



PUBLIC INVESTMENT IN FILM IN THE UK

CONTENTS

03	Facts in focus
04	Public funding for film in the UK by source
06	Spend by agency
07	Activities supported by public spending on film
08	Spend across the UK nations
08	Creative Europe investment in the UK
09	BFI National Lottery awards 2020
11	Leading public investors in British film production, 2018-2020

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 2019/20 were the film tax relief, the National Lottery and government grant-in-aid.

- ▶ Total estimated public funding available for film in the UK in 2019/20 was £714 million, down 6% from £763 million in 2018/19.
- ▶ The principal sources of public funding were the film tax relief (73%), the National Lottery (9%) and grant-in-aid (5%) from the Department for Digital, Culture, Media & Sport (DCMS).
- ▶ The European Union contributed £3.6 million to film in the UK in calendar year 2019, and a further £2.7 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 78% (£596 million) of total public investment in 2019/20, followed by distribution and exhibition with 11% (£86.5 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 between 2017/18 and 2019/20. (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 2019/20 is estimated to have been £714 million, down from £763 million in 2018/19. The largest single source of public funding in the year was the UK film tax relief, which provided £522 million (73% of the total). This was followed by the National Lottery (£62 million; 9% of the total) and grant-in-aid from the Department for Digital, Culture, Media & Sport (DCMS) to the BFI and the National Film and Television School (£37 million; 5% of the total). Funding from DCMS in 2019/20 was higher than in both 2017/18 and 2018/19, reversing the downward trend of recent years.

Publicly owned national broadcasters and their film arms also made substantial investments: Film4/Channel 4 provided funding of over £25 million for UK film in 2019/20, while BBC Film/BBC provided funding of £11 million.

Investment from Arts Council England (ACE) in 2019/20 was over £17 million, continuing an upward trend from 2018/19. 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.

The European Union (EU) provided investment of £3.6 million for UK film activity, of which £2.4 million came from Creative Europe's MEDIA sub-programme in 2019 and £1.2 million was via the structural funds in 2019/20. Investment from these funds, which include Interreg, the European Regional Development Fund and European Social Fund, were in the final funding tranches before the UK's exit from the EU.

Investment from the Northern Ireland Executive continued on an upward trajectory at £15.4 million in 2019/20 (£14.8 million in 2018/19) in line with the priority given to investment in film and television in Northern Ireland. Investment from the Welsh Assembly Government declined in 2019/20 to £0.5 million (from £2 million in 2018/19). This was due to a temporary absence of investment in feature film production by the Welsh Assembly Government agency Creative Wales (and equivalent funding from the Welsh Assembly Government's Creative Industries Sector Panel, out of which Creative Wales was formed in January 2020). Investment in Scotland in 2019/20 remained more or less static at £10.1 million (£10.4 million in 2018/19).

The total public sector investment made in film in 2019/20 was lower than in 2018/19 due almost entirely to a reduction in claims for UK film tax relief. (It should be noted that single productions made for streaming platforms can only claim UK high-end television tax relief.) Investment from the relief was, however, still above 2017/18 (£469 million). Similarly, the total public sector investment in 2019/20 was also higher than in 2017/18 (£634 million).

Table 1 Public funding for film in the UK by source, 2017/18 – 2019/20 (ranked by 2019/20 spend)

	2017/18		2018/19		2019/20	
Agency	£ million	%	£ million	%	£ million	%
National Lottery Distribution Fund ¹	60.7	8.5	51.5	6.7	62.2	8.7
DCMS grant-in-aid	26.1	4.0	23.3	3.1	37.4	5.2
Film4/Channel 4 ²	25.4	4.0	25.4	3.3	25.4	3.6
Arts Council England ³	8.0	1.3	16.3	2.1	17.6	2.5
Northern Ireland Executive	13.7	2.2	14.8	1.9	15.4	2.2
BBC Film/BBC ⁴	11.3	1.8	11.5	1.5	11.3	1.6
Scottish Government	3.9	0.6	10.4	1.4	10.1	1.4
Higher education funding ⁵	2.7	0.4	2.7	0.4	2.8	0.4
Local government ⁶	2.4	0.4	2.4	0.3	2.7	0.4
Creative Europe MEDIA sub-programme ⁷	4.4	0.7	3.5	0.5	2.4	0.3
Department for Education ⁸	0.0	-	1.0	<0.1	1.5	0.2
Other EU ⁹	1.0	0.2	0.6	0.1	1.2	0.2
Welsh Assembly Government	3.5	0.6	2.0	0.3	0.5	0.1
Foreign & Commonwealth Office	1.1	0.2	0.9	0.1	0.8	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	0.1	<0.1	0.2	<0.1
Other public sector ¹⁰	<0.1	<0.1	0.0	-	<0.1	<0.1
Department for Business, Energy & Industrial Strategy	<0.1	<0.1	0.0	-	0.0	-
Total public sector selective investment¹¹	165.4	26.1	168.2	22.0	192.0	26.9
UK film production tax relief	469.0	73.9	595.0	78.0	522.0	73.1
Total public sector selective and automatic	634.4	100.0	763.2	100.0	714.0	100.0

Source: Named funding sources, Creative Cultural Associates analysis

Notes:

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

² Includes Film4 direct investment in film production and Channel 4 investment in the National Film and Television School (NFTS).

³ 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.

⁴ Includes BBC Film's direct investment in film production, BBC investment in the NFTS and film production schemes.

⁵ 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.

⁶ Investment by local authorities in regional film archives, Creative England, Screen Yorkshire and Film London.

⁷ The figures are for calendar years 2017-2019 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: 2017 €1 = £0.89; 2018 €1 = £0.89; 2019 €1 = £0.88.

⁸ Includes funding from the Office for Students to the NFTS.

⁹ Residual funding from Interreg, European Social Fund, European Regional Development Fund.

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

¹¹ Does not include transfers to and from reserves or earned/self-generated income.

Data updated since publication of the 2020 Statistical Yearbook.

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 2019/20 (£522 million for film tax relief), followed by the BFI (£106 million), Film4/Channel 4 (£25 million), Arts Council England (£17 million), the Scottish agencies (£17 million), Northern Ireland Screen (£16 million) and the National Film and Television School (£16 million – this figure includes income from student grants).

Table 2 Net film spend by agency, 2019/20

	£ million	%
HM Revenue	522.0	68.5
BFI	106.2	13.9
Film4/Channel 4	25.0	3.3
Arts Council England ¹	17.0	2.2
Scottish agencies ²	16.8	2.2
Northern Ireland Screen	16.3	2.1
NFTS	16.2	2.0
BBC Film/BBC	11.0	1.4
Into Film	6.3	0.8
ScreenSkills	5.8	0.8
Film London	5.6	0.7
Creative Europe MEDIA sub-programme ³	5.2	0.7
Creative England	2.9	0.4
Screen Yorkshire, Screen South and Northern Film + Media	2.9	0.4
English regional film archives ⁴	2.2	0.3
Welsh agencies ⁵	1.9	0.2
British Council	0.8	0.1
Heritage Lottery Fund	0.6	0.1
Total public agencies⁶	764.4	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. 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.

¹ 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.

² Includes film expenditure on the part of Creative Scotland and the National Library of Scotland Moving Image Archive.

³ Investment for the calendar year 2019. Includes £2.7 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.

⁴ 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.

⁵ Includes expenditure from 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 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 (£764.4 million) is higher than total public funding for film in the 2019/20 year (£714.0 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 2017/18 and 2019/20. 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 2019/20, film production accounted for £596 million (78% of the total). In the same financial year, distribution and exhibition benefited from the second largest share of public spending at 11% (£86.5 million) while training and skills activity received 4% of total public spend (£31 million).

Table 3 Activities supported by public spend on film, 2017/18 - 2019/20 (ranked by 2019/20 spend)

	2017/18		2018/19		2019/20	
	£ million	%	£ million	%	£ million	%
Production ¹	548.1	79.0	680.5	82.8	596.3	78.1
Distribution and exhibition	69.7	10.0	67.1	8.2	86.5	11.3
Training and skills ²	26.2	3.8	28.3	3.4	30.9	4.0
Education, young people and lifelong learning	8.7	1.3	10.7	1.3	12.0	1.6
Development	6.1	0.9	11.5	1.4	11.8	1.5
Export and inward investment promotion ³	12.5	1.8	7.0	0.8	8.4	1.1
Administration and services to the public	10.7	1.5	5.3	0.6	7.0	0.9
Film archives and heritage ⁴	8.4	1.2	5.3	0.6	6.2	0.8
Business support ⁵	3.0	0.4	6.2	0.8	5.2	0.7
Total⁶	693.7	100.0	821.8	100.0	764.4	100.0

Source: Creative Cultural Associates

Notes:

¹ Non-tax break production spend in 2019/20 was £74.1 million.

² Skills Investment Fund, National/Regional Screen Agency training investment.

³ British Film Commission, British Council, locations services in the nations and regions.

⁴ BFI National Film and Television Archive, national/regional screen archives, Heritage Lottery Fund investments.

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

⁶ 2019/20 total expenditure (£764.4 million) was greater than total public funding (£715.8 million) 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 2020 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 and Northern Ireland Screen). Table 4 shows the level of investment dedicated to each of the UK nations in 2019/20. In cash terms, England received the greatest level of funding with £33 million. In per capita terms, however, the level of investment in Northern Ireland was the highest at £8.58 per person, almost three times the level in Scotland, which had the next highest spend per person at £3.11. Wales and England had far lower levels of per capita spend at £0.62 and £0.60 respectively.

Table 4 Investment in film in the UK nations 2019/20 (ranked by total dedicated investment)

	Total dedicated investment (£ million)	Population (million)	£ per capita
England ¹	33.2	55.3	0.60
Scotland ²	16.8	5.4	3.11
Northern Ireland ³	16.3	1.9	8.58
Wales ⁴	1.9	3.1	0.62

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, Scottish Screen Archive.

³ Northern Ireland Screen.

⁴ Includes Ffilm Cymru Wales, Wales Film Archive 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. With the impact of the UK's exit from the EU, it is likely that 2019 was the final year in which substantial investments from Creative Europe would be available to UK companies and agencies.

Creative Europe's MEDIA sub-programme supports European film and other audiovisual industries by funding the development, promotion and distribution of European works. In 2019, the MEDIA sub-programme invested £2.4 million in UK-based film activity; over 60% of this (£1.5 million) supported film distribution schemes (Table 5).

In addition to this, £2.7 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 UK titles.

Table 5 Creative Europe MEDIA sub-programme investment in film in the UK, 2019

Activity area	MEDIA scheme(s)	£ million	%
Distribution	Selective, automatic, sales agents and online	1.5	64.0
Development	Single project and slate	0.4	16.8
Training and skills	Training	0.4	16.3
Exhibition	Film festivals, Europa Cinemas	0.1	2.9
Total		2.4	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.

The MEDIA sub-programme also supports UK television and new media. UK video games development benefited from £400,000 in 2019, while £1.3 million was invested in television production (Table 6).

Table 6 Creative Europe MEDIA sub-programme investment in television and new media in the UK, 2019

Activity area	MEDIA scheme(s)	£ million	%
TV Production	TV programming	1.3	77.0
Development: new media	Video games	0.4	23.0
Total		1.7	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 National Lottery awards 2020

Table 7 shows the National Lottery awards made by the BFI in 2020. There were 527 awards in total with a combined value of £57 million.

Table 7 BFI National Lottery awards, 2020 (ranked by total value)

	Number of awards	Total value (£ million)
Future talent	385	29.8
Future audiences	95	14.9
Future learning & skills	37	11.5
Leadership, Research, Certification and Delivery	10	0.4
Total	527	56.7

Source: BFI

Note: BFI awards data are for calendar year 2020.

'Future talent' includes awards relating to support for filmmakers and business support, 'Future audiences' includes awards for 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>

A total of 15 films were awarded project funding of £250,000 or over from the BFI in 2020 (Table 8). Seven films received funding of over £1 million. (The value of awards listed in the table includes all funding for individual projects in 2020, and may comprise separate awards for development, pre-production, production, distribution, and the Step Up programme, which aims to address the lack of diversity in film crews by providing opportunities for under-represented groups to work on productions supported by the BFI Film Fund.)

Table 8 Large awards (£250,000+) for film made by the BFI, 2020, ranked by total value of awards

Project	Total value of awards (£ million)
Kensuke's Kingdom	1.76
Benediction	1.73
Pirates	1.50
True Things	1.42
Boxing Day	1.42
The Phantom of the Open	1.39
Mothering Sunday	1.23
Medusa Deluxe	0.97
Earwig	0.95
Brian and Charles	0.93
Ballywalter	0.90
Vibes & Stuff	0.74
ear for eye	0.61
The Origin	0.44
Triangle of Sadness	0.43

Source: BFI

Note: BFI awards data are for calendar year 2020.

Leading public investors in British film production, 2018-2020

Table 9 shows the leading providers of public agency and public service broadcaster investment in UK films for the calendar years 2018-2020. The public investor involved with the greatest number of films over the period was the BFI with 68 projects (combined budget £176 million) while projects backed by Creative Scotland had the highest combined budget (£411 million) thanks to a small number of high budget productions such as *1917* and *Fast & Furious 9*. 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, 2018-2020, ranked by number of films

Public funder	Number	Estimated budget (£ million)	Selected titles
BFI	68	176	ear for eye; Mothering Sunday; The Phantom of the Open
BBC Films/BBC	48	131	Benediction; His House; Judy
European agencies*/Creative Europe	28	83	Mrs Harris Goes to Paris; Recovery; Triangle of Sadness
Creative Scotland	24	411	1917; Fast & Furious 9; Our Ladies
Film4/Channel 4	24	129	Censor; Everybody's Talking About Jamie; The Father
Northern Ireland Screen	21	231	Artemis Fowl; Belfast; The Northman
Welsh agencies/S4C/Welsh Assembly Government	17	24	Dream Horse; L.O.L.A.; Six Minutes to Midnight
Screen Ireland**/Broadcasting Authority of Ireland	13	26	Rialto; Stranger with a Camera; Wildfire
English regional screen agencies	11	25	The Duke; Mari; StarDog and TurboCat
Creative England	8	10	After Love; Perfect 10; The Power

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.



Research & Statistics Unit

21 Stephen Street, London W1T 1LN

bfi.org.uk/statistics