



**PUBLIC
INVESTMENT IN
FILM IN THE UK**

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FACTS IN FOCUS

In addition to the film tax relief and National Lottery investment, in 2020/21, the UK Government delivered an enhanced package of fiscal support to help the UK film industry weather the impact of the COVID-19 pandemic. Measures included the Culture Recovery Fund for Independent Cinemas in England and the Film & TV Production Restart Scheme, alongside the Coronavirus Job Retention Scheme for businesses more broadly.

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- Total estimated public funding available for film in the UK in 2020/21 was £855 million, up 20% from £714 million in 2019/20.
 - The principal sources of public funding were the film tax relief (71.5%), grant-in-aid from the Department for Digital, Culture, Media & Sport (DCMS) (9%) and the National Lottery (7%).
 - DCMS grant-in-aid in 2020/21 was £77 million, an increase of 105% compared with 2019/20 (£37 million).
 - In cash terms, funding dedicated solely to film activity in the individual nations of the UK was greatest in England but per capita investment was highest in Northern Ireland.
 - Film production benefited from 78% (£697.5 million) of available public investment, followed by distribution and exhibition with 12% (£109 million).
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Public investment in film in the UK

Public funding for film in the UK by source

Table 1 outlines the estimated levels of available public funding for film in the UK between 2018/19 and 2020/21. (The figures do not include some types of local authority, research council, higher or further education funding.)

Total public funding available for film in 2020/21 is estimated to have been £855 million, up from £714 million in 2019/20. The largest single source of such funding in the year was the UK film tax relief which provided £611 million (71.5% of the total). This was followed by grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS) to the BFI and the National Film and Television School (£77 million; 9% of the total) and the National Lottery (£61 million; 7% of the total).

DCMS grant-in-aid in 2020/21 was more than double the level of funding in 2019/20, owing primarily to Government interventions aimed at supporting the UK film industry during the COVID-19 pandemic. In total, there was a £34.5 million increase in grant-in-aid to the BFI for pandemic recovery support, the bulk of which comprised investment for the Culture Recovery Fund for Independent Cinemas in England which was created to ensure the financial security of hundreds of venues impacted by closures and social distancing restrictions. (During this period the BFI also refocused its funding programmes for production, audiences and exports as well as contributing to a Film and TV COVID-19 Emergency Relief Fund to support freelance workers in the sector with the Film & TV Charity and other industry partners.)

Further Government support for the industry in 2020/21 included the £0.5 billion Treasury-backed Film & TV Production Restart Scheme, developed by Pact and the BFI, which enabled productions to restart or begin shooting while the market was unable to offer insurance against COVID-19-related losses during production.

Publicly owned national broadcasters and their film arms continued to make substantial investments in UK film in 2020/21: Film4/Channel 4 provided funding of £25.3 million, while BBC Film/BBC provided funding of £10.4 million.

Funding from Arts Council England (ACE) in 2020/21 totalled £19.6 million, an increase from £17.6 million in 2019/20. ACE funding includes National Portfolio investments into organisations and venues which form part of the national infrastructure for the arts alongside project awards from Grants for the Arts and other schemes. In 2020/21, the film sector benefited from additional initiatives aimed at lessening the impact of the pandemic on organisations and individuals such as ACE's Emergency Response Funds and the Culture Recovery Fund (administered by the BFI for independent cinemas).

Public funding from the Scottish Government increased in 2020/21, rising from £10.1 million in 2019/20 to £18.5 million. This was largely due to investment via Creative Scotland into the planning and construction of new film studio spaces in Scotland. Public funding from the administrations in Northern Ireland and Wales in 2020/21 was also up compared with 2019/20: investment from the Northern Ireland Executive increased from £15.4 million to £16.8 million, while Welsh Assembly Government investment increased from £0.5 million to £0.6 million.

UK film continued to benefit from European Union (EU) funding in 2020/21 with investment of £1.4 million via the EU structural funds. Investment from these funds (which include Interreg, the European Regional Development Fund and European Social Fund) are likely to be Interreg projects in which the UK is a junior partner. (Investment from Creative Europe's MEDIA sub-programme ended in calendar year 2019.)

Table 1 Public funding for film in the UK by source, 2018/19 – 2020/21 (ranked by 2020/21 spend)

Source	2018/19		2019/20		2020/21	
	£ million	%	£ million	%	£ million	%
DCMS grant-in-aid ¹	23.3	3.1	37.4	5.2	76.8	9.0
National Lottery Distribution Fund ²	51.5	6.7	62.2	8.7	60.6	7.1
Film4/Channel 4 ³	25.4	3.3	25.4	3.6	25.3	3.0
Arts Council England (ACE) ⁴	16.3	2.1	17.6	2.5	19.6	2.3
Scottish Government	10.4	1.4	10.1	1.4	18.5	2.2
Northern Ireland Executive	14.8	1.9	15.4	2.2	16.8	2.0
BBC Film/BBC ⁵	11.5	1.5	11.3	1.6	10.4	1.2
HM Treasury COVID-19 support ⁶	-	-	-	-	5.1	6.0
Higher education funding ⁷	2.7	0.4	2.8	0.4	3.3	0.4
Local Government ⁸	2.4	0.3	2.7	0.4	2.5	0.3
Department for Education ⁹	1.0	<0.1	1.5	0.2	1.5	0.2
European Union (EU) ¹⁰	0.6	0.1	1.2	0.2	1.4	0.2
Foreign & Commonwealth Office	0.9	0.1	0.8	0.1	1.1	0.1
Welsh Assembly Government	2.0	0.3	0.5	0.1	0.6	0.1
Department for International Trade	0.2	<0.1	0.2	<0.1	0.2	<0.1
National and regional development agencies	0.1	<0.1	0.2	<0.1	0.2	<0.1
Other public sector ¹¹	0.0	<0.1	<0.1	<0.1	0.2	<0.1
EU Creative Europe MEDIA sub-programme	3.5	0.5	2.4	0.3	-	-
Total public sector selective investment¹²	168.2	22.0	192.0	26.9	243.9	28.5
UK film production tax relief	595.0	78.0	522.0	73.1	611.0	71.5
Total public sector selective and automatic	763.2	100	714.0	100.0	855.0	100.0

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

¹ Grant-in-aid to the BFI and the National Film and Television School (NFTS). Includes funding for the Culture Recovery Fund for Independent Cinemas in England which was administered by the BFI on behalf of DCMS.

² Allocations to BFI, Creative Scotland, Northern Ireland Screen, Ffilm Cymru Wales and Heritage Lottery Fund awards to film projects.

³ Includes Film4 direct investment in film production and Channel 4 investment in the NFTS.

⁴ Includes ACE National Lottery investments (for example from Grants for the Arts) into moving image projects, plus National Portfolio Organisation investments attributable to film and the moving image, based on ACE calculations.

⁵ Includes BBC Film direct investment in film production, BBC investment in the NFTS and film production schemes.

⁶ Includes the cost of the Film & TV Production Restart Scheme (operated by the DCMS) in 2020/21.

⁷ This comprises Higher Education establishment-derived support for film archives and the NFTS. It does not include payments from educational funding councils to other film courses (film studies, etc) in higher or further education.

⁸ Investment by local authorities in regional film archives, Creative England, Screen Yorkshire and Film London.

⁹ Includes funding from the Office for Students to the NFTS.

¹⁰ Residual funding from EU structural funds (Interreg, European Social Fund and the European Regional Development Fund).

¹¹ Very small awards (under £10,000) from a range of public sector agencies made to national screen agencies.

¹² Does not include transfers to and from reserves or earned/self-generated income.

Spend by agency or organisation

As Table 2 shows, the largest net spender on film in 2020/21 was HMRC (£611 million for film tax relief), followed by the BFI (£140 million), the Scottish agencies (£27 million) and Film4/Channel 4 (£25 million).

Table 2 Net film spend by agency or organisation, 2020/21

	£ million	%
HMRC	611.0	68.8
BFI	139.7	15.6
Scottish agencies ¹	27.2	3.0
Film4/Channel 4	25.0	2.8
Arts Council England (ACE) ²	19.2	2.1
Northern Ireland Screen	17.8	2.0
National Film and Television School (NFTS)	16.2	1.8
BBC Film/BBC	10.0	1.1
Film London	6.2	0.7
Into Film	5.8	0.6
DCMS ³	5.1	0.6
ScreenSkills	4.5	0.5
Creative England ⁴	3.1	0.3
Welsh agencies ⁵	2.7	0.3
English regional film archives ⁶	1.6	0.2
Screen Yorkshire, Screen South and Northern Film + Media ⁷	1.2	0.1
British Council	1.0	0.1
Heritage Lottery Fund	0.4	<0.1
Total public agencies⁸	897.7	100.0

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

Net spend means spend after deducting grants and awards to other organisations in this table. Figures are presented net to avoid double counting.

¹ Includes film expenditure on the part of Creative Scotland/Screen Scotland and the National Library of Scotland Moving Image Archive.

² Includes ACE National Lottery investments (e.g. from Grants for the Arts) into moving image projects, plus National Portfolio Organisation investments attributable to film and the moving image, based on ACE calculations.

³ Payments to qualifying UK productions under the Film & TV Production Restart Scheme.

⁴ Creative England merged with the Creative Industries Federation under the banner Creative UK in November 2021.

⁵ Includes film expenditure on the part of Ffilm Cymru Wales and the Film Archive of Wales (part of the National Library of Wales) and direct investments by the Welsh Assembly Government.

⁶ Includes East Anglian Film Archive, Media Archive for Central England (MACE), North West Film Archive, Screen Archive South East, South West Film and Television Archive and Yorkshire Film Archive/North East Film Archive.

⁷ Northern Film + Media was rebranded as North East Screen in June 2022.

⁸ The spending tabulated above includes net transfers to and from reserves and spending financed by commercial income (e.g. from film rights) earned by agencies. For these reasons the total net spending by agencies (£897.7 million) is higher than total public funding for film in 2020/21 (£855.0 million, Table 1).

Activities supported by public spending on film

Table 3 describes the areas of activity supported by public spend on film in the UK between 2018/19 and 2020/21.

Production has consistently benefited from the largest share of public investment, the majority of which derives from the funding available through the film tax relief. In 2020/21, film production accounted for £697.5 million (78% of the total). Funding across production was greater than in both 2018/19 and 2019/20 despite the impact of the pandemic. This was due to the fact film

(and TV) production had been able to restart relatively quickly as a result of the development by the BFI, British Film Commission, Pact and other industry partners of a raft of Government approved COVID-safe working protocols and quarantine exemptions for the production, post-production and VFX sectors, and interventions such as the Government's Film & TV Production Restart Scheme.

Distribution and exhibition benefited from the second largest share of public spending in 2020/21 at 12% (£109 million) while training and skills activity received 3% (£24 million). Investment in business support also increased in 2020/21 (£15 million, up from £5 million in 2019/20). This is largely due to Creative Scotland support for the development of new studio businesses and spaces.

Table 3 Activities supported by public spend on film, 2018/19 – 2020/21 (ranked by 2020/21 spend)

	2018/19		2019/20		2020/21	
	£ million	%	£ million	%	£ million	%
Production ¹	680.5	82.8	596.3	78.1	697.5	77.7
Distribution and exhibition	67.1	8.2	86.5	11.3	109.0	12.1
Training and skills ²	28.3	3.4	30.9	4.0	23.7	2.6
Education, young people and lifelong learning	10.7	1.3	12.0	1.6	15.8	1.8
Business support ³	6.2	0.8	5.2	0.7	14.9	1.7
Development	11.5	1.4	11.8	1.5	13.7	1.5
Export and inward investment promotion ⁴	7.0	0.8	8.4	1.1	9.3	1.1
Administration and services to the public	5.3	0.6	7.0	0.9	7.4	0.8
Film archives and heritage ⁵	5.3	0.6	6.2	0.7	6.1	0.7
Total⁶	821.8	100.0	764.4	100.0	897.7	100.0

Source: Creative Cultural Associates

Notes:

¹ Non-tax break production spend in 2020/21 was £86.5 million.

² Skills Investment Fund, national/regional screen agency training investment.

³ National/regional screen agency investment: primary beneficiaries are independent production companies.

⁴ British Film Commission, British Council, locations services in the nations and regions.

⁵ BFI National Film and Television Archive, national/regional screen archives, Heritage Lottery Fund investments.

⁶ 2020/21 total expenditure (£897.7 million) was greater than total public funding (£855.0 million, Table 1) as expenditure was supplemented by earned/self-generated income, commercial sponsorship, grants from trusts and foundations and transfers from reserves.

Data updated since publication of the 2021 Statistical Yearbook.

Figures/percentages may not sum to totals due to rounding.

Spend across the UK nations

Many sources of public investment for film, such as the production tax relief, are intended for the benefit of the industry throughout the UK. However, some sources of funding are targeted to the individual UK nations (e.g.

investment from Ffilm Cymru Wales, Creative Scotland/Screen Scotland and Northern Ireland Screen).

Table 4 shows the level of investment dedicated to each of the UK nations in 2020/21. In cash terms, England received the greatest level of funding with £34 million. In per capita terms, however, investment was highest in Northern Ireland at £9.39 per person, almost twice the level in Scotland, which had the next highest spend per person at £5.04.

Table 4 Investment in film in the UK nations 2020/21 (ranked by total dedicated investment)

	Total dedicated investment for that nation (£ million)	Population (million) ⁵	£ per capita
England ¹	33.9	55.3	0.61
Scotland ²	27.2	5.4	5.04
Northern Ireland ³	17.8	1.9	9.39
Wales ⁴	2.7	3.1	0.88

Source: Creative Cultural Associates, Office for National Statistics

Notes:

¹ Includes Creative England, English regional screen agencies, English regional screen archives and Arts Council England.

² Includes Creative Scotland/Screen Scotland and the National Library of Scotland Moving Image Archive.

³ Northern Ireland Screen.

⁴ Includes Ffilm Cymru Wales, Film Archive of Wales and Welsh Assembly Government direct expenditure.

⁵ ONS population figures rounded to the nearest hundred thousand.



BFI National Lottery awards

Table 5 shows the National Lottery awards made by the BFI in 2021. There were 427 awards in total (down from 527 in 2020) with a combined value of £48 million (down from £57 million in 2020).

A total of 14 films were awarded funding of £250,000 or over from the BFI in 2021 (Table 6). Five films received funding of over £1 million. The value of awards listed in the table includes all funding for individual projects in 2021, and may comprise separate awards for development, pre-production, production and distribution. (Funding may also include investment via the Step Up programme which aims to improve diversity in film crews by providing opportunities for underrepresented groups to work on productions supported by the BFI Film Fund.)

Table 5 BFI National Lottery awards, 2021

	Number of awards	Total value (£ million)
Future talent	324	21.9
Future audiences	67	14.4
Future learning & skills	25	10.7
Leadership, Research, Certification and Delivery	11	0.6
Total	427	47.7

Source: BFI

Notes:

BFI awards data are for calendar year 2021.

'Future talent' includes awards relating to support for filmmakers and business support, 'Future audiences' includes awards for BFI Film Audience Network, audience development and heritage, and 'Future learning & skills' includes awards for Into Film and BFI Film Academy, amongst others. More can be read about these awards at <https://www.bfi.org.uk/strategy-policy/policy-statements/bfi2022>

Figures may not sum to totals due to rounding.

Table 6 Large awards (£250,000+) for film made by the BFI, 2021

Project	Total value of awards (£)
The Unlikely Pilgrimage of Harold Fry	1,236,500
Typist Artist Pirate King	1,084,500
Tuesday	1,060,000
Scrapper	1,055,000
Birchanger Green	1,017,125
Girl	997,255
Silent Roar	962,500
Aftersun	920,000
Nezouh	675,000
A House in Jerusalem	633,500
Sanatorium	573,490
In Pursuit of Repetitive Beats	431,000
A Gaza Weekend	400,000
Pretty Red Dress	352,273

Source: BFI

Note: BFI awards data are for calendar year 2021.

Leading public investors in UK film production, 2019-2021

Table 7 shows the leading providers of public agency and public service broadcaster investment in UK films for the calendar years 2019-2021. The BFI was involved with the greatest number of projects over the period with 47 films (combined production budget £136 million) while Creative Scotland/Screen Scotland had the largest combined budget at £407 million (21 projects) thanks to a small number of high budget productions such as *1917* and *Fast & Furious 9*.

The budget figures in Table 7 represent the total budget of the films, including the share of budget provided by other public investors, private investors and pre-sales.

Table 7 Leading public investors in UK film production, 2019-2021, ranked by number of films

Public funder	Number of films	Estimated budget (£ million)	Selected titles
BFI	47	136	Mothering Sunday; Supernova; Vibes and Stuff
BBC Film/BBC	36	94	Allelujah; His House; Sweet Sue
European agencies*/Creative Europe	17	72	Kensuke's Kingdom; Mrs. Harris Goes to Paris; Silver Haze
Creative Scotland/Screen Scotland	21	407	1917; The Lost King; Fast & Furious 9
Film4/Channel 4	19	206	Enys Men; The Father; The Son
Northern Ireland Screen	17	95	Ballywalter; Belfast; The Northman
Welsh agencies/S4C/Welsh Assembly Government	13	42	Dream Horse; Prizefighter: The Life of Jem Belcher; Save the Cinema
Creative England	6	14	After Love; The Colour Room; Scrapper
Screen Ireland/Broadcasting Authority of Ireland	6	14	Boys from County Hell; Heart of Darkness; Wildfire
English regional screen agencies	5	9	A Bit of Light; The Duke; Sweetheart

Source: BFI production tracking

Notes:

In some cases more than one public agency contributed funding to the same film, so there is double counting of budgets and hence no total budget row.

Data in this table are for the calendar years 2019-2021.

* Examples of 'European agencies' include Le Centre national du cinéma et de l'image animée, Deutscher Filmförderfonds and Film Fund Luxembourg.



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