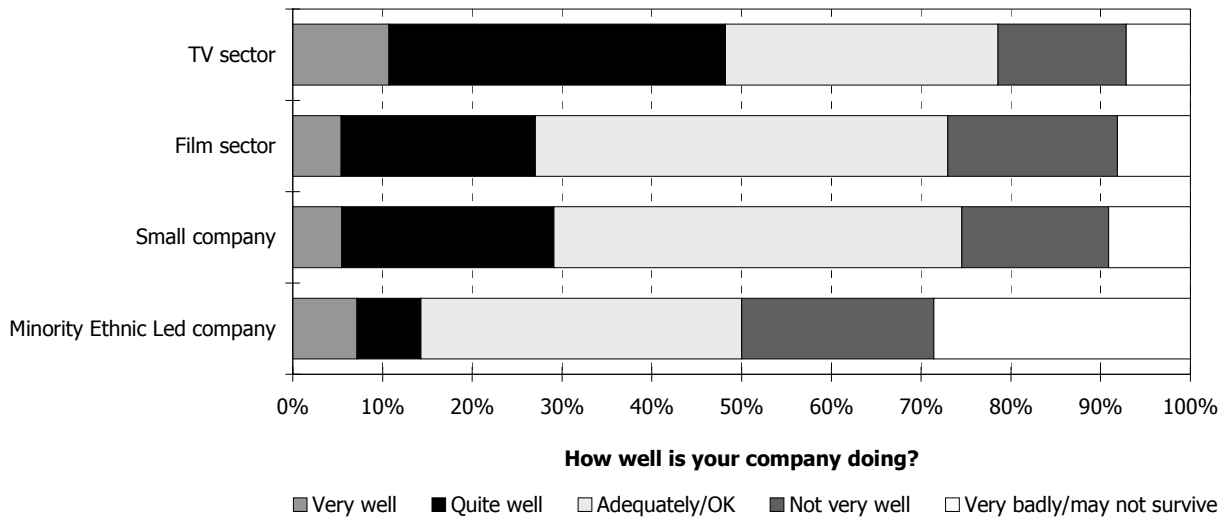
Source: IES survey, 2004

was doing quite well. Few (ten per cent) felt they were doing very well. This leaves a small group who were less optimistic about their success, 14 per cent that felt they were not doing very well, and six per cent (five companies) felt they may not survive. Generally TV companies were more optimistic than film companies. Smaller companies were more pessimistic about their company health — with only 29 per cent feeling they were doing very or quite well compared to 75 per cent of larger companies.

3.4 Benchmarking MEL companies

The sections above provide a benchmark against which we can compare the profile of MEL companies, and examine their relative success.

There were 14 organisations that we would define as MEL: nine with sole control by a person of minority ethnic background, four with shared control but with all key staff from minority ethnic backgrounds, and one with a mixed ethnicity team (one from minority ethnic background, the other from a white background). This is a small group of organisations, and caution should be applied when comparing their experiences with white-led organisations as their experiences may not be generalisable across all MEL companies. This number gives a starting point, and an indication of particular issues and problems.

It is important to note that the majority (12 out of the 14, or 86 per cent) of MEL organisations was categorised as small in that their turnover was under £1 million and/or they had less than ten staff. This is higher than found for the sample as a whole, where 70 per cent of the group were classed as small. This corresponds with research that generally minority ethnic businesses, *'are not just small, but very small firms '*, and that, as such, they *'share many of the*

characteristics, problems and support needs of micro enterprises more generally such as problems in raising finance and deficiencies in certain core management competencies, such as marketing and financial management skills.'

<div align="right">Ram and Smallbone, 2001; p13</div>

It is also useful to note here that 11 of the 14 had experience in the TV sector, and eight had experience of the film sector.

3.4.1 Profile

Highly qualified and experienced

As discussed in chapter 2, respondents (key individuals) from MEL companies had marginally greater experience in the industry, indeed all but one had more than five years experience. These individuals were also more likely to have gained experience from working as freelancers, as unpaid volunteers, and through working for other companies in the industry (production companies and broadcasters) than those from white led companies. However, they were much less likely to have worked previously in commissioning. MEL companies were more likely to be headed by individuals with postgraduate qualifications, than small companies. This corresponds with general research by Barclays on minority ethnic businesses, reporting that owners of such companies were more highly qualified than white business owners (Barclays, 2000).

London home based companies

Focusing on companies, there were few very long serving MEL companies, and they were more likely to be created for a specific project than others in the sectors. All but one of the MEL responding organisations were based in London. Working from the family home was more common among MEL companies. MEL companies were longer serving, more likely to have been set up for a project, more geographically concentrated, and more likely to be operated from family premises than other responding small companies.

Small workforce supplemented with freelancers

MEL companies tended to have a smaller workforce which indicates they are smaller in scale. They had a much smaller set of core employees than other companies, which they supplemented with sometimes large numbers of freelancers. However, MEL companies were much more likely to have minority ethnic staff than other companies. MEL companies are more likely to be 'one-man bands' *ie* to have only one worker than other small companies — 42 per cent compared to 23 per cent.

Mainstream output

Across the whole group of responding organisations, approximately one-fifth (22 per cent) said they made multicultural programmes. However only three of these were MEL companies. When asked if they targeted their output, only one responding organisation said they aimed their programmes/ feature films at the black community (this was an MEL company) and one other reported targeting the Latin American market (again a MEL company). No other MEL company felt their programmes or features were for a niche market or target audience.

3.4.2 Success

More pessimistic despite entrepreneurial flair

MEL companies tended to be less optimistic than white led companies, indeed one-half of the small group of such companies felt they were either not doing very well or were doing very badly. MEL companies were much less optimistic than other small companies. Of the 12 small MEL companies, 58 per cent felt they were not doing very well or badly compared to only 16 per cent of small white led companies.

This is interesting, as research has indicated that individuals from black or Asian backgrounds are much more likely than white British people to be involved in business start-ups, and have much more positive attitudes towards entrepreneurship in general:

> *'Indian, Asian and black communities are more entrepreneurial than any other ethnic group in the UK. They are three times more likely to be involved with some form of informal investment activity than their White counterparts, and their levels of entrepreneurial activity are nearly twice as high. They are more likely to know entrepreneurs and to see good opportunities for business start-ups.'*
>
> Harding, 2003; p38

However despite this group's greater likelihood to set up a business, research also indicates that relative confidence in success is low. The Barclays survey of minority ethnic businesses found a smaller proportion of such companies were quite or very optimistic about the future, than white led businesses (Barclays, 2000).

Smaller financial rewards and greater uncertainty

The average turnover among MEL companies was less than half that of white led companies, indicating that these companies work on a smaller scale. Exactly the same number of MEL companies had increased their turnover from last year as had decreased their turnover — indicating a mixed pattern of growth and slow-down. Looking to the future, generally MEL companies were less certain

of their expectations of turnover than other companies. Focusing on only small companies, MEL companies still had a lower average turnover than white led companies. MEL companies were also more pessimistic about past and future turnover than white led companies of a similar size.

Across the sectors company profits and losses differed greatly. However, given the small number of MEL companies, their profits were more closely grouped, also MEL companies made lower average profit that other companies (£12,500 compared with £20,000). This, like turnover, is likely to be explained by their smaller relative size. However, when looking at small companies only, MEL companies still reported on average a smaller profit than white led companies (£5,000 compared with £10,000). However, a white-led small company reported the greatest loss, and the maximum profit reported from a white-led small company was equalled by a MEL company.

Fewer MEL companies than others were optimistic about, or able to gauge the direction of, their future profits. Once again small MEL companies were more pessimistic about future profits than similar white led companies.

Similar pattern of employment growth

The majority of the small group of MEL companies had not changed its core number of employees but many companies had increased their freelancers in the last year (following the general trend). These companies, which tended to be smaller, generally did not anticipate changing numbers of core staff in the next 12 months. This follows the general trend in the sectors (reported above).

Less success in funding and commissions

Looking at funding and commissioning, the numbers involved are very small and should be treated with caution. However, they could suggest that whilst MEL companies were more likely to apply for public funding for film or TV projects they were less likely to get full funding. For example, 34 white-led companies applied for funding and 15 of these said they got full funding. This compares to eight MEL companies who applied for funding, only two of whom received it.

Again, the numbers are small and therefore the patterns are indicative only, but small MEL companies were marginally less likely to note that they had been commissioned to produce a programme or film in the past 12 months than small white led companies 33 per cent compared to 42 per cent. However, generally MEL companies were successful in receiving commissions, and key sources of commissions were the BBC, Channel 4 and non-terrestrial companies. MEL companies were

less likely than others to report having their output shown on TV or theatrically in the UK, a matter of concern.

It would be interesting to gather data from funding bodies and commissioning bodies on the relative application rate amongst MEL companies, and the proportion of their applications that are approved. Our initial interviews and literature search would suggest that either this data is not systematically collected or it is not yet available in the public domain. For example, the UK Film Council has started to collect equal opportunity monitoring information on the make up of the project team (including ethnic background) on its funding application form and completed projects form. However as this is a fairly recent initiative (started early in 2003) and the data is not obligatory, they are still in the process of monitoring the data and its quality.

It is perhaps worth mentioning here the concern raised in the literature about the heavy use of new forms of distribution (new satellite and cable channels) amongst MEL companies. Sreberny (1999) is concerned that these channels are unstable, biased towards Asian audiences, and could further fragment the market leading to 'small communities narrow-casting in a range of global languages' (p107). The smaller budgets involved could negatively affect a MEL company's ability to make quality programmes, and thus its reputation.

4. Getting Stuck

In this chapter, we look at the barriers to success that independent production companies face in the film and TV sectors, focusing particularly on the difficulties faced by MEL organisations. These obstacles and difficulties are not new. The literature indicates they have been identified and discussed for several years, yet the survey responses and interviews with industry experts and organisations suggest they are still very real and worrying.

The barriers, difficulties and obstacles faced by companies in the industry and sectors are numerous. Some are specific to the sector, some are more generally related to small businesses, and some are associated more strongly with MEL companies. Each potential barrier is discussed below with evidence from the survey of companies and from interviews of the specific impact it has on MEL companies. Our survey found that the small group of MEL companies were more likely than other companies to report experiencing the potential barriers listed in the questionnaire. This corresponds with general research on the experiences of minority ethnic businesses. Research by Barclays found that two thirds of the such companies they surveyed felt they faced greater barriers to success than other businesses, compared to only 39 per cent of white businesses (Barclays, 2000).

It is important to recognise that other groups (such as disabled people) can face problems by virtue of their minority status, but an investigation of these lay outside our research remit.

Key messages

- The film and TV sectors are difficult places for independent production companies to survive, and companies face numerous obstacles breaking in and becoming successful. Many of these barriers have been discussed for some time but are still preventing success. The harshest criticism is reserved for the funding and commissioning process which is considered to be slow, conservative and a 'closed shop' (with decisions made behind closed doors).

- Interviews and survey data show MEL companies experience more barriers, more regularly than other companies, even when comparing their experiences with similar sized (*ie* small) organisations. Strength of character, creativity and business sense

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appear particularly critical if a producer from a minority ethnic background is to succeed.

- MEL companies face additional barriers breaking into the industry, accessing the right networks and contacts that will avail them of commissions and funds rather than limiting their choices and ability to grow. There is a high degree of reliance on peer support amongst MEL companies.

- MEL companies face barriers to survival. More MEL companies are concerned about their ability to compete (particularly against large organisations) and their lack of advice and support from sector bodies.

- They find it harder to operate the funding and commissioning processes successfully, falling foul of commissioners' and funders' fear of taking risks on new talent, and their culturally bound assessment of what constitutes a commercial project. The lack of clarity or openness in these processes, the lack of diversity amongst decision makers and access to dialogue with these individuals, serve to fuel the concerns of MEL companies that these process are stacked against them. The case studies highlighted the alternative approaches these companies are forced to take in order to keep their companies afloat and to fund projects.

- MEL companies also face a barrier that only affects them: that of being labelled and pigeon-holed to produce programmes or films for minority ethnic audiences or involving minority ethnic actors and writers. This difficulty appears to have been exacerbated by departments dedicated to support minority interests in film and TV. There is a tension about whether MEL organisations should make mono-cultural programmes in order to ensure these programmes are made and these voices heard (and to be supported in this endeavour); or whether they should be allowed to compete and make programmes for the mainstream that reflect the multicultural nature of society. The key here is choice. MEL companies should be given the choice to make the programmes they want to make.

- Targeted support may be required to help MEL companies overcome barriers but there are concerns that these companies may mistrust such moves or may not perceive themselves to be eligible.

4.1 Breaking in and making contacts

As noted in chapter 2, individuals need to be able to gain experience, and companies need to be able to build reputations, to be known in the industry, as this can generate funding for projects and commissions. However getting established is difficult, in breaking into the industry, and in progressing.

Sreberny (1999) highlights the issue of entry and progression, and notes that MEL companies feel they are being excluded. Her report covers many targeted initiatives that are aimed at training for minority ethnic individuals, but comments from industry (TV sector) experts, highlight the lack of opportunities for entry to and progression within the sector. This requires a move, in industry recruitment methods, away from 'who you know', and 'who knows you'. Without mechanisms to develop experience, these

Figure 4.1: Experience of entry barriers
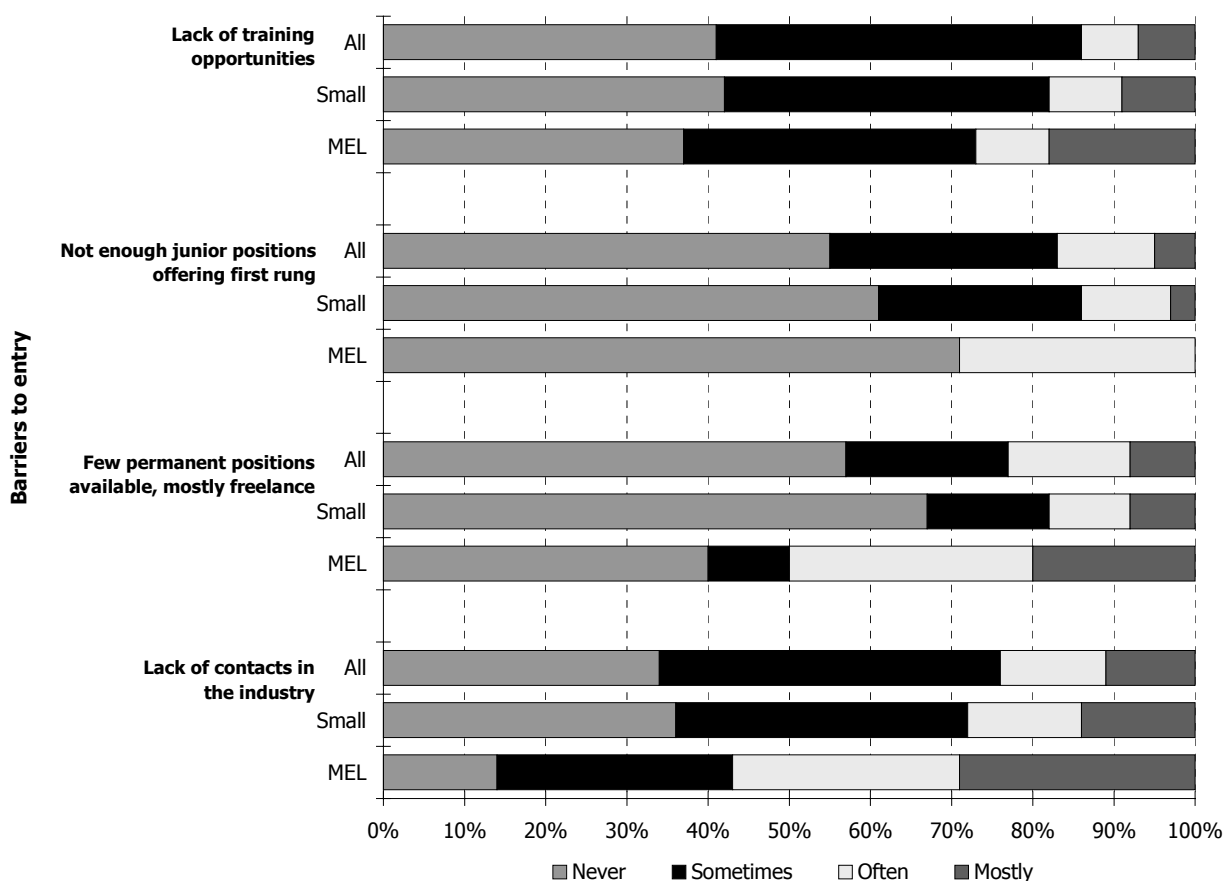
Source: IES survey, 2004

individuals will be disadvantaged in the industry through lack of visibility, track record or reputation. Indeed Watson (2001) notes that an additional barrier for MEL companies is their lack of experience because of the glass ceiling that she feels exists in the TV sector.

Our survey of independent production companies indicated that fewer company leaders experienced barriers relating to entry than other potential barriers. For example: 41 per cent said they had never experienced a lack of training opportunities; 54 per cent had never experienced there to be not enough junior positions offering the first rung on the career ladder; and 57 per cent had never felt there were few permanent positions available in the industry. Smaller company leaders were less likely to experience the latter two barriers than those in larger companies. However, these barriers were more of an issue for MEL companies. Amongst these company leaders a greater proportion regularly experienced (and similarly a smaller proportion never experienced) lack of training opportunities and particularly lack of permanent positions.

Interestingly, one MEL case study interviewee noted the relative lack of training opportunities in production. Although there were schemes to learn other aspects of the business, she felt production

experience schemes were limited. This was largely because of the difficulties in learning the role which needed to develop through the real experience of producing a programme or film.

Experience also provides access to contacts within the industry, which are key to the TV and film sectors. Other research has highlighted the lack of access to networks and social contacts amongst MEL companies (Sreberny, 1999). Indeed, open responses to our survey of independent production companies indicate that a particular issue for MEL companies is not being part of established networks. The survey also found that around one in ten (11 per cent) organisations felt they regularly suffered from a lack of contacts in the industry, and there was little difference between small and larger organisations in this respect. However, MEL companies were much more likely to note experiencing this barrier (29 per cent said they experienced this most of the time).

One white-led case study company acknowledged the importance of reputation and contacts in the industry:

> *'The size and age of our company can prove to be a bit of a problem sometimes. Because we are only new, we have to prove ourselves. My experience helped a lot but we are not known by the broadcasting companies… networking helps a lot. I am very lucky. My work on [film] helps me. People feel that we know what we are talking about. The door is slightly open for us in that respect. If we get turned down it is because they don't know us.'*
>
> White-led independent production company

Our case studies of MEL companies also highlight the importance of, and difficulties in, building a positive reputation — a reputation for delivering quality work on time and to budget. Getting that first break in the industry, from which contacts are made and work may then snowball, is important

One individual spoke of there being no route by which to develop black talent, and no good role models: *'no successful black film makers despite the talent base'*. He went on to talk of his frustrations about not having enough experience and not being known, despite having good ideas. He feels that black film makers need extra help and that this may have to come from the black community itself, in terms of funding projects because the help needed is not coming from the mainstream. However, another case study interviewee argues that the few high profile successes from the black and Asian community should not be expected to ensure the success of other MEL companies. She feels this is a wider responsibility of the industry and of commissioning and funding bodies. She goes on to discuss the pressure to succeed, and her concerns that mistakes count, not just against her, but more widely against black and Asian film makers: *'It is important to learn from both the successes and the mistakes – the general experience of developing and producing a film. However black and Asian film*

makers don't get many opportunities to produce films and as a result their experience is very limited' (Minority ethnic independent producer).

4.2 Size matters

The recent survey of small businesses (Atkinson and Hurstfield, 2004) found obstacles to starting and maintaining a business centred on competition. Research focusing on the TV sector also identified difficulties with abilities to compete. Research in 1999 criticised industry structures for creating barriers for MEL companies. The author noted a move towards big umbrella companies or 'super-indies' such as Endemol UK, and Mentorn (part of the Television Corporation). These large organisations were becoming preferred suppliers (although contested by broadcasters) with 'golden commissions' and were making most of the programmes, as broadcasters believed larger companies could deliver quality, to budget and schedules. However there were no such large MEL Companies, and the author was concerned these larger organisations were squeezing out diversity, forcing small companies into partnerships in order to survive (Sreberny, 1999).

BECTU too is concerned about super-indies gaining the largest share of commissions, leaving MEL independent companies unable to compete or to do so only as a junior partner with a more established company. Indeed in our discussions with industry experts it was suggested that in the TV sector large established independent companies are putting forward 100 ideas for every one put forward by smaller companies, so it is understandable that these companies are, or feel they are, being squeezed out.

Watson (2001) also speaks of competition in her research. She notes that in the TV sector, the small commissioning budgets of multicultural departments, coupled with the perception amongst broadcasters that black-owned companies can only access commissions from these budgets, were creating particularly fierce competition. Indeed our survey indicates further problems. It shows larger white-led companies were more likely to make multicultural programmes than other companies, and so were fishing in perhaps the only pool open to MEL companies (see chapter 3).

Our survey of independent production companies found competition was a particular issue. Over one-quarter (27 per cent) of responding organisations reported that most of the time they were unable to compete because of a small number of big companies dominating the market. When describing, in an open question, key obstacles hindering their progress, responding organisations mentioned their lack of scale and size to compete. There was a much higher reporting, among the small group of MEL companies, of an inability to compete, coupled with a lack of

Figure 4.2: Experience of barriers to competition in the market
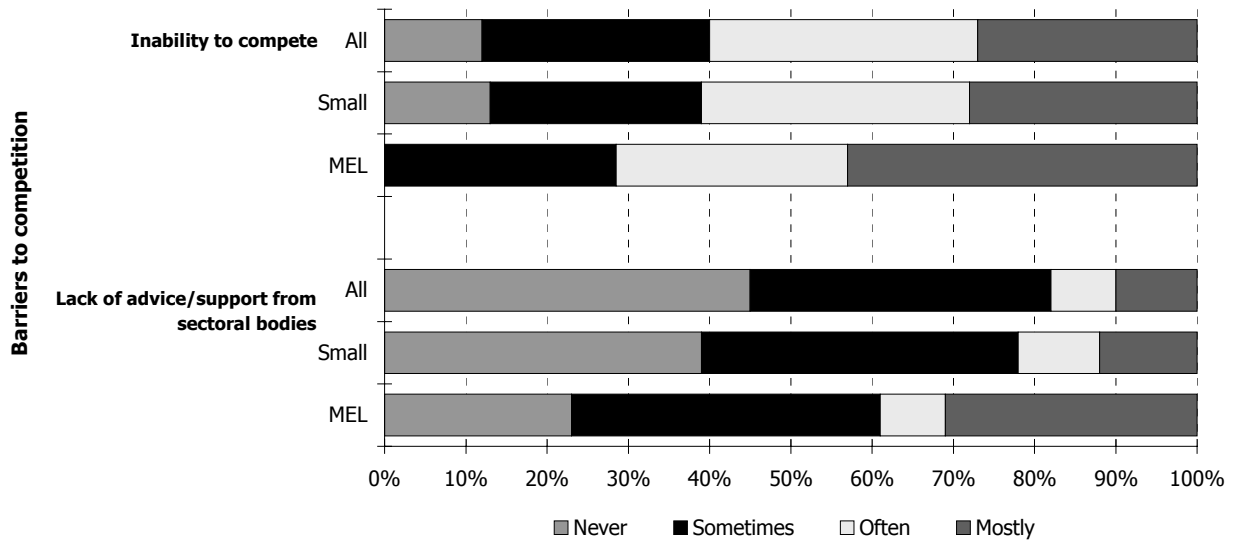
Source: IES survey, 2004

advice or support from sectoral bodies. MEL companies described feeling that they were not being given a chance. Interestingly there was no real difference in reporting of this potential barrier between small companies and larger companies. However when focusing on small companies, MEL companies were much more likely to regularly experience this than other small companies — 50 per cent compared to only 21 per cent of white led small companies said they experienced this most of the time.

During our case study discussions, one film maker from a MEL company spoke of the difficulties she faces in terms of lack of experience and access to resources. Although successful in gaining funding for a promising film project, she feels additional support is needed to move the project along, and is becoming frustrated with the time it is taking. She is considering going into partnership (co-production) with another production company to ensure her project comes to fruition. She is concerned that moves in the film sector towards a smaller number of slate deals would make it even harder for her organisation to compete. Although these funding arrangements require lead organisations to work with a range of third-party companies (at least one of which must be a UK production company), she is concerned that these successful lead organisations will use their own 'preferred suppliers' (*ie* those they already know).

Our survey indicated that MEL companies were more likely to regularly experience a lack of support and advice from sectoral bodies than other companies surveyed (31 per cent most of the time), even more so than small companies (12 per cent most of the time).

Competition in the market-place was also mentioned in our case study discussions with white-led independent production

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companies but there were mixed attitudes with some feeling it was difficult to compete and others feeling there was enough 'to go round':

> *'There are a lot of people doing the same things or making very similar programmes and there is a comparatively limited space; film companies and broadcasters have limited spaces so this affects accessing funding as there is a limited amount of money available to do these programmes with… the money commissioners give out is becoming less and less, especially in TV and in drama particularly. There is, however, a lot of money in reality programmes, especially in the last few years. Reality programmes have become a big part of TV.'*
> White-led independent production company

> *'At the moment, there seems to be a fair bit of money going round, more broadcasters are putting money into independent companies.'*
> White-led independent production company

The move towards consolidation, umbrella organisations and super-indies in the TV and film sectors is a response to the market, with its high risk and uncertainty. Moving together enables the growth of sustainable businesses, whatever their make up. Consolidation may reduce the diversity of independent production companies (*ie between* companies) and so policy bodies within the sectors perhaps need to explore diversity *within* large organisations (at all levels) to ensure diversity in the sectors.

4.3 Money matters

Improving access to finance for small businesses is an important theme for the SBS, and it looks closely at financial issues in its annual survey of small companies. The latest survey found that common obstacles to small businesses include cashflow (along with economy, regulation, taxation, and recruitment) but that costs of premises, or difficulties obtaining finance are less common obstacles (Atkinson and Hurstfield, 2004). Working capital or cashflow is particularly important to very small companies (either without employees or with less than ten), and the independent production sector is dominated by such micro companies. The survey also found that although MEL companies were no more likely to seek external funding, *'the proportion experiencing problems when they sought external finance was higher than average'*, Atkinson and Hurstfield, 2004; p92.

Research on minority ethnic businesses generally found that more felt access to finance was a barrier to growth than white companies. This was most common amongst business owners from black backgrounds (Barclays, 2000). Minority ethnic companies appear to experience, or perceive that they have, greater problems than others accessing external finance (Ram and Smallbone, 2001). Most recent research indicates that, whilst minority ethnic businesses as a group are not disadvantaged in accessing finance from formal sources (*eg* banks), those from Black

African or Black Caribbean backgrounds are relatively less successful in accessing any form of external finance (Smallbone, Ram, Deakins and Baldock, 2001).

Financial difficulties may be more apparent in the film and TV sectors. Sreberny's work (1999) reported that independent companies in the TV sector were having difficulties raising finance for their projects, and called for black entrepreneurs to invest in the sector. Similarly Watson (2001) identified barriers in the industry including low capitalisation, frail infrastructure, and limited research and development capacity.

Our survey of independent production companies found that a lack of resources and difficulties with cashflow were themes that emerged when respondents were asked about main obstacles that had hindered them. Similarly in-depth interviews with MEL companies highlight the 'hand-to-mouth' existence independent producers can experience, particularly those working on long film projects. For some of these, film making is a passion which they sustain with other smaller projects, or other jobs. One individual noted that over the twelve years he has been in the industry he has only earned enough to pay income tax (*ie* earned more than £4,000) in one of those years and was in fact given a rebate that year.

However concerns about finance are not restricted to MEL companies alone:

> *'Lack of resources is a huge issue for us, not having much money to spend on projects or spend in projects. We do not want to spend money on overheads so we are working from our own homes…it would be really nice if there was more advice available to individuals such as ourselves in the sector but business of this nature is very unusual. The advice you can get is often very costly. The courses you can go on are very expensive. For example, we need a business plan but we have to spend money to get help on how to do this. You need to spend money to raise money.'*
>
> White-led independent production company

4.4 Outdated commissioning and funding practices

The literature is critical of the commissioning and funding process. Commissioning is described as slow, too conservative, and a 'closed shop'. Although some in the industry feel the commissioning process is fair and open, others feel it is still unfair, and neither simple nor transparent (Sreberny, 1999; Millwood Hargrave, 2002).

Interestingly, wider research focusing on experiences of minority ethnic businesses across a range of sectors suggests that minority ethnic businesses find it difficult to access opportunities to supply large organisations, particularly in securing contracts from the public procurement process. This research suggests *'closer scrutiny*

of the purchasing practices of public agencies and large private sector businesses could be beneficial for [ethnic minority businesses], together with an assessment of the scope for increasing supplier diversity, within the context of existing competition policy rules', (Ram and Smallbone, 2001; p48. Follow-up research points to the importance to minority ethnic businesses of being on tender lists and of understanding the criteria used to decide who is successful. It also suggests that the business case for supplier diversity (and related initiatives) needs to be promoted to large companies, not least their duties under the Race Relations (Amendment) Act (Ram, Smallbone and Linneker, 2002).

4.4.1 Relying on the tried and tested

As noted in chapter 2, broadcasters are felt to take too few risks, preferring instead to use well known companies with a track record, often in the defence of 'quality' and out of concern to ensure commercial success (Sreberny, 1999; Millwood Hargrave, 2002). Whilst this can affect any independent production company (indeed one case study interviewee noted, *'You are only as good as your last programme, regardless of what colour you are'*), broadcasters and commissioners are also accused of lacking in faith in minority ethnic companies and their ideas. Broadcasting organisations are described as middle class and white, and in danger of making stereotypical and discriminatory assumptions about MEL companies and their abilities, quality and range of work, perhaps forcing them to make only minority programmes (Sreberny, 1999; Watson, 2001).

Watson (2001) felt that because of a lack of monitoring in the TV sector, no one knows how many MEL companies there are, and that commissioning companies do not know about the characteristics of companies pitching to them. Funding bodies are also criticised. Indeed, BECTU is concerned about the difficulty black film productions face in obtaining funding, and that only a small percentage of productions funded by state or lottery funding are made by black companies.

Our discussions with industry experts highlighted the issue of preferred suppliers, particularly in the TV sector, where commissioners use individuals and companies again and again. There were concerns that those not on these informal lists are excluded from the bulk of opportunities, and that it is particularly difficult for new/upcoming organisations to break into the industry. It would appear that few MEL companies are on these lists, and there is a perception that it is very difficult for MEL companies to a) get on these lists; and b) attain success or 'make it' without being on these lists. For independent producers, getting on the 'lists' appears to be about informal networking and/or delivering in the past and thereby creating a confidence in one's work — gaining a name that is trusted and respected. Commissioners were also felt to play a role, and getting on the

lists also appeared to be about encouragement and patronage. Indeed, individuals spoke of how former employees of commissioning and funding bodies were encouraged and supported in setting up their own organisations by their former employers.

Industry experts noted that there appears to be a lack of confidence, or general reluctance, on the part of commissioners or funders to try new companies and new ideas. Instead, these decision makers would rather stick to tried and tested formulae and to companies and individuals they have used before (*ie* their preferred suppliers) or are well known in the (film or TV) sector. This presents a catch-22 situation for inexperienced independent companies who because of inexperience are denied opportunities to gain experience. This cycle appears to be difficult to break out of.

4.4.2 Need for better representation in the decision making process

There are concerns over the commissioning and funding decision making process, particularly about who makes the decisions, the criteria by which these decisions are made, the ability of independent production companies to understand what commissioners and funders really want and to articulate their ideas properly to these bodies.

The literature indicates that over the years there have been calls for better monitoring of the process, more commissioning editors and heads of funds (decision makers) from diverse backgrounds, and for closer relations between production companies and commissioning editors/fund heads. BECTU notes that one of five main employment issues facing black workers in film and TV is the lack of permanent employment in broadcasting companies (which would appear to be supported by our survey results). It illustrates that broadcasters have targets to increase numbers of minority ethnic staff but that they still need to make progress. Through making these changes, broadcasters can better understand their audience and achieve diversity in employment. (Sreberny, 1999; Watson, 2001; Millwood Hargrave, 2002; BECTU). Also Sreberny (1999) argues that if audiences push for diversity in programming, commissioners and funders will follow.

Talking to industry experts, we found that decision making in the film and TV sectors was criticised for being a largely closed process, with little information available in the public domain on who ultimately makes the decisions, and the criteria used in making decisions. There also appeared to be little support for companies making applications and putting together ideas. This has resulted in individuals who have been turned down for commissions or funding becoming demoralised, or potential applicants not attempting to gain funding or commissions through

a sense of hopelessness. There may be a 'grapevine' at work here, creating barriers for companies in accessing opportunities.

There were also criticisms from the industry experts, regarding the representativeness of decision-making panels, and a call for representation from the minority ethnic community. However, there are concerns that decision makers from minority ethnic backgrounds may themselves be pigeon-holed, perceived as only able to make decisions about black and Asian programmes or films, and about MEL independent production companies. This situation would only serve to perpetuate marginalisation and ghettoisation of MEL company output.

4.4.3 Frustrations of independent production companies

According to our survey results, across the responding organisations, the most commonly experienced barriers concern the commissioning and funding process. Over a third (34 per cent) of all respondents reported that they experienced commissioners using preferred suppliers most of the time, and a lack of creative risk taking among film funders or TV commissioners most of the time. These appeared to be a particular issue for small companies. A quarter (25 per cent) of all responding organisations also reported regular problems with the lack of openness and clarity in the commissioning process. Film companies were more likely than TV companies to regularly experience lack of risk taking among funders whereas TV companies were more likely to experience lack of protection over intellectual property rights, and lack of openness/clarity in the commissioning process.

The funding or commissioning process was often cited by respondents when asked about the main obstacles they felt had hindered them. Key themes here were a lack of commissions; a lack of real access to commissioners / funders and dialogue with them, a lack of track record or experience and commissioners' / funders' unwillingness to work with unknown companies and difficulties gaining access to funds and to business advice.

MEL companies in particular frequently experienced commissioners using preferred suppliers, and lack of clarity in the commissioning process. This group was also more likely than other companies to experience a lack of creative risk taking among funders or commissioners.

These results suggest that MEL companies face greater difficulties than similar (ie small) white-led companies. Indeed, in the open text question concerning key obstacles, particular issues described by MEL companies were:

Figure 4.3: Experience of structural barriers
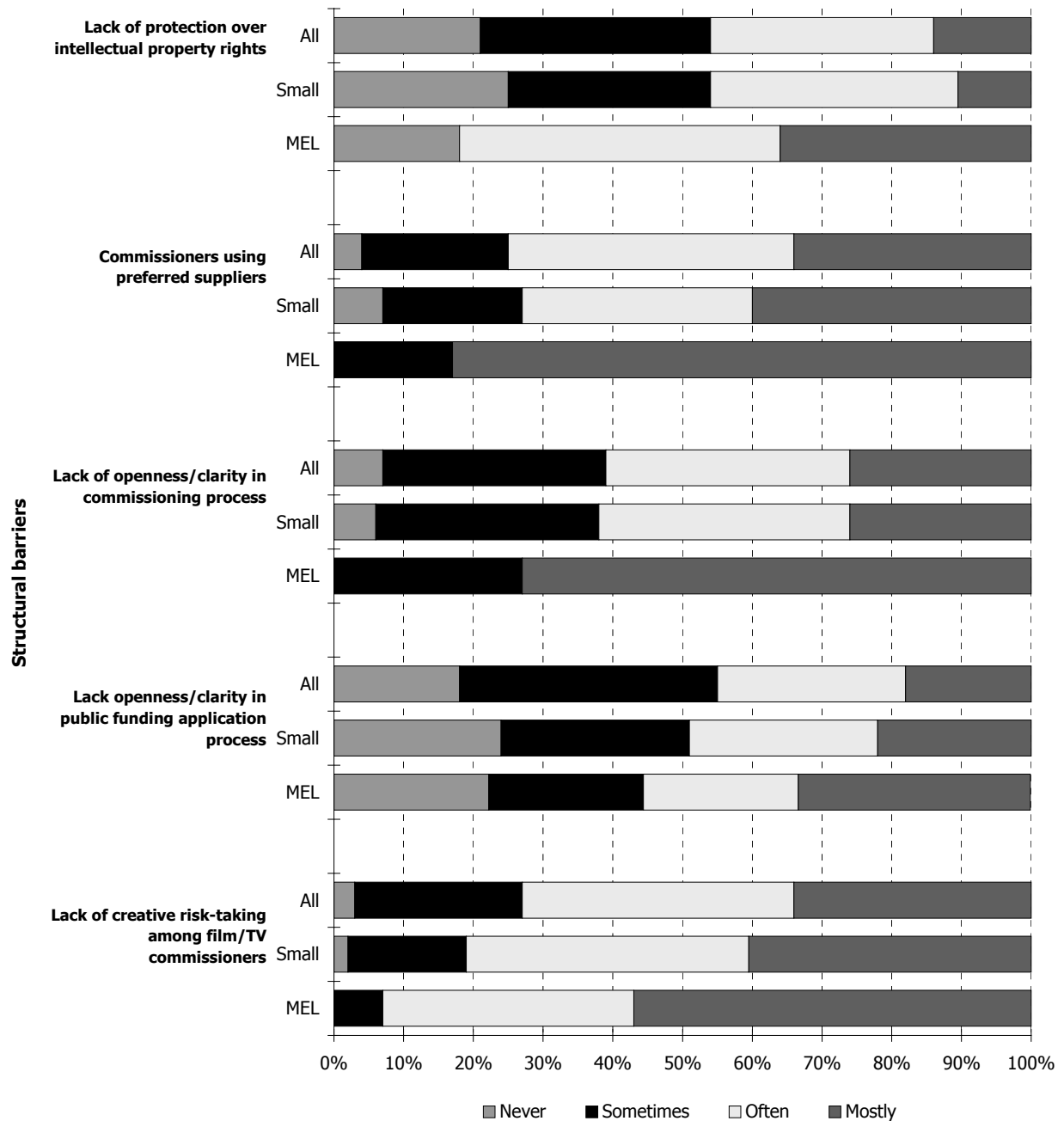
Source: IES survey, 2004

- the lack of access to commissioners/funders
- the lack of commitment from broadcasters to commission ethnic minorities
- the lack of understanding on the part of funders/ commissioners of what companies are trying to achieve
- restricted access to financiers.

The points are illustrated by comments from the survey below:

'There has been consistent lip service paid to black producers over the last fifteen years. Initiatives have concentrated on training, especially geared to working for super-indies who then use the researchers in menial posts and for box ticking purposes on applications. Black-owned companies want to provide programmes to broadcasters that reflect and enhance the multicultural society that we live in. However, without commissions from broadcasters those programmes will not be made by people from those communities, that talent base will not survive and those audiences will not return to those channels… I want to see more commissioning of ethnically owned companies.'
MEL independent production company

'The commissioning process is geared to big white companies who have no real understanding of the issues relevant to black people.'
MEL independent production company

'There is a lack of interest in subject matters from an ethnic minority viewpoint that does not accord with the established view of minorities and what they have to say about life apart from race.'
MEL independent production company

'Even development bodies such as the UK Film Council seem to give most of the money to established companies with track records…the film industry is still very much a closed shop and it's "who you know" that counts.'
MEL independent production company

These concerns were explored in the case study discussions with MEL independent production companies. Here individuals also spoke of the inaccessibility of these processes and decision makers, the rigidity of mechanisms that should be designed to support not discourage talent, and the tendency for funders and commissioners to support film and programme makers who are already successful in order to ensure commercial success. There were also concerns that, despite building a reputation, and having successful projects, it was still difficult to gain funding or commissions.

One individual working in the TV sector, though part of a successful MEL company, spoke of her concerns about not being able to access and particularly to communicate directly with people in terrestrial commissioning organisations. She felt that voicemail and email systems or assistants prevented direct communication, and so communication became very impersonal. This distance could lead one to mistrust the commissioning editors and commissioning process, and provides an environment in which concerns about ideas being stolen can grow.

Another individual talked about getting into the industry and building a reputation. After initial successes, he is now struggling. When he started his company, he managed to be in the 'right place at the right time' to film a key event, which launched his company. This led to further opportunities, particularly in music

promotion work. However, despite good feedback, the work stopped, so he changed direction, setting up a new company and moving into making documentaries. Again he was successful, with his first documentary nominated for awards, and a piece for the BBC achieving an award, and again the work stopped. He has now moved into film work but is having to work freelance whilst developing a script. He is experiencing difficulties gaining funding to finance the film.

Another individual described how after gaining private finance to make a feature film, which was well thought of in the industry, he too is having real problems obtained funding for his next project. Initially he gained a funding grant to make a short film. As a result of this he met a private investor who funded him to make a feature film. Although the film was well received by the industry (championed by the British Council and shown at several festulties) it made no sales and no profits due to difficulties with the sales agent company folding. He is now working on three projects but is experiencing great difficulties getting funding for any of these, and is considering going to the USA, or giving up. He feels he has gained a reputation in the industry and has garnered interest from industry 'names' in his projects but is still not getting funding. He feels the funding processes are too conservative, rigid and inaccessible, and that funds follow established and successful companies rather than nurturing new talent:

> 'The UK film industry doesn't take risks, it is about jumping through hoops, and is disorganised. It is very difficult to get a film made in the UK. They are made in spite of the establishment but the establishment should be there for us, should help us. It is very difficult to get funding, particularly now there is really only one door to knock on. Funding is directed at already-successful companies rather than taking risks and encouraging new film makers. Funding processes are too far removed from film makers and filmmaking and they are not clear. I have never been able to have a dialogue with funders, I want to have a discussion, to explain my ideas and to get useful feedback. I need to know where I am going wrong.'
>
> MEL independent production company.

Another MEL company also raised concerns about funding opportunities, particularly in relation to public development funding, suggesting:

> 'Rather than one person being responsible for all development projects, it would be useful if development could be split into different genres, which had different heads responsible for each of these genres' funding.'

Criticism of funding and commissioning processes was not confined to MEL companies, as case studies with white-led companies highlight:

> *'In TV, they very much like to play safer. Broadcasters use the companies, writers and talents they know so it is more difficult to get into their books.'*
> White-led independent production company

However, these companies appear better placed to access commissioners and funders and to understand the systems in place:

> *'It is a marketplace… it is not rocket science. You set out your market stall with ideas suitable to a range of people and then you fine tune them to meet their specific needs. You need to be incredibly informed about what they [commissioning editors] want but once you have this information you have to be sensitive to how to use it. You have to really listen to what they want – they want specific things for specific slots and with specific budgets. You need to be pragmatic.'*
> White-led independent production company

4.5 Pigeon-holing and ghettoisation

The debate which has taken place in the TV sector around what constitutes or should constitute multicultural broadcasting is key to pigeon-holing and ghettoisation.

4.5.1 Multiculturalism or niche programming

Sreberny (1999) suggests multicultural broadcasting has three aspects: a) mono-cultural or niche programming, b) cross cultural programming, involving programmes made for a minority perspective but watched by a wider audience *eg* Goodness Gracious Me, and c) truly multicultural or mainstream programming which would involve minority ethnic individuals in front of, and behind, the scenes creating authentic characters. Millwood Hargrave (2002) calls this last category 'inclusive programmes' and describes the programmes as reflecting the multicultural nature of society and presenting a diverse range of communities and issues. These, she argues have relevance, themes/content which resonate with the audience; variety of opinion, giving airtime to both sides of a story; and creative input from a mixed project team. They also ensure inclusiveness via attitudes inherent in the programme; balanced portrayal, with stories not just about racism but with characters developed with an understanding of culture and background, and a diverse cast.

The move to disband support structures within broadcasting which were designed to allow mono-cultural programming (*eg* Asian Programmes Unit) suggests multicultural broadcasting is perceived to have changed, and is now about making programmes for the mainstream that are authentic and reflect the diversity of modern society. In this way, the TV sector can serve communities (Sreberny, 1999; Millwood Hargrave, 2002). However, some defend the right to make niche programming (arguing for a mix of both mono-cultural and multicultural

programmes) or feel that mainstream programming needs improvement. They argue that there is room for improvement in the portrayal of minority ethnic groups and in representing the diversity of experiences; that mainstream programmes still appeal primarily to a white audience; and that the Asian market is particularly under served (Millwood Hargrave, 2002).

The industry experts we spoke to also talked of the general trend away from these dedicated departments and units (in both TV and film) and a move towards mainstreaming cultural diversity issues. However, they noted that this has not been universally welcomed. Some in the industry see it as removing the only support available to minority ethnic companies, and removing the only niche in which minority ethnic producers can compete. Indeed, the demise of the multicultural or black programming unit was considered by one of our case study MEL independent production companies, to be the main obstacle that has hindered it: '*There is now no separate place for black programming, these special departments in broadcasting and commissioning organisations that were set up to help get more black-led ideas on to the screen.*'

However, an individual with a successful career in independent TV productions, noted that TV has moved on and there is no longer a need for the multicultural units, although broadcasters still need to be mindful of diversity:

> '*Channel 4 was innovative, commissioning lots of independent companies and the multicultural department, with its strict remit, ensured that MEL companies were commissioned and that money was spent. Key individuals in the TV sector created an encouraging environment for diversity, in which commissions happened and commissioners were educated. However, they still need reminding about black and Asian companies and need to keep links with us*'.

She has worked in both the film and TV sectors and feels film sector lags behind; some protected or targeted funding may be needed in the film sector to encourage MEL companies.

4.5.2 Pigeon-holing

Pigeon-holing involves assigning an organisation to a category. In this case it involves MEL companies making, or only being allowed to make, mono-cultural programmes (termed the 'burden of production'). It also refers to black and Asian actors being required to 'act their skin', and for writers from minority ethnic backgrounds to write black and Asian roles (the 'burden of representation'). In this way organisations are pre-judged on the basis of their characteristics and confined to, or isolated in, the margins of production. In effect, they are ghettoised (a result of this type of pigeon-holing). BECTU is concerned about this 'ghettoisation' of black independent production companies; and believe these companies are side-lined from mainstream

programme or film making into producing material for black audiences or on black themes.

Pigeon holing, Sreberny notes, creates a double bind:

'… on the one hand, a specialist credibility or value within mainstream organisations; on the other, being positioned within a very narrow perception of programme-making ambitions' (p101).

'The overall picture of the independent sector is of a great variety of companies all competing for programming commissions. Among them are some with a strong on-going "black" sensibility and concern to address minority audiences and reflect minority issues. A newer kind of orientation is a company that recognises its minority sensibility but that does not want to be strait-jacketed into only and always making minority programmes, wanting the chance to be creative, effective and perhaps to introduce new ideas and images into the mainstream. Neither of these two kinds of companies rank among the big groupings that are emerging.' (p119)

The key appears to be about choice, a factor found to be central to the perception of success (see chapter 3). Companies may not want to be seen primarily as minority ethnic, black or Asian companies. However with the removal of the support structures, there are concerns among MEL companies that their one potential niche has been taken from them (Sreberny, 1999). Ram and Smallbone (2001) in their work in minority ethnic businesses across a range of sectors, note that moving from a market niche might require: *'intensive support to find new opportunities, recruit staff, and change work practices'* (p50).

Discussions with industry experts suggest there still exists a perception or assumption that minority ethnic film makers or companies can only make 'black' films or programmes (output aimed at minority ethnic audiences or about minority ethnic issues). Minority ethnic companies are therefore labelled and marginalised into a niche market which is often termed 'multicultural programming', and are not seen as capable of making a product that would appeal to a mainstream audience. This becomes a vicious circle whereby in order for minority ethnic companies to succeed, they have to make multicultural films and programmes, which perpetuates the assumption that these companies only make multicultural products. The situation becomes even more rigid when minority ethnic individuals are placed in positions making decisions about multicultural output. As noted in chapter 3, a mark of success for a MEL company therefore becomes being able to make a mainstream film or programme and get it shown. It would be interesting for the TV and film sector to monitor output, to examine the extent to which MEL companies are confined to niche programmes and films.

Figure 4.4: Experience of being pigeon-holed
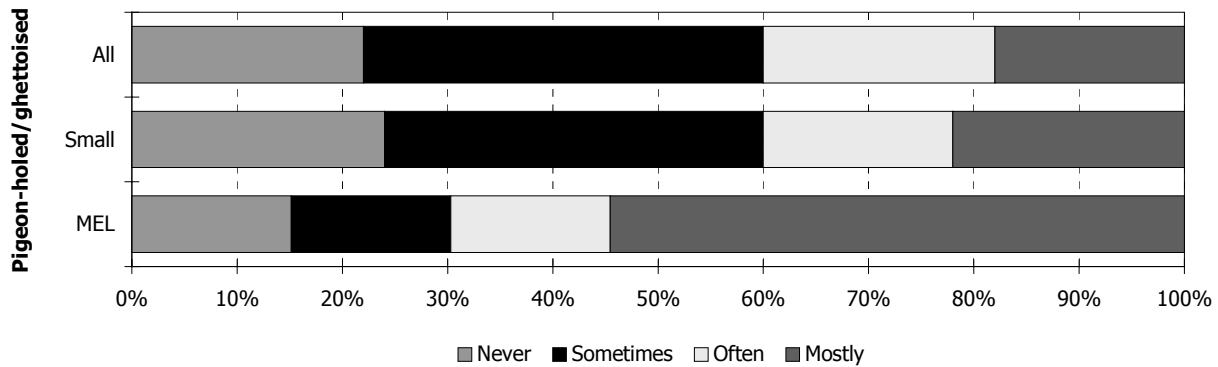
Our survey of independent production companies finds that some companies are indeed troubled by this aspect, but that companies in the TV sector are more likely to experience this barrier. There is little difference in the experiences of small and larger companies, indicating it is not necessarily a greater problem for smaller companies. However, the survey finds that MEL companies were much more likely to regularly experience being pigeon-holed. Over half (54 per cent) of all responding MEL companies felt this happened to them most of the time, compared to only 22 per cent of small companies, or 18 per cent of the whole group of responding organisations. Indeed, the tendency for commissioners to ghettoise them was considered one of the main obstacles for MEL companies:

> *'If you are a black and Asian independent they tend to ghettoise you and presume you can only make programmes on multicultural projects. Multicultural projects only make up a minuscule amount of the programme schedule and even some of those are given out to the bigger white mainstream independent companies.'*
>
> MEL Independent Production Company

Pigeon-holing, particularly in portrayal, was a key issue for one film maker we spoke to. He became a producer out of a frustration with the opportunities available to black and Asian actors who were cast on the basis of skin colour and required to act in stereotypical roles ('turban acting') or in projects that he felt parodied certain cultures. Previously an actor, he spoke of roles becoming white roles during casting, and of lower rates of pay for black and Asian actors. He set up his own company and is working on projects that will access talent from all backgrounds

Pigeon-holing can be experienced by white-led independent production companies. However, our case study interviews indicate that this means being seen as only able to make specific types of programmes — the ones they make currently. In these cases, judgements of commissioners and funders appear to be based on current output not on company make-up and

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characteristics. Here, reputation (a key factor in breaking into the industry and growing an organisation) can become stifling:

'You get a reputation for doing certain types of programmes/films that stays with you for a long time. I was stuck with historical dramas for a long while and this was not because of choice. A couple of historical dramas I produced had such a success that I was always sent that type of material.'
<div align="right">White-led independent production company</div>

'It is hard not to get pigeon-holed, seen as only able to make the types of programmes you already make…you have to work to overcome this potential barrier by selling the company to commissioning editors and to the wider industry, taking out regular announcements in the trade press.'
<div align="right">White-led independent production company</div>

4.6 Trust and confidence

As outlined in chapter 2, our discussions with industry experts also indicate a lack of confidence amongst independent TV and film makers about being taken seriously or treated fairly or about the security of the intellectual property rights. Minority ethnic independent producers may be fearful of rejection 'out of hand' so do not apply for funding or commissions; or are fearful for their ideas. This situation is fuelled by the grapevine and the closed decision-making process.

Our survey of independent production companies indicates that about one in seven companies regularly experience lack of protection over their intellectual property (see Figure 4.3). Those from the TV sector were more likely to regularly experience concerns in this area (see Appendix C, Table A14). There is little difference in the experiences of small and larger companies, but the survey finds a higher incidence of lack of intellectual property rights amongst MEL companies, with just over a third (36 per cent) feeling this happens most of the time (compared to only 14 per cent of all responding companies). In-depth discussion with such companies finds concerns about ideas being hijacked or stolen.

One case study individual talked of her suspicions and concerns:

'I have seen programmes broadcast that are very similar to ideas we have submitted, it might well just be a coincidence as there must be lots of ideas fired at commissioners. If, for example, the BBC's response with their rejection is that they are already working on a similar idea to the one you have submitted, then they should be open about the idea they are working on. They are funded by public money and they should be more open about their commissioning process.'
<div align="right">Minority ethnic independent producer</div>

4.7 Direct discrimination

General research on small companies has found experiences of direct racial discrimination. For example, research conducted in 2000 found that the greatest barrier to growth amongst minority ethnic businesses was felt to be racial prejudice. Just over a third of MEL companies said they experienced discrimination, and the majority of these (90 per cent) said it was racially motivated (Barclays, 2000). However, a more recent survey found this to affect a smaller number of organisations. The survey of small businesses, conducted for the SBS in 2003 (Atkinson and Hurstfield, 2004), looked at discrimination against minority businesses and found 14 per cent had experienced discrimination in the past few years. This was not much higher than the level cited by businesses as a whole (11.8 per cent). Furthermore MEL businesses were much like other small businesses in reporting that customers were the main source of this discrimination. However, where they differed greatly from the average was in the basis of this discrimination; most small businesses who had experienced discrimination reported that they were discriminated against on account of their small size (ie with customers, suppliers, creditors, *etc* favouring bigger business). By contrast, for ethnic minority businesses, race was the main focus of reported discrimination. Furthermore, discrimination may have been more serious, because, where they did experience it, minority ethnic businesses were twice as likely as other small businesses to say that it had materially affected their business.

Our survey of independent production companies found that frequent experience of discrimination was rare and, though marginally more likely, was still rare amongst MEL companies. Two of these companies felt it happened often, and only one company felt it happened most of the time. Discussions with case

Figure 4.5: Experience of discrimination
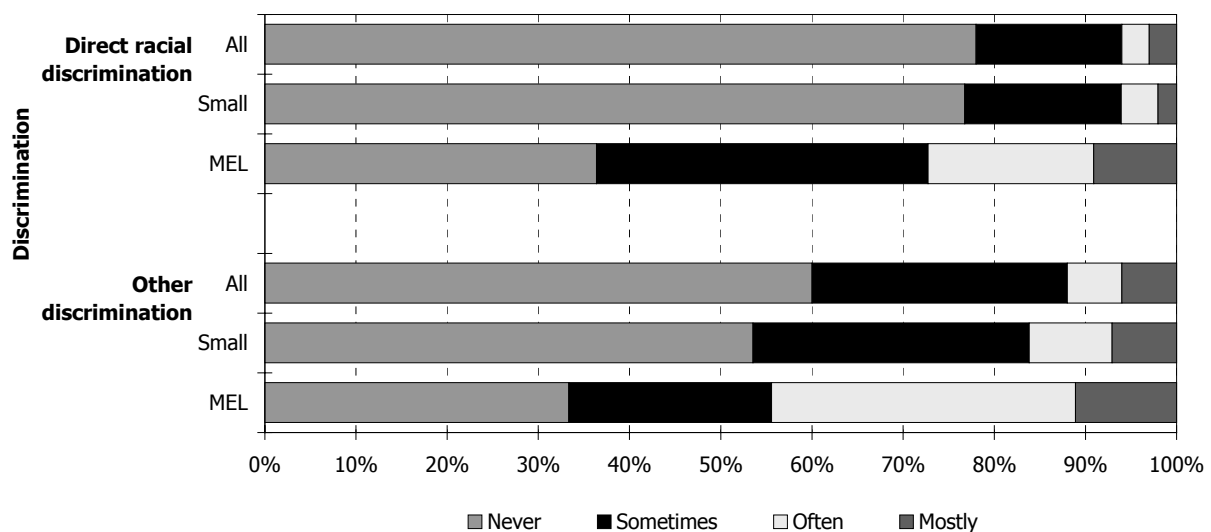
Source: IES survey, 2004

study organisations also indicated that few experience direct discrimination on the grounds of race, or had encountered negative attitudes. However one individual described an incident where a film maker was told that no one from a key industry organisation would be available to attend the screening of his film because, *'It has Asians in it.'*

4.8 Overcoming barriers

As reported in the previous chapter, independent production companies have a hierarchy of goals from survival to (more personal goals of) making quality programmes or films that are recognised in the industry and making a difference to their audience. For MEL companies, success may also be about retaining creative freedom and breaking out of pigeon-holes and stereotypes, successfully gaining work for a wider audience. It is hard to be successful in the industry, many companies fail in the harsh competition and unstable climate, and independent production companies face a range of barriers or obstacles to achieving their goals yet there are factors that can help. Indeed, most (92 per cent) in responding independent production companies to our survey, and all MEL companies, felt they had received some form of support.

Figure 4.6: Sources of support that have helped you and/or your company
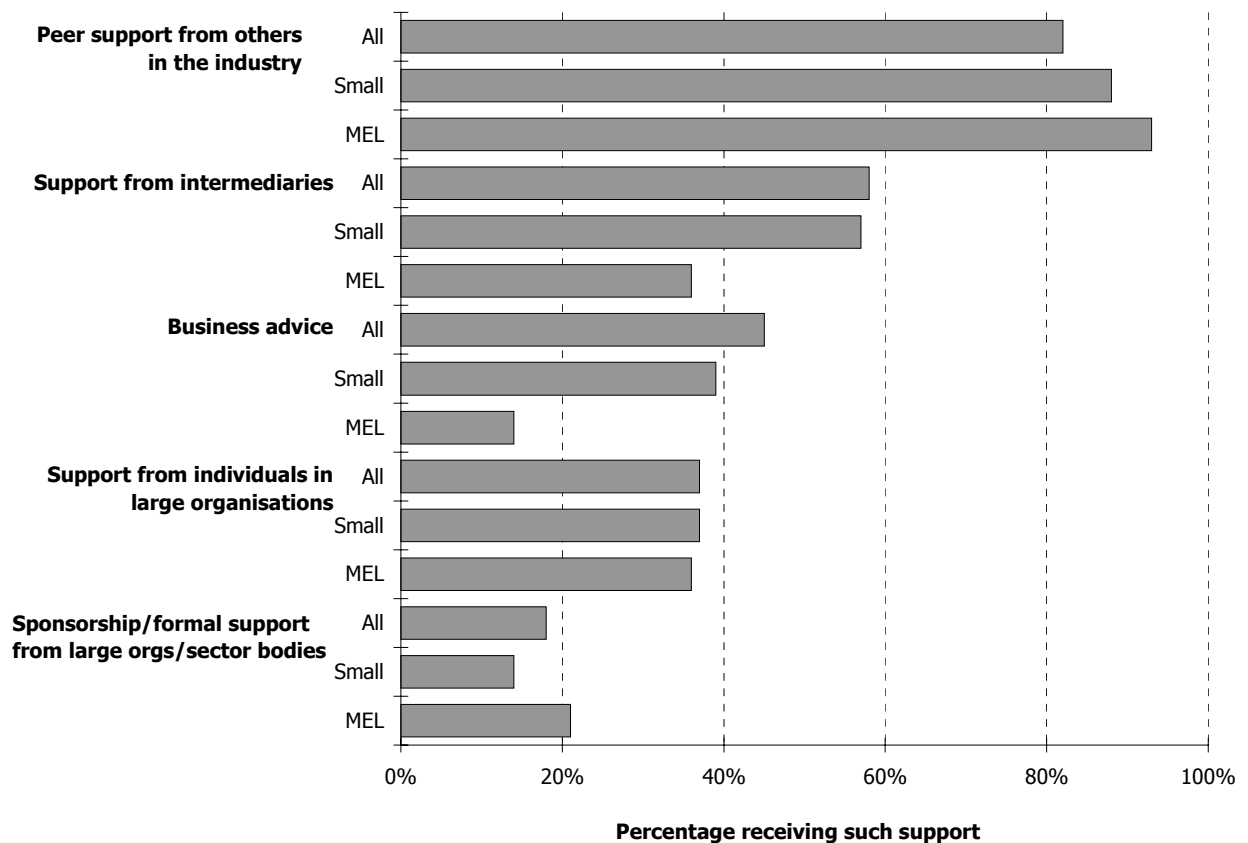
Source: IES survey, 2004

Networks

The most common form of support reported was from peers in the industry. Peer support was more common in the film sector than the TV sector, more common amongst smaller companies, and was most common amongst MEL companies. One MEL company case study interviewee noted how lonely it can sometimes feel to be an independent producer, so talking to others in the same situation is helpful.

It appears that MEL companies rely strongly on this form of support. But are these really helpful and are they the right networks? Research more generally on entrepreneurship and minority ethnic businesses would support the importance of networks but raise concerns about the perhaps narrow reach of these networks that could restrict access to formal business support and could limit growth (Harding, 2003; Ram and Smallbone, 2001) :

> *'Excessive reliance on social networks can serve to inhibit the development of the enterprise. The circulation of new information and material resources is limited in tight groups and so consequently are the chances of business success'.*
>
> (Rath, reported in Ram and Smallbone, 2001; p17)

In order to meet their peers, many (75 per cent) responding organisations were members of formal or informal networks and felt these networks had helped them or their companies. Among those listed were: Pact, the British Academy of Film and Television Awards (BAFTA), BECTU, the Royal Television Society, Women in Film and Television, Production Managers Association, European Film Awards, BSAC, National Union of Journalists, New Producers Alliance and regional bodies such as Screen Producers Ireland, Northern Film and Media, North West Producers and Directors, Wessex Media Group.

Membership of formal or informal networks was marginally greater amongst those in the TV sector than the film sector, which may indicate a relatively larger number of networks dedicated to the sector. Membership was also greater amongst larger companies, perhaps because they can better afford the membership fees. Slightly fewer MEL companies were members of formal or informal networks, this again could be because of a lack of suitability of available networks or costs of membership, as this quote illustrates:

> *'Fees are far too high for small one- or two-person companies and they should introduce a cheaper rate… otherwise they are excluding many independent producers, especially black and Asian production companies, which in general tend to be small and could not afford the overhead of a membership.'*
>
> MEL independent production company

Contacts and patronage

Another source of support was having contacts in large industry organisations — particularly terrestrial broadcasting companies and trade organisations. This form of networking could enable companies, formally (through patronage and sponsorship) or informally (through becoming a preferred supplier) to access commissions and funding. Respondents acknowledged the power of this form of support, however it was much less common amongst respondents to our survey than peer support. These links may be better in the film industry as those in the film sector were more likely to report having support from individuals in large organisations than those in the TV sector. Those in the film sector were marginally more likely to report formal support. Interestingly sponsorship was marginally greater amongst the small group of MEL companies than amongst small companies more generally, with three companies reporting such links. Indeed, according to one case study interviewee '*there have always been some very supportive people in the industry who have helped me all the way along*' (MEL independent production company).

Watson (2001), in her work in the TV sector highlighted the advantages contacts could bring. She felt that work experience in broadcasting companies, association with renowned on-screen talent, or association with former senior level broadcasting executives would help in developing these beneficial links (see chapter 2).

4.8.1 Targeted support for MEL companies

Our case study interviews indicated that the support available to MEL companies is haphazard and in some cases insufficient. Some of our interviewees called for targeted support and particularly for better access to decision makers to overcome the particular disadvantage they felt MEL companies faced. They felt the sectors could do more to ensure that film and TV reflected modern society and that all voices could be heard.

For example, one film maker wanted to establish black networks, spaces for people from minority ethnic backgrounds to access opportunities and schemes, and to be able to come together to form a cluster. He also called for special funding for MEL companies, for schemes to develop talent in MEL companies and for wider recruitment at all levels in the industry, particularly in funding and commissioning roles. In this way he feels the industry can move forward, and allow for long term and lasting change:

'The BBC should be leading the way but are not. Funding opportunities are hard to access and restricted to already-established companies. Funding opportunities need to be more accessible. We need positive discrimination to re-dress the unfair disadvantage of black companies being restricted to channelling ideas through white minds'.

However, there may be an issue around MEL companies' willingness to take up support. Ram and Smallbone (2001) found the literature suggested that minority ethnic businesses had a low propensity to use mainstream business support. Barriers to take up included difficulties on the part of agencies in identifying and reaching such businesses, and mistrust on the part of minority ethnic businesses in those delivering the support. Also our discussions with industry experts and MEL production companies suggest that companies may not want to be identified (and therefore targeted with support) as MEL — fearing that this will remove their choices in the market-place and affect their reputation or branding.

5. Making Changes

In this final chapter, we draw together the evidence presented in the report from across the range of sources and discuss how MEL independent production companies face particular difficulties in the film and TV sectors. We also look at the label 'MEL' company, and explore its usefulness in this context. Finally we look to the future and make suggestions for actions that the industry, through its agencies and actors, can take. Above all we hope that this preliminary research will encourage further debate on the issues, and empower individuals and organisations to create positive change.

Is there a problem for MEL companies?

The literature, industry data, survey data and interviews indicate that the independent production sectors in the film and TV industry are largely made up of small companies, measured in both employment and financial terms, led by highly qualified individuals with a great deal of experience and determination to succeed.

Most of those we surveyed are successful (80 per cent), generating commissions or accessing funds (52 per cent), getting their programmes shown on TV or films distributed theatrically (67 per cent), accessing foreign markets and foreign investment (49 and 44 per cent respectively) and making a profit (72 per cent). Yet the work is hard, and the future uncertain. The survey shows a mixture of growth and slowdown, and regular frustrations with the commissioning and funding processes and difficulties competing with larger companies.

Turning to focus on MEL companies, we ask the following questions:

- Are MEL companies different?
- Do they fare the same?
- Do they have the same experiences?

5.1 More barriers, more often

Chapter 3, making use of the survey data, reported that MEL independent production companies appear to be less successful than other such companies in the film and TV sectors, even other small companies. They were more pessimistic about the health of their company, they achieved smaller financial rewards and had greater uncertainty about their future finances, and were less successful in securing funding and commissions despite their activity in this area. Chapter 2 and chapter 4, highlight that minority ethnic company leaders were far more likely to feel that they experienced barriers to success than white company leaders. The barriers they particularly felt most of the time included: commissioners using preferred suppliers, a lack of clarity in the commissioning process, being pigeonholed (or ghettoised) and a lack of creative risk taking amongst film funders or TV commissioners. These results — coupled with evidence gathered in the scoping and case study research — found that, for MEL companies, the experience of getting into, surviving, and becoming successful in the film and TV industry was significantly tougher than for white led companies.

Overall, it appears to be tougher for minority ethnic individuals to get in to the industry and tougher for them to build a career. For those starting out, there are fewer role models for minority ethnic individuals to emulate, fewer company leaders from minority ethnic backgrounds, and few MEL companies that are successful. Established MEL companies continue to face pigeon-holing and ghettoisation, having to focus on minority ethnic subjects (and therefore facing isolation from the mainstream). This niche appears to be ever-dwindling as the predominantly white, male gatekeepers are less likely to follow up on ideas that do focus on minority ethnic issues.

MEL companies also face a series of reinforcing barriers that serve to perpetuate disadvantage — this involves reputation, and access to commissioning and funding opportunities. They are more likely to be perceived to lack experience or the ability to deliver a quality product on time and to budget (despite hard evidence) or to have no reputation at all. They also have less access to informal networking and relationships that help gain commissions or finance. This combination leads to a fewer commissions and less finance and means MEL companies are less likely to be perceived as a tried and trusted company than their white counterparts. This status prevents them from gaining access to the preferred suppliers lists which ultimately play a significant part in success in the industry.

5.1.1 Just a small company issue?

MEL companies are small (in staff size and finance) and so, as discussed in chapter 4, many of the barriers faced by MEL

companies are shared by small companies in the sector. Indeed small companies inevitably face greater barriers to success than larger companies do.

The independent production film and TV sectors, although characterized by a great number of micro companies, are dominated by a small number of large organisations; this group achieves the greatest success. Within the television sector a handful of large independent production companies dominate the market and receive the lion's share of commissions. In the film sector, larger companies have a stronger track record and greater clout, appealing to those offering funding deals. With size comes continued accomplishment, and this leads to a reliable reputation as a safe pair of hands to deliver a commercial success. Indeed, those involved in the TV commissioning and film funding processes that we interviewed agree that larger companies remain successful and continue to gain a greater number of commissions through their track record and reputation. Small independents have to compete against this and work much harder to gain commissions or funding.

MEL companies tend to be small companies, and therefore less likely to have a strong portfolio of past work and experience to convince commissioners or funders of their ability to produce the goods. However, their problems extend beyond those experienced generally by small companies. Our survey evidence shows that compared to other small companies, MEL companies were still experiencing greater difficulties and barriers to success. The case studies with this group of companies also drew out issues that were particularly relevant to MEL companies. They indicated that the barriers faced were two fold:

● MEL companies felt they experienced additional barriers compared to white-led companies because in the main part to direct discrimination, and because of pigeon-holing (and resulting ghettoisation).

● Based on their perceptions, MEL companies felt they experienced the same barriers that all small companies in the industry face when trying to succeed in the industry but felt that as minority ethnic company leaders they had to push twice as hard as white company leaders to get through them because of a lack of contacts, difficulties building a reputation and, in some cases, their personal goals to make specific films or programmes, in specific ways.

Same barriers but worse

'We suffer the same problems as any other independent production companies, but probably we are at the bottom of the pile.'
MEL independent production company

'In the industry everyone has to fight hard to get anywhere but if you are black you have to fight doubly hard.'
MEL independent production company

For these MEL companies, the barriers are not just those faced by all small companies in the face of competition against the few who dominate the market. The difficulties faced by all small companies trying to succeed in the business were exacerbated by MEL companies' cultural background. For many this may mean that they are further excluded from the informal networks that characterize the industry; that they are more likely to be perceived as being untried or perceived as 'more of a risk'; they may have to be more prepared to compromise their ideas to conform, and they may have to struggle harder and for longer to make it in the industry (for example taking unpaid positions). Having a different cultural background from those in the decision-making positions has a significant impact beyond the issue of being a small company. Indeed the survey showed that MEL companies were more likely than others to report lack of contacts in the industry and lack of risk taking among film funders and TV commissioners. Their leaders were more likely to be highly qualified and experienced, and more likely to have undertaken freelance or unpaid work to gain experience.

Additional barriers — being pigeon-holed

One barrier to success that stands out as an issue almost exclusively felt by MEL companies, compared to other companies (of any size) trying to succeed in the industry, is that of ghettoisation (an result of pigeon-holing). Evidence from the scoping interviews and case studies found that for some MEL companies, when they pitched ideas which reflected their own cultural background they experienced difficulties getting ideas through that either (a) differed from the cultural backgrounds of those making commissioning or funding decisions, or (b) that differed from the perceived key issues pertaining to that culture (for example, arranged marriages in Asian culture). If those ideas did get through and MEL companies did begin to develop a track record of work in this area, the work could come to define them and prevent them breaking into more mainstream areas.

Evidence from the interviews also showed another related difficulty. When MEL companies did pitch ideas which fitted in with the dominant cultural conventions, they were potentially perceived by funders and commissioners as not being able to handle more mainstream subjects. This situation means that some felt they couldn't win, by carving out a niche in minority ethnic subject matter, or by trying to 'fit in' with the mainstream. Being pigeon-holed, and ghettoised, is as much about how a company is labelled by gatekeepers in the industry as it is about the work the company produces. If a company is perceived by funders and commissioners to be a 'minority ethnic company' rather than

perceived purely as an 'independent production company' their potential output and perhaps their potential ability to deliver is also labelled and this generally appears to work against the company and not in its favour. The issue of being pigeon-holed, pre-judged or labelled therefore cannot be under-estimated: it is a significant issue to be faced in the sector.

5.2 Differential experiences

The minority ethnic company leaders we spoke to in the case studies and those that completed the survey were not a homogeneous group. They came from many different backgrounds and had varying attitudes towards, and experiences of, work and success in the film and television industries. Questionnaire respondents that could be described as coming from a minority ethnic background or who described themselves in those terms came from Asian, black, Eastern European, Latin American, Jewish, and other backgrounds. The differences between these groups should not be minimised and their views and experiences within the industry will not present a unified picture. The experiences of barriers and success in the industry by those from Asian Backgrounds compared to those from Black Caribbean backgrounds, for example, may differ greatly. Some from minority ethnic backgrounds experienced more barriers to success than others, whereas some felt they had little experience of barriers that they could attribute to issues of ethnicity.

The experiences of those focusing on a career in the film sector and those focusing on the television sector also bring different perspectives. Respondents to the survey who stated that they perceived themselves to be from a minority ethnic background included those from a background that might fall outside of an organisation's perception of what constitutes a minority ethnic group. We would argue that when looking at issues of barriers, how individuals classify and perceive themselves is a key factor.

It should also be borne in mind that alongside race, other issues of diversity such as gender, sexuality, disability *etc..* may also play a part in blocking success in the sector. Many who experience marginalisation in society may well be excluded or marginalised in the process of gaining access to success. For example, one interviewee felt that being a woman had been a stronger barrier to success than being black. Although the scope of this study did not extend to cover all groups who may be experiencing similar marginalisation from the paths to success, it should be noted that not being part of the 'establishment' or 'in-group' could be seen as a wider barrier for all those aiming to succeed in the industry.

The heterogeneity and difference within minority ethnic groups has been recognised and discussed in other research focusing on minority ethnic businesses. For example, Ram and Smallbone (2001) note:

'There is a need for policy makers to recognise the diversity that exists between [ethnic minority business (EMB)] groups and re-evaluate the question of whether or not it is useful and/ or appropriate to treat EMBs as a single category from a finance and businesses support standpoint', (p7).

5.3 Do labels help?

The issue of how people in the industry label themselves and how others perceive or label them is a critical one. Labels can have positive and negative effects for the group being labelled.

The case studies show that some company leaders, who might describe themselves as being from a minority ethnic background, would prefer not to define their organisation as a MEL company, preferring not to regard their ethnicity as a defining characteristic for their company. Some felt that the label could limit their options, through pigeonholing. As discussed above, the problem of being pigeonholed, is perceived by many MEL companies as ghettoisation, restricting their access to mainstream programming and film making. If an individual in a leadership role is primarily associated and labelled by their race, or their company as a whole is labelled as a 'black company' or an 'Asian company' for example, they may be seen as only being able to produce that type of material or, by default not suited to production of 'mainstream' work.

A contrary view was expressed by others that we spoke to. One independent producer felt that the label of 'MEL company', or a 'black film maker' for example, gave him an identity that expressed who he was, and saw the label as a strong and positive one. For another, assigning herself the label of 'MEL company' was seen as useful only if it could be of help.

How individuals and companies label themselves is only one half of the picture. A crucial element is how others in the industry use labels, whether it is those in commissioning or funding roles, or those making policies and mapping the industry. We have seen from the introduction to this report that labels are used to define and focus studies (such as this research) in order to investigate where there are problems that need to be addressed. Labels can also be used to positively define and focus action on a particular group for their benefit. However, this preliminary study has highlighted that negative labels about the kind of work MEL companies are capable of attaining are routinely assigned to companies almost subconsciously or casually by those in decision-making roles in the industry.

The perception that MEL companies cannot be relied upon to successfully carry out a production without support or intervention, or that they are less suitable to work on productions covering 'mainstream' issues, may still persist. In these conditions,

the label of MEL company, when used negatively, can ultimately restrict the type of work actually achieved by MEL companies, and this problem is one that is potentially the hardest to overcome.

So when using labels, it is important to ask the following questions:

- Who is assigning the label?

- For what purpose is the label being assigned?

- Are there any other consequences of being labelled in this way?

Ideally, these questions need to be at the forefront of everyone's minds when either applying labels or having been labelled as there are clear implications of using labels. Simply put, on the one hand labels can create a strong positive image, a guiding philosophy, and a way to access support; but on the other hand they can be a basis for stereotyping, negative perceptions, and restricted access to the market, or discrimination.

5.4 Recommendations for action

Although this preliminary study is a relatively small-scale piece of work, it has highlighted a number of key issues that resonate with other work in the area, and that offer potential for change (points of which the industry should take notice) including:

- dialogue between all stakeholders

- change in attitudes through learning and understanding

- changes in business policy and practice

5.4.1 Dialogue between stakeholders and individuals

Dialogue between those in stakeholding, organisational and policy-making roles and those on the ground struggling to succeed is key to developing solutions to the barriers in place. Initially some empathy is needed by those in key industry positions to show they understand the problems and issues that independent production companies (and particularly MEL companies) face and understand what these organisations are trying to achieve. More specifically, actions should include:

- **Involving MEL companies.** It is essential that minority ethnic companies are involved and have a say in the solutions and the process of devising and implementing solutions. In this way, they can achieve greater ownership of the solutions and not feel that change has been decided in isolation by those in 'ivory towers'.

- **Co-operation within the industry.** Key organisations in the sectors need to work together as much as possible to present a

united front, emphasising co-operation to identify areas to change, to identify mechanisms for change and to maintain momentum for change.

- **Strengthen and Unify Support networks.** MEL companies need to be engaged and empowered through the strengthening of existing networks for them and individuals working in the industry from a minority ethnic background. Rather than a proliferation of such networks, there needs to be consolidation. Such networks can help MEL companies to learn from each other, access information about opportunities and, importantly, allow research bodies and the sectors to identify and locate MEL companies, helping to track, support and enhance their career and company success. It is important however that these networks operate within the system rather than at the margins, and provide access to wider support, access to key decision makers, and to successful companies. It is important that MEL companies themselves form these networks and establish membership criteria that will not perpetuate the negative use of labels within the sectors.

- **Disseminating results of this research.** This will send signals throughout the industry that the situation is regarded seriously and show that the experiences of MEL companies are not being ignored.

- **Continued research.** Finally, it is important to continue research to track progress and ascertain whether it is achieved or stifled. Research should be ongoing and should involve MEL companies, rather than a single exercise that lacks longevity. Ideas include:

  - Maintaining a list of independent production companies within the industry (across film and TV), to build a sample frame for future research. Building and maintaining this list will also give an indication of churn, as companies fail, merge or reinvent themselves.

  - Setting up a research panel. Individuals could be invited to join a research panel of MEL independent production companies. This panel could then be called upon to explore general issues of success or specific issues such as careers, accessibility of schemes and opportunities, and navigating the market-place — either as interviewers or interviewees. They could also comment on research output and dissemination.

  - Regular survey of the independent production sector. Updating the web-based survey, to provide a picture of how the sectors are changing over time.

  - Monitoring and dissemination of application and success rates. Commissioning and funding organisations should be encouraged to monitor the number and rate of applications gained from companies that would define themselves as MEL independent production companies

and their relative success rates. The process needs to be handled sensitively, with an understanding of the dangers of labelling. The results of these analyses should be disseminated, otherwise the perception of the closed nature of decision making will be perpetuated.

For individuals struggling within the industry and feeling they are being knocked back when funding or commissioning decisions are made, dialogue is also a key requirement. The case study process identified that minority ethnic company leaders felt they needed greater access to dialogue with decision makers to discuss ideas and to get full constructive feedback, especially when they are turned down for funding or for commissions. This dialogue is important in helping companies to grow and to learn more about what is needed to succeed in the industry.

5.4.2 Attitude shifts

Attitude is often the hardest thing to change. However, attitudes are one of the key factors holding back MEL companies. The screen presence of black and Asian actors on British TV and film screens is still restricted in number and role type. This has an impact on the perceptions and attitudes of the nation at large. Those funding films or commissioning programmes need to ensure that they work with black and Asian actors in as many diverse and non-stereotyped roles as they would white actors. Similarly, film and TV programme makers need to consider commissioning programmes and funding films made by black or Asian film makers, making all kinds of programmes or covering all kinds of issues. Changing attitudes and ending 'ghettoisation' is likely to be a long process. Companies and funders should be encouraged to maintain the view that ghettoisation and stereotyping, however unintentionally it may be dispensed, is not acceptable.

One strong element in encouraging both attitude changes and changes in working practices is to emphasise the business case for diversity: competition and audience demand. Diversity ensures creativity and innovation, the lifeblood of creative industries, and variety and competition. As the nation becomes increasingly diverse and multicultural, audiences will demand films and programmes that reflect their lives (see for example research undertaken by Carlton, the ITC and BSC; and the UK Film Council consultation document 'Success Through Diversity and Inclusion'). The film and TV industry needs to be encouraged to be aware of, and emphasise, the advantages and benefits of becoming more diverse both internally, in terms of staffing, and externally, in terms of its suppliers (including independent producers). If diversity and broadening access is seen as an 'add-on', 'optional' or socially driven cause, the take-up of change will never be complete. If encouraging diversity, taking risks, and broadening the use of ideas and companies from diverse

backgrounds is seen as a core value of an organisation and important for building creativity and building their business, an organisation is far more likely to take those principles on board.

5.4.3 Changes in practice and policy

Major players in the industry

Focusing on the **TV sector**, our research suggests that broadcasters need to re-assess the way the commissioning process is conducted. Our research corroborates other studies (see for example Preston, 2003) and finds that the TV commissioning process relies heavily on using known and preferred suppliers; maintaining personal contacts and using a small number of tried and trusted production companies. This use of 'preferred suppliers' and a network of personal contacts to steer commissioning is widely acknowledged in the sector. This process restricts access to commissions for those who do not have a known track record or established relationship with commissioners, even if their ideas may be good. This can have the effect of particularly restricting MEL companies' access to commissions as they tend to find it harder to break into the informal networks and consequently harder to establish a track record.

Development and encouragement of a more rigorous practice and system of accountability in the commissioning process is needed, ensuring decisions are made on the basis of merit and according to recognised terms of trade. This rigour will help to prevent broadcasters predominantly commissioning from known sources and, as a result, restricting diversity in the sector. There are indications that there has been resistance in the past to any change in the way programmes are commissioned, as it can be seen as restricting creative freedom. However, the sector does need, perhaps, to learn lessons from the job recruitment process and from other industries in its handling of supplier diversity. At the very least, broadcasters need to be more open and explicit about their commissioning processes in order to help small independents to negotiate the process which is currently regarded to be opaque and unstructured.

Focusing on the **film sector**, there is a perceived dilemma between 'commercialism' and 'cultural diversity'. Should the sector and sector funders be focusing on developing a few large and commercially successful film production companies which aim to make products that attract large audiences and oversee distribution? It would appear that the current market, with its high risk and uncertainty, favours consolidation in order to grow sustainable businesses. Or should the British film industry emphasise diversity and cultural significance in its production allowing small, low budget productions to flourish with increased

public funding? The current trend is to strike a balance between the two while emphasising the need for success in the commercial world. (Films like 'Bend it Like Beckham' manage to achieve both commercial success and cultural diversity.) However, a small number of large and commercially successful companies in the film sector may restrict the options and outlets for culturally diverse, or innovative film subject matter which may flourish in a smaller, less commercially driven environment and may be stifled in the push to reduce public sector funding and compete with the US. The signals that the key agencies are sending to the industry are confusing, and it is unclear what they are trying to achieve. The philosophy guiding the decision-making process therefore needs to be communicated more widely, so that individuals and companies know what to expect. Also, the growth of large organisations needs careful consideration and monitoring to ensure diversity in output, and indeed input, is not lost in the sector.

Sectoral bodies and the need to work towards change

Organisations in the sectors, making policy and providing access to funding and training such as the UK Film Council, Pact, and Skillset need to ensure that they operate policies and practices that are clear and unified in their implementation. MEL companies who were part of the case study research raised the issue of the need for clarity about what sectoral bodies do, full accountability, and full clarity about what independent production companies can expect from these organisations. Managing expectations and ensuring that overlaps and gaps in the sectors are avoided is important to ensure MEL companies can get the best out of the system, and what is on offer for them.

Many film and programme makers from minority ethnic backgrounds believe that they face the same problems that small independent companies face in trying to succeed in a competitive environment. However, they also perceive that, for them, challenges are significantly increased because of their ethnic background. The way to make a change within a reasonable time-scale is to provide more specific opportunities and options for MEL film and TV companies. Establishing more opportunities for access to funding and commissions might then re-dress some of the imbalance. Though often a controversial option, funders, broadcasters and policy-making bodies could all consider the need for providing stronger incentives to open up the options for MEL companies, including establishing targets for the number of film funding awards and TV commissions allocated to MEL companies.

At the very least there should be an audit of the general schemes available to assess coverage, specifically to examine the degree to which MEL companies or individuals from minority ethnic backgrounds are included in or excluded from participating. Regular monitoring of the numbers of submissions/ applications

from MEL companies should also take place, and the proportion of these that are successful.

It is also important to keep researching, implementing and reporting the results of new ideas and schemes that improve the health of the film and TV sectors and encourage success in the independent production sector. This will send signals of a willingness to change and try new things.

5.4.4 Recommendations for action to address key barriers to success

In this last section we summarise the barriers to success and present an overview of the actions needed to resolve these. This is followed by a series of specific recommendations to formulate action and move forward (as some may already be happening). They are presented for further discussion in the industry and it is anticipated that the industry bodies and agencies will decide which activities are most appropriate to take forward at this time, and who should be responsible for overseeing progress.

Barrier: Difficulties breaking into the sectors, particularly gaining paid experience in large organisations, *ad-hoc* career paths and no key role models. Difficulties building positive reputation and track record, often saddled with outdated and negative stereotypes.

> **Action:** The (film and TV) industry needs to work together to provide realistic careers advice and support for those starting out, encouraging industry networks to provide role models and mentoring (particularly from minority ethnic communities), provide paid work experience opportunities, and continue to work on the one-stop-shop approach to communication of opportunities. Also, the industry should consider targeted support for those from minority ethnic backgrounds; allow companies to learn from others and to learn from their own mistakes; explore the basis for these negative stereotypes of poor quality work and work to provide support for companies where appropriate and to communicate positive examples.

Barrier: Small size, lack of resources, and inability to compete leading to concerns of being squeezed out by larger organisations and inability to get beyond 'survival goal' and hand-to-mouth existence (this affects MEL companies but is not exclusive to them).

> **Action**: Individually and collectively, policy bodies and key organisations should encourage the development of networks, and recognise those already in existence. Networks should be set up by independent production companies themselves but be given industry recognition and support, such as access to

business advice. The industry needs to map networks to gain an understanding of gaps in provision and support. It also needs to monitor existing networks to ensure they are not excluding MEL companies through their entry criteria or fees.

Action: Provide co-ordinated business support and consider targeted support and/or opportunities for MEL businesses, with sensitivity to how this is marketed. Build a database of independent production companies including MEL companies and monitor diversity in the independent production sector (re-energising previous efforts in this area). Monitor diversity in large organisations, particularly at senior levels, to ensure that moves towards larger companies and umbrella arrangements are not driving out diversity and confining individuals from minority groups to the lower levels (with little say over company direction and output). Consider schemes that encourage MEL companies to join together.

Barrier: Remaining outside of preferred supplier lists.

Action: Broadcasters and commissioners should develop supplier diversity policies with guidance from Ofcom. This should help to ensure preferred supplier lists are removed or, at the very least, are subject to constant change and become more diverse.

Barrier: Risk averse attitudes of, and commercial pressures on, decision makers who have to process large volume of submissions.

Action: Understand the outcomes of such attitudes and pressures by monitoring the relative application and success rate of submissions from MEL companies. Share this information and use the results as a basis for change (but be prepared to be criticised). Also, continue to monitor consumer feedback — 'is the industry meeting audience needs and expectations?' — and promote the business case for diversity at all levels of the organisation. Provide clear goals for what the organisation is trying to achieve and the implications of these goals on the roles of decision makers — how much of a risk can they take? Consider giving incentives to encourage diversity in the choice of independent production companies funded or commissioned.

Barrier: Lack of understanding of commissioning and funding process and concerns over intellectual property and control over the production process — fuelled by restricted access to or dialogue with decision makers, little constructive feedback on submissions, and concern over characteristics of decision makers.

Action: Improve access to decision makers and dialogue between decision makers and independent companies. Open up the funding and commissioning processes, giving clear

explanations of how the system works, what information is needed (giving examples), how submissions will be judged and by whom. If appropriate, give clear indications of what types of ideas are likely to be supported. Give full feedback and allow for companies to respond to this. Work to improve diversity amongst decision makers without pigeon-holing or ghettoising those from minority ethnic backgrounds into positions where they only make decisions about MEL companies. Communicate these efforts to the industry to engender confidence that decision makers will understand all viewpoints.

Action: Audit schemes aimed to help individuals and organisations gain commissions or funding to ensure that there are no gaps in provision or groups excluded. Consider making these more user friendly or flexible.

Barrier: Perceived to be judged on basis of company make-up and restricted to margins of the industry, competing in a decreasing pool for multicultural films and programming, and unable to have real choice over company output.

Action: Acknowledge that ghettoisation and stereotyping, however unintentional, is not acceptable; work to understand attitudes and their impact and work to change these to ensure companies are judged on their merits. Continue moves to mainstream diversity across programming and film making but consider ring-fencing a budget to ensure there is room for programmes with mono-cultural or cross-cultural appeal.

Barrier: Feeling disempowered and disillusioned, unwilling to engage in, and mistrustful of, industry initiatives to support companies — particularly where labels are assigned to such schemes.

Action: The industry must collectively show an understanding of the difficulties independent production companies face, particularly MEL companies, through continued research, showing a willingness to change, and involving all stakeholders in the change process. They must also improve dialogue within, and between, the film and TV sectors, monitor and report progress of initiatives, and develop new ideas if they fail.

Summary of recommendations

Further research activity:

a) A study to review what other sectors and organisations have done to encourage engagement with those from minority ethnic groups in the labour market.

b) A review of career paths within the sector and how they are changing.

c) Setting up a research panel; practitioners could be invited to join a research panel of MEL independent production companies. This panel could then be called upon to explore general issues of success or specific issues such as careers, accessibility of schemes and opportunities, and navigating the market-place; either as interviewers or interviewees. They could also comment on research output and dissemination.

d) Regular survey of the independent production sector; updating the web-based survey, to provide a picture of how the film and TV sectors are changing over time.

Career opportunities:

e) Encourage larger organisations to form links with schools, colleges and universities with high proportions of minority ethnic students (through diversity networks).

f) Produce careers materials which are inclusive in their depiction of diversity.

g) Provide work experience places for students and new graduates in larger organisations.

Improving communications:

h) Create a database of companies for information and dissemination purposes.

i) An industry newsletter promoting new talent, highlighting funding opportunities, and highlighting activity in this area.

j) Create new awards for the industry for newcomers or independent production companies of various sizes to help reputation building.

k) MEL companies need to be engaged and empowered through the strengthening of existing networks for them and individuals working in the industry from a minority ethnic background. Rather than a proliferation of such networks, there needs to be consolidation. It is important that MEL companies themselves form these networks and establish membership criteria that will not perpetuate the negative use of labels within the sectors.

Tailored advice and support:

l) Explore the provision of specialist business support for this sector in partnership with DTI, Business Link and Skillset.

m) Mentoring and coaching opportunities for new companies or students provided by larger organisations in the sector. Staff might be encouraged to do this as part of corporate

social responsibility activities and would be likely to gain development for themselves.

n) Write and publish best practice diversity strategies from which organisations can copy and learn.

o) Review practice on diversity constantly and provide new thoughts and ideas to maintain the focus.

p) Provide workshops and master classes to those in the industry (by Skillset).

Procurement best practice:

q) Write and disseminate diversity statements to be included in procurement exercises.

r) Encourage diversity within responding companies.

s) Encourage partnerships and alliances in commissioning explicitly.

Monitoring and feedback:

t) Conduct annual reviews of application and success rates of submissions and publicise results.

u) Set clear outcome indicators for all initiatives so that success can be continually monitored.

Appendices

The following form the appendices to the main report:

- Glossary of terms
- Bibliography of literature sources
- Detailed results from the web-based survey of independent production companies.

Appendix A: Glossary

List of technical and shorthand terms used in the report.

ABI — Annual Business Inquiry

BCIDN — Broadcasting and Creative Industries Disability Network

BECTU — Broadcasting, Entertainment, Cinematography and Theatre Union

BFI — British Film Institute

BSAC — British Screen Advisory Council

BSC — the Broadcasting Standards Commission

CDN — Cultural Diversity Network

CRE — Commission for Racial Equality

DCMS — Department for Culture, Media and Sport

DTI — Department of Trade and Industry

Ghettoisation — one outcome of pigeonholing that restricts companies to the margins of the industry

ITC — Independent Television Commission

Independent production company — for TV, this is any company less than 50 per cent owned by UK broadcasters and less than 25 per cent owned by a single UK broadcaster.

LFS — Labour Force Survey

MEL company — Minority ethnic led company (company led by professionals from minority ethnic backgrounds)

Ofcom — Office of Communications

Oftel — Office of Telecommunications

ONS — Office of National Statistics

Pact — the largest UK trade association that represents the commercial interests of independent feature film, television, animation and interactive media companies

Pigeonholing — assigning an organisation to a category

SBS — Small Business Service

SSMR — Surrey Social Market Research Ltd

Appendix B: Bibliography

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Plus, other diversity Policy documents, guidelines for independent producers, and initiatives from:

- The Script Factory
- Five
- ITV
- 4 Producers
- ITC Guidelines
- Channel 4
- BBC
- Film London
- Aspire

Appendix C: Further Survey Results

Table A1: Company set up by sector and type of company

	TV sector		Film sector		MEL		Small		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Years operating:										
less than one year	2	4	2	5	1	7	3	5	3	4
one year	4	7	1	3	1	7	4	7	4	5
two years	4	7	3	8	1	7	5	9	5	6
three years	5	9	2	5	1	7	3	5	8	10
four years	2	4	4	11	1	7	4	7	4	5
five years	3	5	3	8	1	7	4	7	6	8
six to ten years	13	23	8	22	5	36	14	25	18	23
more than ten	23	41	14	38	3	21	18	33	31	39
Total	*56*	*100*	*37*	*100*	*14*	*100*	*55*	*100*	*79*	*100*
Set up for a specific project:										
yes	19	35	12	34	9	69	19	36	24	31
no	36	65	23	66	4	31	34	64	53	69
Total	*55*	*100*	*35*	*100*	*13*	*100*	*53*	*100*	*77*	*100*
Geographic location:										
London	35	63	29	78	13	93	39	71	54	68
South East	4	7	2	5			3	5	5	6
South West	1	2							1	1
East	1	2					1	2	1	1
West Midlands	1	2							1	1
North West	1	2	1	3	1	7	1	2	1	1
Yorks & Humberside	1	2							1	1
North East	2	4	2	5			3	5	3	4
Wales	1	2							1	1
Scotland	8	14	2	5			6	11	9	11
Northern Ireland	1	2					1	2	1	1
Outside UK			1	3			1	2	1	1
Total	*56*	*100*	*37*	*100*	*14*	*100*	*55*	*100*	*79*	*100*

Source: IES survey, 2004

Table A1: Company set up by sector and type of company (continued)

	TV sector		Film sector		MEL		Small		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Type of premises:										
family home	10	18	10	27	6	43	15	27	15	19
leased premises	31	56	19	51	7	50	30	55	44	56
Owned business premises	9	16	4	11			5	9	11	14
other	5	9	4	11	1	7	5	9	8	10
Total	*55*	*100*	*37*	*100*	*14*	*100*	*55*	*100*	*78*	*100*

Source: IES survey, 2004

Table A2: Finances - Turnover in last 12 months by sector and type of company (£)

	No.	N	median	min	max
Film sector	32	37	150,000	10,000	10,000,000
TV sector	50	56	930,000	10,000	23,000,000
MEL company	12	14	150,000	10,000	3,500,000
Small company	49	55	150,000	10,000	1,900,000
All	*71*	*79*	*380,000*	*10,000*	*23,000,000*

Source: IES survey, 2004

Table A3: Finances — Profit in last 12 months by sector and type of company (£)

	No.	N	median	min	max
Film sector	20	37	10,000	−53,562	1,000,000
TV sector	41	56	30,000	−100,000	13,990,000
MEL company	8	14	12,500	−2,500	180,000
Small company	34	55	10,000	−53,562	150,000
All	*54*	*79*	*20,000*	*−100,000*	*13,990,000*

Source: IES survey, 2004

Institute for Employment Studies

Table A4: Changes in finance by sector and type of company

	TV sector		Film sector		MEL		Small		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Turnover changed from last year?										
increased	21	38	12	32	5	36	16	29	28	35
decreased	17	30	13	35	5	36	18	33	26	33
stayed the same	6	11	4	11	1	7	7	13	9	11
fluctuated, no consistent pattern	8	14	5	14	1	7	9	16	11	14
company less than one year old	4	7	3	8	2	14	5	9	5	6
	56	*100*	*37*	*100*	*14*	*100*	*55*	*100*	*79*	*100*
Turnover expected to change next year?										
increase	33	59	16	43	5	36	27	49	44	56
decrease	10	18	5	14	5	36	10	18	12	15
stay the same	4	7	5	14			6	11	8	10
can't tell	9	16	11	30	4	29	12	22	15	19
	56	*100*	*37*	*100*	*14*	*100*	*55*	*100*	*79*	*100*
Profit changed from last year?										
increased	15	27	9	26	3	21	12	23	22	29
decreased	20	36	10	29	4	29	17	32	26	34
stayed the same	12	21	8	23	3	21	13	25	16	21
fluctuated, no consistent pattern	5	9	5	14	2	14	6	11	8	10
company less than one year old	4	7	3	9	2	14	5	9	5	6
	56	*100*	*35*	*100*	*14*	*100*	*53*	*100*	*77*	*100*
Profit expected to change next year?										
increase	31	55	14	40	5	36	24	45	40	52
decrease	8	14	5	14	4	29	9	17	11	14
stay the same	6	11	4	11	1	7	4	8	8	10
can't tell	11	20	12	34	4	29	16	30	18	23
	56	*100*	*35*	*100*	*14*	*100*	*53*	*100*	*77*	*100*

Source: IES survey, 2004

Table A5: Staff numbers by sector and type of company

		Film sector	TV sector	MEL	Small	All
Core employees in company	no.	34	55	14	51	75
	median	2.0	4.0	2.0	2.0	3.0
	min	1	1	1	1	1
	max	20	300	4	8	300
Freelance workers in company	no.	20	46	10	23	58
	median	2.0	5.5	3.5	3.0	4.0
	min	1	1	2	1	1
	max	12	400	42	12	400
(Proportion with freelancers)	%	54	82	71	65	73
Unpaid volunteers in company	no.	11	17	5	16	23
	median	1.0	2.0	1.0	1.0	1.0
	min	0	0	0	0	0
	max	4	4	4	4	4
(Proportion with unpaid workers)	%	27	27	29	27	27
No. working at organisation	no.	37	56	14	55	79
	median	4.0	2.0	5.0	5.0	6.0
	min	1	1	1	1	1
	max	21	700	44	20	700
(Proportion with BME staff)	%	49	64	100	49	58
(Proportion with female staff)	%	78	93	79	85	87

Source: IES survey, 2004

	Film sector	TV sector	MEL	Small	All

Institute for Employment Studies

Table A6: Staffing changes by sector and type of company

	TV sector		Film sector		MEL		Small		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Have number of core employees changed in last 12 months?										
increased	14	26	7	20	1	8	8	15	19	25
decreased	10	19	6	17	2	15	8	15	13	17
stayed the same	28	52	20	57	10	77	33	63	41	54
company less than one year old	2	4	1	3			2	4	2	3
can't say, constantly changing			1	3			1	2	1	1
Total	*54*	*100*	*35*	*100*	*13*	*100*	*52*	*100*	*76*	*100*
Have number of freelance employees changed in last 12 months?										
increased	23	48	7	30	6	55	11	28	27	43
decreased	12	25	4	17	3	27	11	28	13	21
stayed the same	7	15	11	48	2	18	13	33	15	24
company less than one year old	1	2					1	3	1	2
can't say constantly changing	5	10	1	4			4	10	7	11
Total	*48*	*100*	*23*	*100*	*11*	*100*	*40*	*100*	*63*	*100*
Expected number of core employees to change in next 12 months?										
increase	16	30	12	36	2	17	18	36	26	35
decrease	2	4	2	6	1	8	1	2	3	4
stay the same	30	56	14	42	7	58	24	48	36	49
can't say, constantly changing	6	11	5	15	2	17	7	14	9	12
Total	*54*	*100*	*33*	*100*	*12*	*100*	*50*	*100*	*74*	*100*
Expected number of freelance employees to change in next 12 months?										
increase	29	58	13	46	6	50	22	50	36	54
decrease	3	6	2	7	1	8	3	7	4	6
stay the same	7	14	6	21	2	17	8	18	10	15
can't say, constantly changing	11	22	7	25	3	25	11	25	17	25
Total	*50*	*100*	*28*	*100*	*12*	*100*	*44*	*100*	*67*	*100*

Source: IES survey, 2004

Table A7: Output by sector and type of company

	TV sector		Film sector		Small		MEL		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Product										
mainstream	51	91	27	73	45	82	12	86	67	85
Targeted	5	9	10	27	10	18	2	14	12	15
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Audience										
unknown	8	14	6	16	8	15	2	14	11	14
Foreign audience	23	41	24	65	28	51	7	50	39	49
UK only	25	45	7	19	19	35	5	36	29	37
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Investment										
unknown	18	32	7	19	13	24	5	36	20	25
Foreign investment	17	30	22	59	23	42	2	14	35	44
UK only	21	38	8	22	19	35	7	50	24	30
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*

Source: IES survey, 2004

Table A8: Activities by sector and type of company

	TV sector		Film sector		Small		MEL		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Applied for public funding:										
no	31	55	12	32	23	42	6	43	37	47
yes	25	45	25	68	32	58	8	57	42	53
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Received full funding:										
no	38	68	27	73	37	67	12	86	54	68
yes	18	32	10	27	18	33	2	14	25	32
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Been commissioned:										
no	21	38	23	62	33	60	8	57	38	48
yes	35	63	14	38	22	40	6	43	41	52
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Had programmes shown/films distributed:										
no	14	25	17	46	22	40	7	50	26	33
yes	42	75	20	54	33	60	7	50	53	67
Total	*56*	*100*	*37*	*100*	*55*	*100*	*14*	*100*	*79*	*100*
Median Broadcasting hours (TV only)	13		–		5		2		–	

Source: IES survey, 2004

Table A9a: Qualifications and experience of key staff by sector and type of company

	TV sector		Film sector		Small		MEL		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Highest qualification:										
Postgraduate degree	12	23	11	31	19	37	5	36	20	27
First degree	24	46	14	40	17	33	4	29	32	43
Diploma	2	4	1	3	3	6			3	4
A level or equivalent	10	19	6	17	9	17	4	29	13	18
Other	4	8	3	9	4	8	1	7	6	8
Total	*52*	*100*	*35*	*100*	*52*	*100*	*14*	*100*	*74*	*100*
Experience:										
less than one year	1	2			1	2			1	1
three to five	4	7	3	8	6	11	1	7	8	11
six to ten	8	15	6	17	9	17	2	14	11	14
eleven to twenty	22	41	12	33	19	36	9	64	28	37
over twenty	19	35	15	42	18	34	2	14	28	37
Total	*54*	*100*	*36*	*100*	*53*	*100*	*14*	*100*	*76*	*100*
Member of a network	43	77	25	68	40	73	10	71	59	75
Base		**56**		**37**		**55**		**14**		**79**

Source: IES survey, 2004

Table A9b: Work experience of key staff by sector and type of company

	TV		Film		Small		MEL		All	
Relevant work experience	n	%	n	%	n	%	n	%	n	%
Worked for TV broadcaster in production	29	56	16	43	25	47	8	57	38	51
Worked for TV broadcaster in commissioning	8	15	5	14	8	15	1	7	11	15
Worked as a freelancer	34	65	28	76	38	72	11	79	52	69
Managed/jointly managed another TV/film production company	20	38	14	38	18	34	7	50	27	36
Worked for another TV/film production company in an executive role	19	37	16	43	19	36	7	50	30	40
Worked for another TV/film production company in another role	28	54	23	62	33	62	9	64	41	55
Worked as a trainer in film/TV	11	21	11	30	14	26	5	36	17	23
Worked as a trainee in film/TV	8	15	6	16	8	15	3	21	13	17
Worked in an unpaid position in film/TV	8	15	10	27	11	21	5	36	15	20
Worked in a different creative sector	12	23	8	22	11	21	5	36	15	20
Base	**52**	**100**	**37**	**100**	**53**	**100**	**14**	**100**	**75**	**100**

Source: IES survey, 2004

Table A10: Experience of support by sector and type of company (per cent)

	TV sector	Film sector	Small	MEL	All
Peer support from others in the industry	77	88	88	93	82
Support from intermediaries	58	53	57	36	58
Business advice	49	38	39	14	45
Support from individuals in large organisations	32	50	37	36	37
Private consultancy	19	21	16	14	21
Sponsorship/formal support from large orgs./sector bodies	19	21	14	21	18
Other support	9	6	6	29	8
Base	**53**	**34**	**51**	**14**	**73**

Source: IES survey, 2004

Table A11: Barriers experienced by sector and company type (mean score)

	TV		Film		Small		MEL		All	
	n	mean	n	mean	n	mean	n	mean	n	mean
Lack of advice/support from sectoral bodies	52	1.7	34	2.1	51	1.9	13	2.5	73	1.8
Lack of training opportunities	53	1.7	31	1.9	47	1.8	11	2.1	71	1.8
Not enough junior positions offering first rung on career ladder	41	1.7	28	1.7	36	1.6	7	1.6	57	1.7
Lack of protection over intellectual property rights	52	2.5	32	2.2	48	2.3	11	3.0	72	2.4
Commissioners using preferred suppliers	54	3.1	28	3.0	45	3.1	12	3.7	68	3.0
Few permanent positions available, mostly freelance	46	1.8	28	1.6	40	1.6	10	2.3	61	1.7
Lack of contacts in the industry	53	2.1	33	1.9	50	2.1	14	2.7	72	2.0
Pigeon-holed/ghettoised into working particular production types/genres	52	2.5	35	2.2	50	2.4	13	3.1	73	2.4
Lack of openness/clarity in commissioning process	54	2.9	30	2.7	47	2.8	11	3.5	71	2.8
Lack openness/clarity in public funding application process	46	2.5	30	2.3	45	2.5	9	2.7	67	2.4
Lack of creative risk-taking among film/TV commissioners	54	2.9	34	3.2	52	3.2	14	3.5	74	3.0
Inability to compete due to a small no of big companies dominating the market	52	2.8	36	2.6	54	2.8	14	3.1	74	2.7
Direct racial discrimination	50	1.3	32	1.4	46	1.3	11	2.0	69	1.3
Other discrimination (*eg* gender, disability, age)	46	1.7	30	1.7	43	1.7	9	2.2	65	1.6

NB: mean score where 1=never, 2=sometimes, 3=often, 4=most of the time. The higher the score the more regularly experienced

Source: IES survey, 2004

Table A12: Experience of barriers to entry by type of company (per cent)

Type	Barriers to entry	Never	Sometimes	Often	Mostly	*Base*
All	Lack of training opportunities	41	45	7	7	*71*
Small	Lack of training opportunities	43	40	9	9	*47*
MEL	Lack of training opportunities	36	36	9	18	*11*
All	Not enough junior positions offering first rung	54	28	12	5	*57*
Small	Not enough junior positions offering first rung	61	25	11	3	*36*
MEL	Not enough junior positions offering first rung	71	–	29	–	*7*
All	Few permanent positions available, mostly freelance	57	20	15	8	*61*
Small	Few permanent positions available, mostly freelance	68	15	10	8	*40*
MEL	Few permanent positions available, mostly freelance	40	10	30	20	*10*
All	Lack of contacts in the industry	35	42	13	11	*72*
Small	Lack of contacts in the industry	36	36	14	14	*50*
MEL	Lack of contacts in the industry	14	29	29	29	*14*

Source: IES survey, 2004

Table A13: Experience of barriers to competition by type of company (per cent)

		Never	Sometimes	Often	Mostly	*Base*
All	Inability to compete	12	28	32	27	*74*
Small	Inability to compete	13	26	33	28	*54*
MEL	Inability to compete		29	29	43	*14*
All	Lack of advice/support from sectoral bodies	45	37	8	10	*73*
Small	Lack of advice/support from sectoral bodies	39	39	10	12	*51*
MEL	Lack of advice/support from sectoral bodies	23	38	8	31	*13*

Source: IES survey, 2004

Table A14: Experience of structural barriers by type of company (per cent)

		Never	Sometimes	Often	Mostly	*Base*
All	Lack of protection over intellectual property rights	21	33	32	14	*72*
Small	Lack of protection over intellectual property rights	25	29	35	10	*48*
MEL	Lack of protection over intellectual property rights	18		45	36	*11*
All	Commissioners using preferred suppliers	4	21	41	34	*68*
Small	Commissioners using preferred suppliers	7	20	33	40	*45*
MEL	Commissioners using preferred suppliers		17		83	*12*
All	Lack of openness/clarity in commissioning process	7	32	35	25	*71*
Small	Lack of openness/clarity in commissioning process	6	32	36	26	*47*
MEL	Lack of openness/clarity in commissioning process		27		73	*11*
All	Lack openness/clarity in public funding application process	18	37	27	18	*67*
Small	Lack openness/clarity in public funding application process	24	27	27	22	*45*
MEL	Lack openness/clarity in public funding application process	22	22	22	33	*9*
All	Lack of creative risk-taking among film/TV commissioners	3	24	39	34	*74*
Small	Lack of creative risk-taking among film/TV commissioners	2	17	40	40	*52*
MEL	Lack of creative risk-taking among film/TV commissioners		7	36	57	*14*

Source: IES survey, 2004

Table A15: Experience of barriers to the market by type of company (per cent)

		Never	Sometimes	Often	Mostly	*Base*
All	Pigeon-holed/ghettoised	22	38	22	18	*73*
Small	Pigeon-holed/ghettoised	24	36	18	22	*50*
MEL	Pigeon-holed/ghettoised	15	15	15	54	*13*
All	Direct racial discrimination	78	16	3	3	*69*
Small	Direct racial discrimination	76	17	4	2	*46*
MEL	Direct racial discrimination	36	36	18	9	*11*
All	Other discrimination	60	28	6	6	*65*
Small	Other discrimination	53	30	9	7	*43*
MEL	Other discrimination	33	22	33	11	*9*

Source: IES survey, 2004

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