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Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref WAQ74276 through to WAQ74289

Suzy Davies AM

Suzy.Davies@assembly.wales

06 December 2017

Dear Suzy,

Further to my letter of 30 November, I am writing to provide full responses to WAQ74276 through to WAQ74289. These can be found at Annex 1.

A copy of this letter will be published on the internet.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken', written over a light grey horizontal line.

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Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Annex A

Suzy Davies (South Wales West): For the productions listed in reply to WAQ74054, please list the studios that were used in each production (accepting that more than one studio may be used in each case)? (WAQ74276)

My letter to you of 30 November refers to the productions listed in reply to WAQ74054. The studios that were used for each production are:

Production Title	Studio
Da Vinci's Demons Series 1	Bay Studios
Atlantis Series 1	New House Farm, Industrial Estate
Boj & Buddies	Cloth Cat animation studio
Hinterland 1	Location (no studio)
Da Vinci's Demons Series 2	Bay Studios
Atlantis Series 2	New House Farm, Industrial Estate
Petroleum Spirit	Location (no studio)
A Poet In New York	Warehouse, Mamhilad Park, Pontypool
Grandpa in my pocket	Enfys Studios, Cardiff
Wonderworld	Did not go into production
The Drake Equation	Did not go into production
Rastamouse Series 4	Dinamo, Treforest Industrial Estate
Rocket's Island	Location (no studio)
Toot the Tiny Tugboat / Ethel & Ernest	Cloth Cat animation studio
From a Jack to a King	Documentary (non studio)
Lady Chatterleys Lover	Location (no studio)
Castle Builders	Documentary (non studio)
Rocket's Island Series 4	Did not go into production
Robin Friday – The Movie	Did not go into production
Heart of Darkness	Gritty Realism, Tredomen Business & Technology Centre, Ystrad Mynach
Trampires	Animortal Studio Bridgend
Country Fair	Location (no studio)
Decline and Fall	Sony, Pencoed
Coming up	Location (no studio)
Hinterland 2	Location (no studio)
Hinterland 3	Location (no studio)
The Bastard Executioner	Dragon & Pinewood
Sherlock Season 4	Dragon & Pinewood
Slate of Bad Wolf Productions (A Discovery of Witches)	Wolf Studios Wales
The State (Working title of "Crossing the Border")	Location, Pinewood (production office)
Will Season 1	Dragon
The Collection	Bay Studios
Don't Knock Twice	Location (no studio)
Britannia	Location (no studio)
Toggle Top	Cloth Cat animation studio
Luo Bao Bai	Cloth Cat animation studio
Showdogs	Pinewood

Keeping Faith	SONY Pencoed & Bay Studios
Mountains and Life	Documentary (non studio)
Requiem	Location (no studio)
Apostle	Bay Studios
Born to Kill	Location (no studio)
Kiri	Location (no studio)
Denmark	Location (no studio)
The Wall	Documentary (non studio)

Suzy Davies (South Wales West): When did Pinewood Pictures acquire its advisory role in the distribution of the Welsh Government's £30 million Media Investment Budget (MIB), and via what procurement process? (WAQ74277)

Welsh Government's formal relationship with Pinewood Pictures commenced in 2014 in the form of a collaboration agreement, which did not require a procurement exercise to be undertaken. Pinewood Pictures worked with production companies to structure commercial deals that were considered suitable for Welsh Government investment. These deals were then presented to the Media Investment Panel, an independent panel of experts, who have responsibility for providing advice to Welsh Government on MIB investments.

Suzy Davies (South Wales West): How has the Welsh Government ensured that Pinewood Pictures avoids conflict of interests when recommending its own productions for assistance, since in 2015/16, Pinewood received a £600,000 grant towards 'The Collection'? (WAQ74278)

As stated in my reply to WAQ74286, the independent Media Investment Panel considered potential conflicts of interest in projects brought forward by Pinewood Pictures, and sought to ensure the best deal possible for Wales in providing advice to Welsh Ministers. As clarified by my letter to you of 30 November 2017, the £600,000 grant payment was not made to Pinewood Pictures Ltd. The payment went to Pinewood No.14 a Special Purpose Vehicle (SPV) set up on behalf of the production company Look Out Point for the sole purpose of handling production finance.

Suzy Davies (South Wales West): Who else, apart from Pinewood Pictures, is responsible for advising the Welsh Government on its decisions to give grants/loans to production companies who apply for support? (WAQ74279)

As my answer to WAQ74277 confirms, advice to Welsh Government on potential MIB investments is provided by an independent Media Investment Panel.

Suzy Davies (South Wales West): If Pinewood is supported by a panel, how was that panel chosen? (WAQ74280)

Pinewood was not supported by a panel.

Suzy Davies (South Wales West): How many productions has Welsh Government supported that are not only made in Wales, but set in Wales, and Wales-themed? (WAQ74281)

There have been 7 projects supported by Welsh Government that are set in Wales and Wales-themed, as well as being made in Wales.

Suzy Davies (South Wales West): In relation to Ffilm Cymru, how does WG satisfy itself that; a) that there is no duplication of resource; and b) that there is no conflict of interest whereby members of the Ffilm Cymru board do not benefit directly or indirectly from the choice of films put forward by Pinewood for Welsh Government consideration for support from the media investment budget/Wales Screen Fund? (WAQ74282)

Ffilm Cymru Wales is an organisation that is separate from Welsh Government, with its own governance arrangements and processes. It provides project funding to deliver specific objectives that can, in some instances, be different to those of either the Media Investment Budget or Wales Screen Fund. There will be occasions when Welsh Government considers investing alongside Ffilm Cymru Wales, if the commercial and economic returns are expected to be significant, and additionality can be demonstrated. In all cases, projects are assessed by the independent Media Investment Panel who will consider potential conflicts of interest in reaching a decision, and will manage any conflicts appropriately. Additionally, financial due diligence undertaken by Welsh Government will consider the various funding streams for each project to ensure there is no duplication of funding in achieving Welsh Government's investment objectives.

Suzy Davies (South Wales West): Is it the case that the media investment budget is broken down into different budgets for different policy aims, and if so, please clarify the division of resources and whether the same individuals within Pinewoods Pictures are responsible for making recommendations in all these 'sub-categories'? (WAQ74283)

The Media Investment Budget is not broken down into different budgets for different policy aims.

Suzy Davies (South Wales West): What is the connection between the media investment budget and the Wales Screen Fund (WSF)? (WAQ74284)

These are the two main routes to funding in Wales for film and TV productions. The Media Investment Budget is the route through which Welsh Government provides commercial funding for TV and film productions whereas the Wales Screen Fund is a notified scheme that enables Welsh Government to provide funding to support audio-visual projects in Wales. They are separate but can be used in a complementary way to create a bespoke package of support.

Suzy Davies (South Wales West): Can applications to the media investment budget only be made through Pinewood Pictures, as stated on its website? (WAQ74285)

As the collaboration agreement with Pinewood Pictures has come to an end, applications will now be made directly to Welsh Government. Previously, as was stated on the website, applications to the Media Investment Budget would have been made through Pinewood Pictures.

Suzy Davies (South Wales West): In relation to WAQ74158, what policy has the Welsh Government put in place to avoid an anti-competitive conflict of interest, whereby Pinewood might put forward projects which favour the use of Pinewood Studios as its "Welsh element"? (WAQ74286)

The processes in place to support Welsh Government business finance decisions require conflicts of interest to be considered in all cases. In the case of the Media Investment Budget, potential conflicts of interest were specifically considered by the Media Investment Panel.

Suzy Davies (South Wales West): In relation to WAQ74158, what policy has Welsh Government seen to avoid an anti-competitive conflict of interest, whereby Pinewood might: a) use its position to recommend itself as the best body to structure a deal, thereby securing a fee; and b) put forward projects from which Pinewood itself secures most benefit in fees or paid positions? (WAQ74287)

As stated in my reply to WAQ74286, the independent Media Investment Panel considered potential conflicts of interest in projects brought forward by Pinewood Pictures, and sought to ensure the best deal possible for Wales in providing advice to Welsh Ministers.

Suzy Davies (South Wales West): Please explain the difference in the number of applications submitted to the Wales Screen Fund provided in the answers to WAQ74098 and WAQ74054 and provide a list of the applications – including from companies who had applied for discretionary development funding – which went for Welsh Government consideration and were turned down? (WAQ74288)

In answer to the first part of your question, my letter to you of 30 November refers. There has been one application made under the current Wales Screen Fund notification that was submitted for formal Welsh Government consideration and subsequently turned down.

Suzy Davies (South Wales West): Please explain the difference in the number of applications submitted to the Wales Screen Fund provided in the answers to WAQ74098 and WAQ74054 and provide a list of the applications – including from companies who had applied for discretionary development funding – which were turned down by Pinewood Pictures? (WAQ74289)

In answer to the first part of your question, my letter to you of 30 November refers. Pinewood did not turn down applications. They developed commercial projects to a point whereby they were considered ready to apply to the Media Investment Budget. Not all projects will have made it to that stage but projects that failed to reach the point of application will not have been reported or scrutinised by the Media Investment Panel. As my other answers have confirmed, Pinewood Pictures had no role in approving Wales Screen Fund applications.