BFI
Film Forever

PUBLIC INVESTMENT IN FILM IN THE UK

CONTENTS

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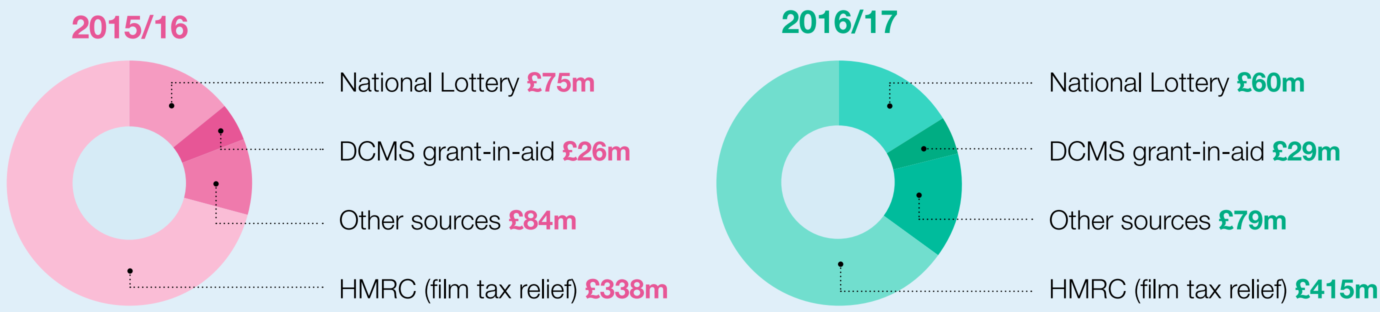
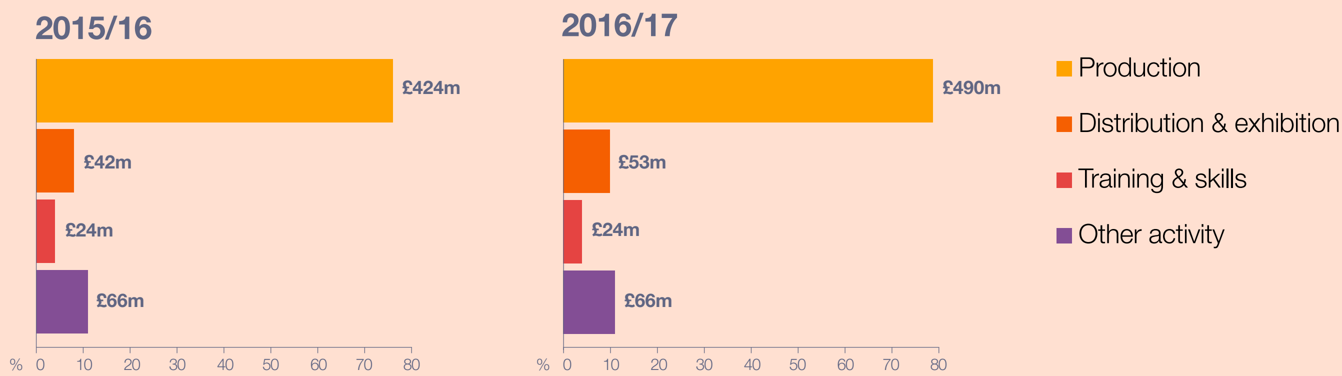
FACTS IN FOCUS

PUBLIC FUNDING FOR FILM IN THE UK

Total estimated public funding available for film in the UK in **2016/17** was **£583 million**, an increase of **11%** from **£523 million** in **2015/16**.



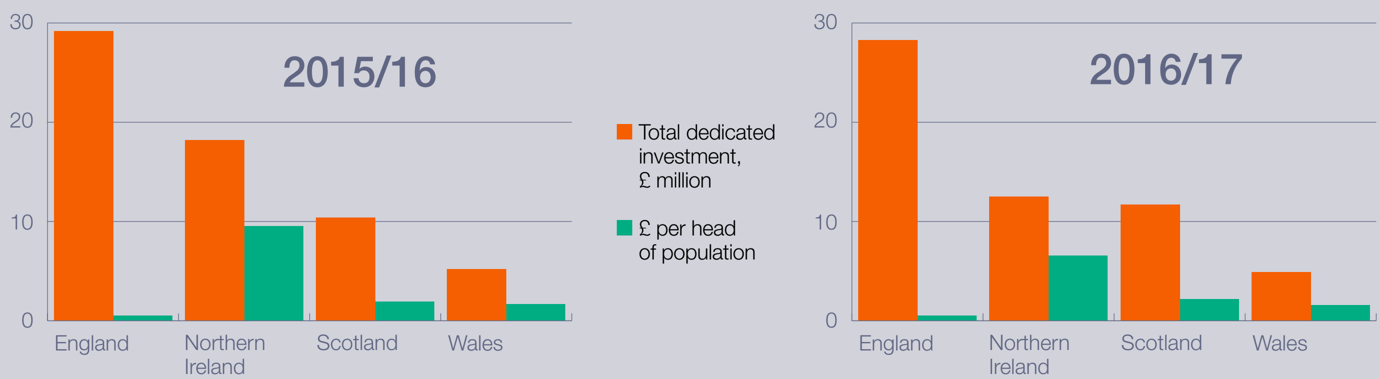
ACTIVITIES SUPPORTED BY PUBLIC FUNDING FOR FILM IN THE UK



In 2016/17, 85% of investment in film production came from the film production tax relief, up from 80% in 2015/16.

SPEND ACROSS THE NATIONS

For both 2015/16 and 2016/17, 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.



PUBLIC INVESTMENT IN FILM IN THE UK

PUBLIC FUNDING FOR FILM IN THE UK BY SOURCE[1]

Table 1 outlines the estimated levels of available public funding for film in the UK from 2014/15 to 2016/17. (The figures do not include some types of local authority, research council, higher or further education funding.)

The total public funding available for film in 2016/17 is estimated to have been £582 million, up from £523 million in 2015/16. The largest single source of public funding in the year was the UK film tax relief, which provided £415 million (71% of the total). This was followed by the National Lottery (£60 million; 10% of the total) and grant-in-aid of £29 million (5% of the total) from the Department for Digital, Culture, Media and Sport (DCMS) to the BFI and the National Film and Television School (NFTS). The year saw a small increase in DCMS grant-in-aid funding compared with 2015/16 but, in accord with a broader decrease in UK government grant-in-aid investment, funding remained lower than in 2014/15.

Publicly owned national broadcasters and their film arms also made substantial investments: Film4/Channel 4 provided funding of £26 million for UK film in 2016/17, while BBC Films/BBC provided funding of £10 million.

Investment from Arts Council England (ACE) rose to £13 million in 2016/17 (up from £4.7 million in the previous financial year) due mainly to an increase in successful moving image project applications to the Grants for the Arts scheme and other broad-based ACE funds.

The European Union (EU) provided investment of £4.5 million for UK film activity, of which £4 million came from Creative Europe's MEDIA sub-programme in 2016 (see note to Table 1) and £0.5 million was via the structural funds in 2016/17. Investment from these funds, which include the European Regional Development Fund and European Social Fund, was down from £7.6 million in 2015/16. This reflects a general decline in investment from EU structural funds across the UK's screen sectors.

[1] Public funding source refers to the amount of investment available in a given financial year, whereas spend by agency (Table 2) shows the actual amount of money spent by agencies in a given year. Investment via HMRC through the film production tax relief is automatic, hence data for HMRC in Tables 1 and 2 are the same.

Table 1 Public funding for film in the UK by source, 2014/15 – 2016/17 (ranked by 2016/17 spend)

	2014/15		2015/16		2016/17	
	£ million	%	£ million	%	£ million	%
National Lottery Distribution Fund[1]	62.8	15.2	75.4	14.4	59.6	10.3
DCMS grant-in-aid to the BFI and NFTS	33.0	8.0	26.4	5.0	28.5	4.9
Film4/Channel 4[2]	15.2	3.7	26.1	5.0	25.7	4.4
Arts Council England (ACE)[3]	6.8	1.6	4.7	0.8	13.1	2.2
Northern Ireland Executive	2.4	0.6	13.0	2.5	11.4	2.0
BBC Films/BBC[4]	10.4	2.5	10.5	2.0	10.4	1.8
European Union (EU) MEDIA sub-programme[5]	3.8	0.9	3.8	0.7	4.0	0.7
Scottish Government	2.1	0.5	5.1	1.0	3.9	0.7
Welsh Assembly Government	3.6	0.9	3.1	0.6	3.2	0.5
Higher education funding[6]	1.2	0.3	1.8	0.3	2.7	0.5
Local government[7]	0.2	<0.1	0.2	<0.1	2.1	0.4
Foreign and Commonwealth Office	1.1	0.3	1.5	0.3	1.3	0.2
Other EU[8]	4.9	1.2	7.6	1.4	0.5	0.1
Department for International Trade	0.3	0.1	0.4	0.1	0.2	<0.1
National/regional development agencies	12.7	3.1	1.7	0.3	0.1	<0.1
Department for Business, Energy and Industrial Strategy	0.1	<0.1	3.3	0.6	>0.1	<0.1
Other public sector[9]	<0.1	<0.1	0.1	<0.1	>0.1	<0.1
Nesta	-	-	0.1	<0.1	-	-
Total public sector selective investment[10]	**162.5**	**39.3**	**184.7**	**35.3**	**166.7**	**28.7**
UK film production tax relief	251.3	60.7	338.4	64.7	414.9	71.3
Total public sector selective and automatic	**413.8**	**100.0**	**523.1**	**100.0**	**581.6**	**100.0**

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

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

[2] Includes Film 4's production investment and Channel 4 investment in the NFTS.

[3] Includes ACE National Lottery investments (eg from Grants for the Arts) into moving image projects, plus National Portfolio Organisation investments attributable to film and the moving image, based upon ACE calculations.

[4] Includes BBC Films' production investment and BBC investment in the NFTS and film production schemes.

[5] The figures are for calendar years 2014-2016 and cover film investments only; they do not include the awards to non-British sales agents and distributors handling UK film exports to the EU reported in Table 2. Data provided in Euros and converted to British pounds. Exchange rates: 2014 €1= £0.85; 2015 €1= £0.85; 2016 €1= £0.88.

[6] This comprises higher education establishment-derived support for film archives and the NFTS. Figures do not include payments from educational funding councils to other film courses (film studies, etc) in higher or further education.

[7] Investment by local authorities in regional film archives, Creative England, Screen South and Northern Film + Media.

[8] European Social Fund, European Regional Development Fund.

[9] Very small awards (under £10,000) from a range of public sector agencies, mainly made to national/regional screen agencies.

[10] Figures do not include transfers to and from reserves or earned/self-generated income.

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

Data for 2015/16 updated since publication of the 2017 Statistical Yearbook.

SPEND BY AGENCY

As in previous years, HMRC was the largest net spender on film in 2016/17 (£415 million for film tax relief), followed by the BFI (£87 million), Film4/Channel 4 (£25 million) and the NFTS (£15 million), although, as in 2015/16, NFTS spending was boosted by the School's ongoing capital redevelopment investment.

Table 2 Net film spend by agency, 2016/17[1]

	£ million	%
HMRC	414.9	65.6
BFI	86.7	13.7
Film 4/Channel 4	25.0	4.0
NFTS	15.2	2.4
Arts Council England[2]	13.1	2.1
Northern Ireland Screen	12.5	2.0
Scottish agencies[3]	11.7	1.8
BBC Films/BBC	10.0	1.6
EU MEDIA sub-programme[4]	8.8	1.4
Into Film	7.9	1.3
Creative England	5.8	0.9
Film London	5.5	0.9
Creative Skillset	5.2	0.8
Welsh agencies[5]	4.9	0.8
English regional film archives[6]	2.0	0.3
Screen Yorkshire, Screen South and Northern Film + Media	1.8	0.3
British Council	1.3	0.2
Heritage Lottery Fund	0.3	0.1
Total public agencies[7]	**632.8**	**100.0**

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

[1] Net spend means spend after deducting grants and awards to other organisations in this table. Figures are presented net to avoid double counting. Spend includes earned/self-generated income, commercial sponsorship, grants from trusts and foundations and transfers from reserves as well as income derived from public sector sources.

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

[3] Includes film expenditure on the part of Creative Scotland and the National Library of Scotland Moving Image Archive.

[4] Includes £5.1 million granted in support of UK films exported to the EU through schemes providing grants to non-UK distributors and sales agents handling British titles. Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.88.

[5] Welsh agencies means 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 East Film Archive, North West Film Archive, Screen Archive South East, South West Film and Television Archive and Yorkshire Film Archive.

[7] The spending tabulated above includes net transfers to and from reserves and spending financed by commercial income (eg from film rights) earned by agencies. For these reasons the total spending by agencies (£632.8 million) is higher than total public funding for film in the 2016/17 year (£581.6 million, Table 1).

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

ACTIVITIES SUPPORTED BY PUBLIC SPENDING ON FILM

Table 3 describes the areas of activity supported by public spend on film in the UK between 2014/15 and 2016/17. Production has consistently benefited from the largest share of public investment, the majority of which derives from the automatic funding available through the film tax relief. In 2016/17, film production accounted for £490 million (77% of the total). In the same financial year, distribution and exhibition benefited from the second largest share of public spending at 8% (£53 million) while training and skills activity received 4% of total public spend.

In all areas, public spending increased between 2014/15 and 2016/17 with the exception of administration and services to the public, export and inward investment promotion, and education, young people and lifelong learning. (In the latter case, the high spend for 2014/15 is largely the result of the implementation of the BFI's *Film Forever* strategic plan, one of the goals of which was the expansion of opportunities for film education and learning.)

Table 3 Activities supported by public spend on film, 2014/15 – 2016/17 (ranked by 2016/17 spend)

	2014/15		2015/16		2016/17	
	£ million	%	£ million	%	£ million	%
Production[1]	316.6	68.0	424.2	76.1	489.8	77.4
Distribution and exhibition	18.6	4.0	42.2	7.6	53.3	8.4
Training and skills[2]	17.7	3.8	24.3	4.4	24.0	3.8
Film archives and heritage[3]	18.5	4.0	20.7	3.7	19.5	3.1
Administration and services to the public	24.4	5.2	8.1	1.5	11.6	1.8
Export and inward investment promotion[4]	13.1	2.8	9.4	1.7	10.6	1.7
Education, young people and lifelong learning	46.4	10.0	14.0	2.5	9.7	1.5
Development	7.4	1.6	8.3	1.5	9.4	1.5
Business support[5]	2.7	0.6	5.9	1.1	4.9	0.8
Total[6]	**465.4**	**100.0**	**557.1**	**100.0**	**632.8**	**100.0**

Source: Creative Cultural Associates, Bigger Picture Research

[1] Non-tax break production spend in 2016/17 was £74.9 million.

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

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

[4] British Film Commission; British Council, locations services in the nations and regions and ACE awards to international projects.

[5] National/regional screen agency investment: primary beneficiaries are independent production companies.

[6] 2016/17 total expenditure (£632.8 million) was greater than total public funding (£581.6 million, Table 1) as expenditure was supplemented by earned/self-generated income, commercial sponsorship, grants from trusts and foundations and transfers from reserves.

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 particular to the individual UK nations (eg investment from Ffilm Cymru Wales, Creative Scotland and Northern Ireland Screen). Table 4 shows the level of investment dedicated to each of the UK nations in 2016/17. In cash terms, England received the greatest level of funding with £28 million. In per capita terms, however, the level of investment in Northern Ireland was the highest at £6.58 per person, almost three times the level in Scotland, which had the next highest spend per person at £2.17.

Table 4 Investment in film in the UK nations 2016/17 (ranked by total dedicated investment)

	Total dedicated investment £ million	Population (million)	£ per person
England[1]	28.3	55.6	0.51
Northern Ireland[2]	12.5	1.9	6.58
Scotland[3]	11.7	5.4	2.17
Wales[4]	4.9	3.1	1.58

Source: Creative Cultural Associates, ONS

Notes:

[1] Includes investment from Creative England, English regional screen agencies, English regional screen archives and Arts Council England.

[2] Includes investment from Northern Ireland Screen and Arts Council of Northern Ireland.

[3] Includes investment from Creative Scotland and the National Library of Scotland Moving Image Archive.

[4] Includes investment from Ffilm Cymru Wales, Wales Film Archive, Arts Council of Wales and Welsh Assembly Government direct expenditure.

CREATIVE EUROPE INVESTMENT IN THE UK

Creative Europe is the European Union's support programme for the cultural and audiovisual sectors. It was launched in January 2014 with a budget of €1.5 billion (approximately £1.3 billion) for the period 2014-2020, and follows on from the previous Culture and MEDIA programmes.

Creative Europe's MEDIA sub-programme supports European film and other audiovisual industries by funding the development, promotion and distribution of European works. In 2016, the MEDIA sub-programme invested £4 million in UK-based film activity; over one third of this (38%) supported film distribution schemes (Table 5).

Table 5 Creative Europe MEDIA sub-programme investment in film in the UK, 2016

Activity area	MEDIA scheme(s)	£ million	%
Distribution	Selective, automatic, sales agents and online	1.5	37.8
Development	Single project and slate	1.2	30.6
Exhibition	Europa Cinemas, film festivals	0.4	10.4
Training and skills	Training	0.4	9.4
Business support	Markets	0.3	6.7
Education	Film education	0.2	5.1
Total		**4.0**	**100.0**

Source: Creative Europe Desk UK, Creative Cultural Associates analysis

Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.88.

In addition to this, £5.1 million was invested in support of UK films exported to other countries in the EU through schemes providing grants to non-UK distributors and sales agents handling British titles.

The MEDIA sub-programme also supports UK television and new media (including video games). UK television production benefited from £1.3 million in 2016, and £0.1 million was invested in new media (Table 6).

Table 6 Creative Europe MEDIA sub-programme investment in television and new media in the UK, 2016

Activity area	MEDIA scheme(s)	£ million	%
TV production	TV programming	1.3	96.0
Development: new media	Video games	0.1	4.0
Total		**1.4**	**100.0**

Source: Creative Europe Desk UK, Creative Cultural Associates analysis

Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.88.

BFI LOTTERY AWARDS 2017

Table 7 shows the Lottery awards made by the BFI in 2017. There were 351 awards in total (up from 199 in 2016) with a combined value of £34 million.

Table 7 BFI Lottery awards, 2017 (ranked by total value)

Source	Number of awards	Total value (£ million)
Film Fund - Production	46	16.9
Film Fund - Audiences	155	9.3
Film Fund - Talent development	25	2.5
Film Fund - International	35	1.8
Film Fund - Development	88	1.7
Film Fund - Funded partner	2	1.4
Total awards	**351**	**33.6**

Source: BFI

Note: BFI awards data are for calendar year 2017.

Large awards for film of £250,000 or over made by the BFI in 2017 are shown in Table 8. In total, 16 such awards were made, eight of which were for £1 million or more.

Table 8 Large awards (£250,000+) for film made by the BFI, 2017

Project	Amount of award (£)
Untitled Chris Morris Project	1,555,582
Wild Rose	1,400,000
The Boy Who Harnessed the Wind	1,255,000
Out of Blue	1,220,000
Been So Long	1,072,098
The Souvenir	1,055,000
Yardie	1,035,000
Tell It to the Bees	1,009,500
In Fabric	805,000
Colette	750,000
Undergods	742,000
Gwen	730,791
Beats	685,000
Dirty God	547,500
High Life	350,000
Under the Wire	282,759

Source: BFI

Note: BFI awards data are for calendar year 2017.

LEADING PUBLIC INVESTORS IN BRITISH FILM PRODUCTION, 2015-2017

Table 9 shows the leading public agency and public service broadcaster investment in British films for the calendar years 2015-2017. The public investors involved with the greatest number of films were BBC Films/BBC with 78 projects and the BFI with 71. These projects had estimated combined budgets of £231 million and £250 million respectively. (The budget figures are for the total budget of the films, including the share of budget provided by other public investors, private investors and pre-sales.)

Table 9 Leading public investors in British film production, 2015-2017

Public funder	Number	Estimated budget (£ million)	Selected titles
BBC Films/BBC	78	231	David Brent: Life on the Road; My Scientology Movie; Stan & Ollie
BFI	71	250	Colette; Early Man; Viceroy's House
European agencies[1]	38	164	Baghdad in My Shadow; The Danish Girl; The Hermit
Creative Scotland	34	58	The Eyes of Orson Welles; Hush; Una
Film4/Channel 4	33	212	Cold War; Dark River; You Were Never Really Here
Creative England	25	28	God's Own Country; The Levelling; Two for Joy
Welsh agencies/S4C/ Welsh Assembly Government	20	64	I Am Not a Witch; Invasion Earth; Ethel & Ernest
Northern Ireland Screen	18	31	The Bookshop; The Devil's Doorway; A Good Woman Is Hard to Find
English regional screen agencies	17	34	Ghost Stories; How to Talk to Girls at Parties; The Visitor
Irish Film Board/Broadcasting Authority of Ireland	17	37	Mary Shelley; Moon Dogs; Vita and Virginia
Creative Europe	10	23	City of Tiny Lights; One Girl; This Beautiful Fantastic

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.

[1] Examples of European film funding agencies include Deutscher Filmförderfonds, Le Centre national du cinéma et de l'image animée and Norsk filminstitutt.

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