



# **PUBLIC INVESTMENT IN FILM IN THE UK**

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# FACTS IN FOCUS

In recognition of the economic and cultural value of film, the UK Government and national administrations provide financial support to film in the UK through a variety of channels. The biggest sources of public funding in 2018/19 were the film tax relief, the National Lottery and government grant-in-aid.

- Total estimated public funding available for film in the UK in 2018/19 was £762 million, up 20% from £634 million in 2017/18. (This increase is largely due to a corresponding increase in UK film production tax relief (up 27% from £469 million in 2017/18 to £595 million in 2018/19).
- The principal sources of public funding were the film tax relief (78%), the National Lottery (7%) and grant-in-aid (3%) from the Department for Digital, Culture, Media and Sport (DCMS).
- The European Union contributed £4.1 million to film in the UK in calendar year 2018 (through the structural funds and the Creative Europe MEDIA sub-programme), and a further £1.5 million to support UK film exports to other countries in Europe.
- In cash terms, dedicated funding to the UK nations was greatest in England but per capita investment was highest in Northern Ireland.
- Film production benefited from 83% (£680 million) of total public investment in 2018/19, followed by distribution and exhibition with 8% (£67 million).

# 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 from 2016/17 to 2018/19. (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 2018/19 is estimated to have been £762 million, up from £634 million in 2017/18. The largest single source of public funding in the year was the UK film tax relief, which provided £595 million (78% of the total). This was followed by the National Lottery (£51.5 million; 7% of the total) and grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS) to the BFI and the National Film and Television School (£25 million; 3% of the total). Funding from DCMS in 2018/19 was lower than in both 2016/17 and 2017/18, which accords with a broader decrease in UK government grant-in-aid investment.

Publicly owned national broadcasters and their film arms also made substantial investments: Film4/Channel 4 provided funding of over £23 million for UK film in 2018/19, while BBC Films/BBC provided funding of £11.5 million.

Investment from Arts Council England (ACE) in 2018/19 was over £16 million, a substantial increase from funding of £8 million in the previous financial year. 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. (Changes to the range of organisations in the ACE National Portfolio has increased the level of investment into organisations involved in artists' engagement with the moving image.)

The European Union (EU) provided investment of £4.1 million for UK film activity, of which £3.5 million came from Creative Europe's MEDIA sub-programme in 2018 (see note to Table 1) and £0.6 million was via the structural funds in 2018/19. Investment from these funds, which include the European Regional Development Fund and European Social Fund, decreased compared with 2017/18 (£1 million), and reflects a general decline in investment from EU structural funds across the UK.

Investment from the Scottish Government into film (via Creative Scotland) increased substantially from £4 million in 2017/18 to £10 million in 2018/19. This reflects the growing commitment from the Scottish Government to the screen sector, and marks the creation of Screen Scotland, a dedicated unit for film and television based within Creative Scotland.

**Table 1 Public funding for film in the UK by source, 2016/17-2018/19 (ranked by 2018/19 spend)**

	2016/17		2017/18		2018/19	
Agency	£ million	%	£ million	%	£ million	%
National Lottery Distribution Fund <sup>1</sup>	59.6	10.3	60.7	9.6	51.5	6.8
DCMS grant-in-aid	28.5	4.9	26.1	4.1	25.4	3.3
Film4/Channel 4 <sup>2</sup>	25.7	4.4	25.4	4.0	23.3	3.1
Arts Council England <sup>3</sup>	13.1	2.3	8.0	1.3	16.3	2.1
Northern Ireland Executive	11.4	2.0	13.7	2.2	14.8	1.9
BBC Films/BBC <sup>4</sup>	10.4	1.8	11.3	1.8	11.5	1.5
Scottish Government	3.9	0.7	3.9	0.6	10.4	1.4
Creative Europe MEDIA sub-programme <sup>5</sup>	4.0	0.7	4.4	0.7	3.5	0.5
Higher education funding <sup>6</sup>	2.7	0.5	2.7	0.4	2.7	0.4
Local government <sup>7</sup>	2.1	0.4	2.4	0.4	2.4	0.3
Welsh Assembly Government	3.2	0.6	3.5	0.6	2.0	0.3
Department for Education	-	-	-	-	1.0	0.1
Foreign and Commonwealth Office	1.3	0.2	1.1	0.2	0.9	0.1
Other EU <sup>8</sup>	0.5	0.1	1.0	0.2	0.6	0.1
Department for International Trade	0.2	<0.1	0.2	<0.1	0.2	<0.1
National/regional development agencies	0.1	<0.1	0.1	<0.1	0.1	<0.1
Other public sector <sup>9</sup>	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Department for Business, Energy and Industrial Strategy	<0.1	<0.1	<0.1	<0.1	-	-
<b>Total public sector selective investment<sup>10</sup></b>	<b>166.7</b>	<b>28.7</b>	<b>164.7</b>	<b>26.0</b>	<b>166.6</b>	<b>21.9</b>
UK film production tax relief	414.9	71.3	469.0	74.0	595.0	78.1
<b>Total public sector selective and automatic</b>	<b>581.6</b>	<b>100.0</b>	<b>633.7</b>	<b>100.0</b>	<b>761.7</b>	<b>100.0</b>

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

<sup>1</sup> Allocations to BFI, Creative Scotland, Northern Ireland Screen, Film Cymru Wales, and Heritage Lottery Fund awards to film projects.

<sup>2</sup> Includes Film4's production investment and Channel 4 investment in the National Film and Television School (NFTS).

<sup>3</sup> 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 upon ACE calculations.

<sup>4</sup> Includes BBC Films' production investment and BBC investment in the NFTS and film production schemes.

<sup>5</sup> The figures are for calendar years 2016-2018 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: 2016 €1= £0.88; 2017 €1=£0.89; 2018 €1=£0.88.

<sup>6</sup> 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.

<sup>7</sup> Investment by local authorities in regional film archives, Creative England, and English regional screen agencies.

<sup>8</sup> European Social Fund, European Regional Development Fund.

<sup>9</sup> Very small awards (under £10,000) from a range of public sector agencies primarily made to national screen agencies.

<sup>10</sup> Does not include transfers to and from reserves or earned/self-generated income.

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



## SPEND BY AGENCY

As in previous years, HMRC was the largest net spender on film in 2018/19 (£595 million for film tax relief), followed by the BFI (£94 million), Film4/Channel 4 (£25 million), the National Film and Television School (£16 million; this figure includes capital expenditure and income from student grants) and the Scottish agencies (£16 million).

**Table 2 Net film spend by agency, 2018/19<sup>1</sup>**

	£ million	%
HM Revenue	595.0	72.4
BFI	94.2	11.5
Film4/Channel 4	25.0	3.0
National Film and Television School	16.4	2.0
Scottish agencies <sup>2</sup>	16.4	2.0
Arts Council England <sup>3</sup>	16.3	2.0
NI Screen	15.7	1.9
BBC Films/BBC	11.0	1.3
Into Film	6.2	0.8
Film London	5.3	0.6
Creative Europe MEDIA sub-programme <sup>4</sup>	5.0	0.6
Welsh agencies <sup>5</sup>	5.0	0.6
ScreenSkills	3.0	0.4
Creative England	2.4	0.3
English regional film archives <sup>6</sup>	1.8	0.2
Other English agencies <sup>7</sup>	1.7	0.2
British Council	0.9	0.1
Heritage Lottery Fund	0.1	0.0
<b>Total public agencies<sup>8</sup></b>	<b>821.4</b>	<b>100.0</b>

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

<sup>1</sup> 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.

<sup>2</sup> Includes film expenditure on the part of Creative Scotland/Screen Scotland and the National Library of Scotland Moving Image Archive.

<sup>3</sup> 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 upon ACE calculations.

<sup>4</sup> Investment for the calendar year 2018. Includes £1.5 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.

<sup>5</sup> 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.

<sup>6</sup> Includes East Anglian Film Archive, Media Archive for Central England (MACE), North West Film Archive, Screen Archive South East and South West Film and Television Archive. Due to staff furloughs data was not available for Yorkshire Film Archive.

<sup>7</sup> Includes film expenditure on the part of Northern Film + Media, Screen South and Screen Yorkshire.

<sup>8</sup> 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 spending by agencies (£821.4 million) is higher than total public funding for film in the 2018/19 year (£761.7 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 2016/17 and 2018/19. 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 2018/19, film production accounted for £680 million (83% of the total). In the same financial year, distribution and exhibition benefited from the second largest share of public spending at 8% (£67 million) while training and skills activity received 3% of total public spend (£28 million).

As the table shows, public spending in 2018/19 was higher in all areas compared with 2016/17 with the exception of export and inward investment promotion, film archives and heritage, and administration costs. The decrease in support for film archives and heritage may partly be attributable to the BFI re-categorising some of its investment in this area as funding for education.

**Table 3 Activities supported by public spend on film, 2016/17-2018/19 (ranked by 2018/19 spend)**

	2016/17		2017/18		2018/19	
	£ million	%	£ million	%	£ million	%
Production <sup>1</sup>	489.8	77.2	548.1	79.0	680.0	82.8
Distribution and exhibition	55.2	8.7	69.7	10.0	67.1	8.2
Training and skills <sup>2</sup>	24.0	3.8	26.2	3.8	28.3	3.4
Development	8.9	1.4	6.1	0.9	11.5	1.4
Education, young people and lifelong learning	9.8	1.5	8.7	1.3	10.7	1.3
Export and inward investment promotion <sup>3</sup>	10.9	1.7	12.5	1.8	7.0	0.8
Business support <sup>4</sup>	4.9	0.8	3.0	0.4	6.2	0.8
Film archives and heritage <sup>5</sup>	19.5	3.1	8.4	1.2	5.3	0.6
Administration and services to the public	11.6	1.8	10.7	1.5	5.3	0.6
<b>Total<sup>6</sup></b>	<b>634.7</b>	<b>100.0</b>	<b>693.7</b>	<b>100.0</b>	<b>821.4</b>	<b>100.0</b>

Source: Creative Cultural Associates

Notes:

<sup>1</sup> Non-tax break production spend in 2018/19 was £85.5 million.

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

<sup>3</sup> British Film Commission; British Council, locations services in the nations and regions.

<sup>4</sup> National/regional screen agency investment: primary beneficiaries are independent production companies.

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

<sup>6</sup> 2018/19 total expenditure (£821.4 million) was greater than total public funding (£761.7 million, Table 1) as expenditure was supplemented by earned/self-generated income, commercial sponsorship, grants from trusts and foundations and transfers from reserves.

Data for 2017/18 updated since publication of the 2019 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 particular 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 2018/19. In cash terms, England received the greatest level of funding with £27 million. In per capita terms, however, the level of investment in Northern Ireland was the highest at £8.25 per person, between two and three times the level in Scotland, which had the next highest spend per person at £3.05.

Table 4 Investment in film in the UK nations 2018/19 (ranked by total dedicated investment)

	Total dedicated investment (£ million)	Population (million)	£ per capita
England <sup>1</sup>	27.4	55.3	0.50
Scotland <sup>2</sup>	16.4	5.4	3.05
Northern Ireland <sup>3</sup>	15.7	1.9	8.25
Wales <sup>4</sup>	5.0	3.1	1.60

Source: Creative Cultural Associates, ONS

<sup>1</sup> Includes Creative England, English regional screen agencies, English regional screen archives and Arts Council England.

<sup>2</sup> Includes Creative Scotland/Screen Scotland, Scottish Screen Archive.

<sup>3</sup> Northern Ireland Screen.

<sup>4</sup> Includes Ffilm Cymru Wales, Wales Film Archive and Welsh Assembly Government direct expenditure.



Image: Lynn + Lucy courtesy of BFI Distribution



## 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 2018, the MEDIA sub-programme invested £3.5 million in UK-based film activity; over 70% of this (£2.5 million) supported film distribution schemes (Table 5).

**Table 5 Creative Europe MEDIA sub-programme investment in film in the UK, 2018**

Activity area	MEDIA scheme(s)	£ million	%
Distribution	Selective, automatic, sales agents and online	2.5	71.4
Development	Single project and slate	0.6	17.1
Training and skills	Training	0.3	8.6
Exhibition	Film festivals, Europa Cinemas	0.1	2.9
<b>Total</b>		<b>3.5</b>	<b>100.0</b>

Source: Creative Europe Desk UK, Creative Cultural Associates analysis

Notes:

Data are for calendar year 2018.

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

In addition to this, £1.5 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. UK video games development benefited from £300,000 in 2018, while £500,000 was invested in television production (Table 6).

**Table 6 Creative Europe MEDIA sub-programme investment in television and new media in the UK, 2018**

Activity area	MEDIA scheme(s)	£ million	%
Development: new media	Video games	0.3	37.5
TV Production	TV programming	0.5	62.5
<b>Total</b>		<b>0.8</b>	<b>100.0</b>

Source: Creative Europe Desk UK, Creative Cultural Associates analysis

Notes:

Data are for calendar year 2018.

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

## BFI LOTTERY AWARDS 2019

Table 7 shows the Lottery awards made by the BFI in 2019. There were 415 awards in total (up from 302 in 2018) with a combined value of £32 million.

**Table 7 BFI Lottery awards, 2019 (ranked by total value)**

Fund	Number of awards	Total value (£ million)
Film Fund - Production	33	12.6
Film Fund - Audiences	84	10.1
Film Fund - Talent development	147	3.1
Film Fund - Development	110	2.2
Film Fund - Heritage	1	2.1
Film Fund - International	40	1.7
<b>Total</b>	<b>415</b>	<b>31.8</b>

Source: BFI

Note: BFI awards data are for calendar year 2019.

A total of 12 films were awarded project funding of £250,000 or over from the BFI in 2019 (Table 8). Two films received funding of over £1 million. (The value of awards listed in the table includes all funding for individual projects in 2019, and may comprise separate awards for development, pre-production, production and distribution).

**Table 8 Large awards (£250,000+) for film made by the BFI, 2019, ranked by total value of awards**

Project	Total value of awards (£)
Ammonite	1,360,000
Ali & Ava	1,010,000
The Souvenir: Part II	955,000
A Gaza Weekend	930,300
Martyrs Lane	843,000
Surge	840,000
The Power	840,000
Pretty Red Dress	779,500
Supernova	770,000
Censor	727,000
After Love	645,000
Herself	570,862

Source: BFI

Note: BFI awards data are for calendar year 2019.

## LEADING PUBLIC INVESTORS IN BRITISH FILM PRODUCTION, 2017-2019

Table 9 shows the leading providers of public agency and public service broadcaster investment in British films for the calendar years 2017-2019. The public investor involved with the greatest number of films over the period was the BFI with 70 projects (combined budget £202 million) whilst projects backed by Film4/Channel 4 had the highest combined budget (£226 million). These 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, 2017-2019, ranked by number of films**

Public funder	Number	Estimated budget (£ million)	Selected titles
BFI	70	202	Ammonite; Lynn + Lucy; The Souvenir: Part II
BBC Films/BBC	65	161	Blue Story; Horrible Histories: The Movie - Rotten Romans; Mogul Mowgli
European agencies/Creative Europe*	41	123	Love Wedding Repeat; Pinocchio; The White Crow
Film4/Channel 4	34	226	Everybody's Talking About Jamie; Last Night in Soho; The Personal History of David Copperfield
Creative Scotland/Screen Scotland	31	57	The Last Bus; Tell It to the Bees; Wise Blood
Welsh agencies/S4C/Welsh Assembly Government	23	60	Dream Horse; Men Who Sing; Ray & Liz
English regional screen agencies	15	25	Hope Gap; Official Secrets; Sweetheart
Screen Ireland/Broadcasting Authority of Ireland**	15	38	Boys from County Hell; Herself; Vita & Virginia
Creative England	13	13	After Love; Days of the Bagnold Summer; Surge
Northern Ireland Screen	11	32	Here Before; Nowhere Special; Wildfire

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.

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

\*\* Screen Ireland was formerly known as the Irish Film Board.



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