

The huge impact of Bad Wolf on the Welsh economy

Independent television production firm Bad Wolf, which has brought recommissioned high profile productions to Wales like A Discovery of Witches and His Dark Materials, has generated more than £110m of gross value added (GVA) for the Welsh economy.

In a major start-up inward investment coup for Wales, Bad Wolf established its HQ and studios in Cardiff Bay in 2015. It is now firmly established as the biggest UK independent production company outside of London and the south-east of England.

An independent analysis of its economic impact between 2015-20, undertaken by international economic consulting firm Nordicity and chartered accountants Saffrey Champness, shows from a total £259m production spend just under half, or £121.8m, remained in Wales for payments to labour, suppliers and intellectual property holders.

In terms of its wider impact it has identified a further £85.5m in additional GVA for the Welsh economy, as well a £7.1m GVA impact from the expenditure in Wales from its corporate operational activities. Its total direct, indirect and induced GVA impact over the five-year period was £114m.

It has supported 2,243 full-time equivalent roles over the period, made up of 1,087 direct, 873 indirect and 283 induced.

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The Welsh Government provided Bad Wolf with £9m in funding to set up in Wales, with two tranches of £4.5m in repayable and grant finance – based on a condition of a high production spend in Wales.

For every £1m of taxpayer backed support, the report shows it has generated an almost tenfold return with £9.5m in additional GVA.

Over the period Bad Wolf also oversaw 2,000 work placements through Screen Alliance Wales, as well as 51 traineeships and 122 new roles at Wolf Studios Wales.

Some 81% of Bad Wolf's local suppliers report that they had experienced higher turnover since 2015, at least partly due to supplying the company.

On the economic impact co-founder and director Jane Tranter said: "As a start-up business with global ambitions, Bad Wolf inevitably required investment. We knew that any private investor would insist the company and its productions be based more traditionally where the broadcasters, agents and majority of talent are based. In centres such as London or Los Angeles, as opposed to Wales. So, instead of seeking private investment at this stage, we went to the Welsh Government and asked for investment in return for locking us, and our spend on productions, into building our company in Wales. This innovative deal with Welsh Government would ensure grants led to long-term sustainable jobs and production spend in Wales – with what has resulted in unprecedented success."

Stephen Bristow, partner at Saffrey Champness, said: "Our report clearly evidences the remarkable economic impact that Bad Wolf has had on the television industry in Wales. Backed by Welsh government funding, Bad Wolf have invested their creative talent into and helped to create a sustainable production base that has in a short space of time generated thousands of jobs."

Adrian Wootton, CEO British Film Commission, commented: "Ever since their creation in 2015, Bad Wolf has had a significant impact on the UK's production landscape, producing some of the most impressive film and TV content for global audiences. As this report highlights, they are an excellent model for production companies across our UK nations and regions, demonstrating both the economic and social returns on investment our industry can deliver. With global demand for content continuing to soar, Bad Wolf is very well positioned to help Wales attract ever greater investment."

A sale of the business, providing an exit for current minority stakeholders Access Entertainment, Sky and HBO, is expected to be concluded with Sony Pictures Television.

While Bad Wolf is not commenting on speculation over a deal with Sony, it is expected to see the current majority shareholders and founders in Julie Gardner and Ms Tranter, maintaining an equity interest.

On a time frame for a deal to conclude, Ms Tranter said: "I think it will be this side of Christmas, but these things are complicated. We have really taken our time with it to make sure we have a partner backing us to continue on a journey we started, which we are very content we have.

"The way that these things usually work with UK indies is that a company comes in to ensure future stability. The decisions that we made to put Bad Wolf up for sale was to secure its long-term stability here in Wales. Ultimately you need to do

that when you grow to a certain point so that is what we have done.

“There will be future investment in Wales in the same way that there would always had been future investment with Bad Wolf. So I am not imagining any major kind of changes and all I can say is that the support for the area and for what we are doing is absolute.”

With high levels of major film and TV production investment into the UK – attracted in part by favourable tax breaks – from the likes of Netflix and Disney, there is currently inflationary pressure for staff across the industry, with many of the smaller independents finding it increasingly difficult to compete.

Ms Tranter said: “The whole point of Bad Wolf taking the time to invest in new Welsh talent was a thinking that at some point this pressure point (inflation) would come. So, we have done some preparation with new jobs and all of traineeships to help deal with some of that pressure.

“Wales is feeling it just as the rest of the UK television industry is for sure.

“However, I think we have to look at it as not just wringing our hands and on one level it puts a healthy pressure on the industry – we shouldn’t be afraid of working with new talent and taking on people who are perhaps not the most experienced, or are doing jobs for the first time.

“That does take time for a production company and there is no doubt about it on His Dark Materials and a Discovery of Witches we worked with, in the main, very experienced people, but we always put new people into various training positions.

“However, on season one of Industry just about everybody was new to the job they were doing. When we talk about what happens to some of the smaller productions, I think you have

to try and turn it into a challenge and an advantage, rather than a compromise and a disadvantage and think 'I will do this with new talent'.

So what we try and do all the time with Bad Wolf is to make sure the ecology of the people we are working with is really broad. So, some are very experienced, some new and some in the middle, and just ensuring that we keep percolating through and making enough [productions] to give people new chances.

"The advantage of being based in Wales is that we are not crossing the border 52 weeks a year, and working with Screen Alliance Wales, we are really keeping a track on those people.

"However, there is no doubt that we need more training, time and opportunities [industry wide]."



Bad Wolf directors left to right: Natasha Hale (non shareholder), Jane Tranter and Julie Gardner

Fellow Bad Wolf director Natasha Hale said the company was always on the lookout for new studio space to satisfy huge demand. To bolster its presence in Cardiff it has taken on additional studio space of nearly 50,000sq ft nearby in the Splott area of the city.

Ms Hale said: “We have also got Doctor Who (from 2023) which is pretty major and back to the dream team of Russell T Davies writing and that is going to be based in Wolf Studios Wales.

“That is pretty significant for us and with Industry we are hoping it will come back.

“We have probably got at least 10 to 15 shows in development with major international broadcasters. We have offers on the table right now with people wanting to take the entire studios for the next two years but Bad Wolf always had its own productions to fill it. So, we are at capacity and we had to take on additional space at Lewis Road in Splott.

“So, I think we will always be looking for more space because we have never got enough and there is plenty of other warehouse space in Wales that we could take on.

“We also have one show that will start in January so we are urgently looking to take on a new building for that with a lot of filming in north Wales. So, that is interesting in terms of Bad Wolf expanding outside of South Wales.”

Deputy Minister for Arts and Sport Dawn Bowden said: “I’d like to congratulate Bad Wolf on their first five years – which in partnership with the Welsh Government and Creative Wales has seen dramatic growth and a series of remarkable productions.

“These productions have seen investment in local businesses, jobs and skills development which has resulted in substantial economic benefits for Wales.

“In addition to this, being the home of large-scale, iconic

productions enhances Wales' reputation globally as being one of 'the' go-to destinations for TV & film production, with the crew, skills, studio space and locations that can service large scale productions, and aligns with Creative Wales' long-term strategy.

"We've also been delighted to work with Bad Wolf and Screen Alliance Wales on training programmes which are a way of making sure that we foster the talent and skills that this growing sector will need in the future, helping to create better jobs closer to home for people across Wales. We look forward to seeing what the future holds for Bad Wolf in Wales."

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