



Nick Ramsay, AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

23 December 2019

Dear Chair,

**PUBLIC ACCOUNTS COMMITTEE REPORT ON THE WELSH GOVERNMENT'S
RELATIONSHIP WITH PINEWOOD – Updates on Media Investment Budget and
Pinewood Studios**

In the Welsh Government response to the report on the Welsh Government's relationship with Pinewood, we committed to providing an update on both the Media Investment Fund's performance, and financial performance and income projections for Pinewood Studios in December 2019.

I have pleasure in enclosing these updates for your consideration.

This letter is being copied to the Culture, Welsh Language and Communications Committee, in advance of my appearance at the Culture, Sport and Tourism draft budget session.

Yours sincerely,

Yr Arglwydd Elis-Thomas AC/AM
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

CC: Culture, Welsh Language and Communications Committee

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Dafydd.Elis-Thomas@llyw.cymru
Correspondence.Dafydd.Elis-Thomas@gov.wales

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.

UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

Update on the Media Investment Fund's performance (response to recommendation 2 of the Public Accounts Committee report on the Welsh Government's relationship with Pinewood) – Figures as at November 2019

Project	Investment Value £m	Amount recouped £m	Net Gain / (Loss) to date £m	Welsh spend to date £m
Under Pinewood Management				
Take Down	3.144	1.113	(2.031)	1.089
Their Finest	2.000	2.050	0.050	1.618
The Collection	1.750 ¹	0.250	(1.500)	5.187
Show Dogs	1.566 ²	0	(1.566)	4.338
Journey's End	0.850	0.631	(0.219)	0.903
Don't Knock Twice ³	0.630	0.612	(0.0186)	0.641
Minotaur	0.026	0	(0.026)	N/A ⁴
Lionel the First	0.025	0	(0.025)	N/A ⁵
Total	9.991	4.656	(5.335)	13.776
Under Welsh Government Management				
Trampires ⁶	2.000	0	(2.000)	1.621
Eternal Beauty	1.050	0.770	(0.280)	1.255
Bang	0.350	0	(0.350)	2.562
Tiny Rebel	0.318	0	(0.318)	0.260
Goose Green	0.025	0	(0.025)	N/A ⁷
Almost Never (formerly True Believers) ⁸	0.622	0	(0.622)	2.118
Six Minutes To Midnight ⁹	0.750	0.075	(0.675)	3.520
Total	5.115	0.845	(4.270)	11.336
Overall Total	15.106	5.501	(9.605)	25.112

¹ The investment value includes £600,000 of grant funding from the Media Investment Budget

² The investment value includes £362,000 of grant funding from the Media Investment Budget

³ Don't Knock Twice also received £75,000 of grant funding under the Welsh Government's Business Finance scheme.

⁴ Development funding does not include a Welsh Spend commitment

⁵ Development funding does not include a Welsh Spend commitment

⁶ Trampires also received £652,572 of grant funding under the Welsh Government's Business Finance scheme.

⁷ Development funding does not include a Welsh Spend commitment

⁸ In production or production has only recently completed.

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UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

**Update on financial performance and income projections for Pinewood Studios
(response to recommendation 6 of the Public Accounts Committee report on the
Welsh Government's relationship with Pinewood)**

	FY 2017/18 (Starts 1 Nov 2017)	FY 2018/19	FY 2019/20	2020/21
Income from primary tenants ex VAT	-	£379,382~	£1,247,000*	£1,247,000*
Income from media hub tenants ex VAT	-	-	£87,468*	£87,468*
TOTAL		£379,382	£1,334,468	£1,334,468
Running costs ^	£588,199	£1,176,398	£1,096,000	£898,398
Operational profit & loss	-£588,199	-£797,016	£238,468	£436,070

(~) this is an aggregated figure consisting of all income from the studio rentals up to March 2019

(*) projected figures, a rent review is due in January

(^) an ongoing reconciliation of utility billing and rebilling at site is underway and there may be some further downward adjustments following completion in March 2020.

Comments:

Running costs decreased in 2019/20 due to planned adjustment figures received from Pinewood relating to operational costs.

Projected running costs for 2020/21 are based on the studio transferring to WG management.

Primary tenant agreements are not yet confirmed for 2020/21 onwards.