

BFI
Film
Forever



PUBLIC INVESTMENT IN FILM IN THE UK

Image: *Swallows and Amazons* courtesy of StudioCanal

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PUBLIC INVESTMENT IN FILM IN THE UK

In recognition of the economic and cultural value of film, the UK Government, national administrations and the European Union provide financial support to film in the UK through a variety of channels. The biggest sources of public funding in 2014/15 were the film tax relief, the National Lottery and government grant-in-aid.

FACTS IN FOCUS

- ▶ Total estimated public funding for film in the UK in 2014/15 was £414 million, an increase of 3% on 2013/14.
- ▶ The principal sources of public funding were the film tax relief (61%), the National Lottery (15%) and grant-in-aid (8%) from the Department for Culture, Media and Sport (DCMS).
- ▶ The European Union contributed £8.7 million to film in the UK in 2014/15 (through the structural funds and MEDIA sub-programme), and a further £6.6 million to support UK film exports to other countries in Europe.
- ▶ In cash terms, funding was greatest in England but per capita investment was highest in Northern Ireland.
- ▶ Film production benefited from two thirds (68%) of the total financial support available in 2014/15, followed by education, young people and lifelong learning (10%).

PUBLIC FUNDING FOR FILM IN THE UK BY SOURCE

Table 1 outlines the estimated levels of public funding invested in film in the UK from 2012/13 to 2014/15. (The figures do not include some types of local authority, research council, higher or further education funding.)

Total public funding for film in 2014/15 is estimated to have been £414 million, up from £403 million in 2013/14. The largest single source of public funding in the year was the UK film tax relief, which provided £251 million (61% of the total). This was followed by the National Lottery (£63 million, 15% of the total) and grant-in-aid of £33 million (8% of the total) from the Department for Culture, Media and Sport (DCMS) to the BFI, Arts Council England (ACE) and the National Film and Television School (NFTS). The year saw an increase of £2.4 million in DCMS grant-in-aid compared with 2013/14; part of this is accounted for by changes in the recording of ACE investments in film and the moving image.

Publicly owned national broadcasters and their film arms also made substantial investments: Film4/Channel 4 invested £15.2 million in UK film and BBC Films/BBC £10.4 million.

The Northern Ireland Executive reduced investment in film between 2013/14 and 2014/15, while funding in Wales increased from £2.8 million to £3.6 million. It is not possible to say for certain whether the level of investment from the Scottish Government changed in this period as funding for the National Library of Scotland's Moving Image Archive was unavailable at the time of publication.

The European Union (EU) contributed £8.7 million to UK film activity, of which £3.8 million came from Creative Europe's MEDIA sub-programme in 2014 (see note to Table 1) and £4.9 million was via the structural funds in 2014/15. These funds, which include the European Regional Development Fund and European Social Fund, saw a substantial increase over the period. The figure for 2014/15 reflects a renewed commitment to the Yorkshire Content Fund managed by Screen Yorkshire and support for Creative England and Northern Film & Media.

Table 1 Public funding for film in the UK by source, 2012/13 - 2014/15 (ranked by 2014/15 spend)

	2012/13		2013/14		2014/15	
	£ million	%	£ million	%	£ million	%
National Lottery Distribution Fund ¹	67.4	18.5	73.1	18.1	62.8	15.2
DCMS grant-in-aid to the BFI, Arts Council England (ACE) and NFTS	27.9	7.6	30.6	7.6	33.0	8.0
Film4/Channel 4 ²	18.1	5.0	15.6	3.9	15.2	3.7
National and Regional Development Agencies ³	9.4	2.6	9.2	2.3	12.7	3.1
BBC Films/BBC ⁴	12.7	3.5	10.6	2.6	10.4	2.5
Arts Council England ⁵	4.4	1.2	7.2	1.8	6.8	1.6
Other European Union (EU) ⁶	1.2	0.3	5.7	1.4	4.9	1.2
EU MEDIA sub-programme ⁷	5.6	1.5	4.3	1.1	3.8	0.9
Welsh Assembly Government ⁸	2.3	0.6	2.8	0.7	3.6	0.9
Northern Ireland Executive ⁹	2.2	0.6	3.2	0.8	2.4	0.6
Scottish Government ¹⁰	2.2	0.6	4.1	1.0	2.1	0.5
Higher Education funding ¹¹	1.6	0.4	1.2	0.3	1.2	0.3
Foreign and Commonwealth Office ¹²	1.2	0.3	1.1	0.3	1.1	0.3
Department for Education ¹³	1.0	0.3	1.0	0.2	1.0	0.2
Skills Investment Fund training levy ¹⁴	0.6	0.2	0.8	0.2	0.9	0.2
UK Trade & Investment ¹⁵	0.2	0.1	0.3	0.1	0.3	0.1
Local government ¹⁶	0.3	0.1	0.3	0.1	0.2	>0.1
Department for Business, Innovation & Skills ¹⁷	0.8	0.2	0.0	0.0	0.1	>0.1
Other public sector ¹⁸	0.03	>0.1	0.01	>0.1	0.01	>0.1
Total public sector selective investment¹⁹	159.1	43.6	171.1	42.5	162.5	39.3
UK film tax relief ²⁰	205.6	56.4	231.8	57.5	251.3	60.7
Total public sector selective and automatic funding	364.7	100.0	402.9	100.0	413.8	100.0

Source: Named funding sources, Bigger Picture Research analysis

Notes:

1. Allocations to the BFI, Creative Scotland, Ffilm Cymru Wales (via Arts Council of Wales) and Northern Ireland Screen (via Arts Council of Northern Ireland), plus Heritage Lottery Fund and Big Lottery awards for film-based projects.
2. Includes Film4's production investment and Channel 4 investment in the NFTS.
3. Contributions to screen agencies from National/Regional Development Agencies throughout the UK.
4. Includes BBC Films' production investment, BBC investment in the NFTS and film archives.
5. Includes ACE National Lottery investments (for example from Grants for the Arts) into moving image projects and film-related Strategic projects.
6. Investment via the European Social Fund and European Regional Development Fund.
7. The MEDIA programme ended in 2013; MEDIA is now a sub-programme of Creative Europe, the new EU programme for the cultural, creative and audiovisual sectors. The figure is for film investments only and is for calendar year 2014. For consistency with earlier years it does 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: 2012 €1= £0.8683; 2013 €1= £0.8107; 2014 €1= £0.8486.
8. Includes funding from all Welsh government agencies to strategic bodies/projects.
9. Includes funding from all Northern Ireland government agencies to strategic bodies/projects.
10. Includes funding from all Scottish government agencies to strategic bodies/projects. The figure for 2014/15 does not include investment in the National Library of Scotland's Moving Image Archive.
11. Includes investment from Higher Education Funding Councils for England, Wales and Scotland, plus Higher Education institutions to support Creative Skillset film academies, film archives and other strategic agencies. It does not include payments from educational funding councils to other film courses (film studies, etc) in higher or further education.
12. Funding for UK-originated British Council activity. Excludes partnership funding of 'in-country' events (outside the UK).
13. Includes funding for the BFI Film Academy.
14. Made up of contributions from all film productions either based in the UK or in receipt of UK public funding, collected and re-distributed by Creative Skillset. Total levy income in 2014/15 was £863,824, while expenditure through grants was £264,676 (the remainder was carried over into 2015/16).
15. Funding for export support. UKTI was replaced by the Department for International Trade in July 2016.
16. Investment by local authorities in regional film archives, Creative England and other English regional screen agencies.
17. Includes Employer Ownership of Skills Pilot 2 investment. BIS was replaced by the Department for Business, Energy & Industrial Strategy in July 2016.
18. Very small awards (under £10,000) from a range of public sector agencies, mainly made to national/regional screen agencies.
19. Does not include transfers to and from reserves.
20. 2013/14 and 2014/15 figures are provisional.

SPEND BY AGENCY

As in previous years, HMRC was the largest net spender on film in 2014/15 (£251 million for film tax relief), followed by the BFI (£90 million), Film4/Channel 4 (£15 million), Northern Ireland Screen (£14 million) and Arts Council England (£13.5 million).

Table 2 Net film spend by agency, 2014/15¹

	£ million	%
HMRC	251.3	54.0
BFI	90.0	19.3
Film 4/Channel 4	15.0	3.2
Northern Ireland Screen	14.2	3.1
Arts Council England ²	13.5	2.9
NFTS	10.7	2.3
EU MEDIA sub-programme ³	10.4	2.2
BBC Films/BBC	10.0	2.1
Scottish agencies ⁴	8.7	1.9
Into Film	8.4	1.8
Creative England	7.4	1.6
Welsh agencies ⁵	6.2	1.3
Film London	5.6	1.2
Creative Skillset	4.9	1.1
Other English agencies ⁶	4.2	0.9
English regional film archives ⁷	2.4	0.5
British Council	1.1	0.2
Big Lottery	0.9	0.2
UKTI	0.3	0.1
Heritage Lottery Fund	0.2	>0.1
Total public agencies⁸	465.4	100.0

Source: Named agencies, Bigger Picture Research analysis

Notes:

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

1. Net spend means spend after deducting grants and awards to other organisations in this Table. Figures are presented net to avoid double counting.
2. Includes ACE National Lottery investments (eg from Grants for the Arts) into moving image projects, plus National Portfolio Organisation and strategic investments attributable to film and the moving image, based upon ACE calculations.
3. The figure is for film investments only and is for calendar year 2014. It also includes £6.6 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 rates: 2012 €1= £0.8683; 2013 €1= £0.8107; 2014 €1= £0.8486.
4. Includes film expenditure on the part of Creative Scotland.
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 film expenditure on the part of Northern Film & Media, Screen South and Screen Yorkshire.
7. Includes film expenditure on the part of the 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 the Yorkshire Film Archive.
8. The spending tabulated above includes net transfers to and from reserves and spending financed by commercial income (eg from film rights) earned by agencies as well as income derived from public sector sources. For these reasons the total spending by agencies (£465.4 million) is higher than total public funding for film in the 2014/15 year (£413.8 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 2012/13 and 2014/15.

Production has consistently benefited from the largest share of public spending, primarily due to the automatic funding available through the film tax relief, although the total spend has fluctuated in line with the changing volume of production. In 2014/15, film production accounted for £317 million (68% of the total). In the same financial year, education, young people and lifelong learning had the second largest share of public spend at 10% (£46 million). This is the third consecutive year that education, young people and lifelong learning has been in second place in the Table, which is largely a result of the implementation of the BFI's *Film Forever* strategic plan from 2012/13, one of whose goals is the expansion of opportunities for film education and learning.

Public spending on distribution and exhibition activity, archives and heritage and feature film development was at a lower level in 2014/15 than it was in 2012/13, while support for training and skills and export and inward investment promotion has risen over the same period.

Table 3 Activities supported by public spend on film, 2012/13 - 2014/15 (ranked by 2014/15 spend)

	2012/13		2013/14		2014/15	
	£ million	%	£ million	%	£ million	%
Production ¹	268.7	66.9	284.2	67.5	316.6	68.0
Education, young people and lifelong learning	33.5	8.3	39.6	9.4	46.4	10.0
Administration and services to the public	14.2	3.5	7.3	1.7	24.4	5.2
Distribution and exhibition	29.0	7.2	31.8	7.6	18.6	4.0
Archives and heritage ²	19.5	4.9	17.7	4.2	18.5	4.0
Training and skills ³	13.5	3.4	17.7	4.2	17.7	3.8
Export and inward investment promotion ⁴	10.5	2.6	9.2	2.2	13.1	2.8
Development	10.9	2.7	10.3	2.4	7.4	1.6
Business support ⁵	1.6	0.4	3.1	0.7	2.7	0.6
Total public film expenditure⁶	401.4	100.0	420.9	100.0	465.4	100.0

Source: Bigger Picture Research, Creative Cultural Associates

Notes:

Percentages may not sum to 100 due to rounding.

1. Non-tax relief production spend in 2014/15 was £65.3 million.

2. National Film and Television Archive, national/regional screen archives (except Scotland's Media Image Archive) and Heritage Lottery Fund investment.

3. Skills Investment Fund, national/regional screen agency training investment, Creative Skillset film/craft and technical skills academies.

4. British Film Commission, British Council, locations services in the nations and regions and Creative Europe MEDIA sub-programme support for non-British sales agents and distributors handling UK film exports in the EU.

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

6. 2014/15 total expenditure (£465.4 million) was greater than total public funding (£413.8 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 film tax relief, are intended for the benefit of film 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 2014/15. In cash terms, England received the greatest level of funding (£27.5 million or 49% of the total nation-specific investment). In per capita terms, however, the level of investment in Northern Ireland was the highest at £7.89 per person, almost four times the level in Wales, which had the next highest spend per person at £2.00.

Table 4 Investment in film in the UK nations, 2014/15

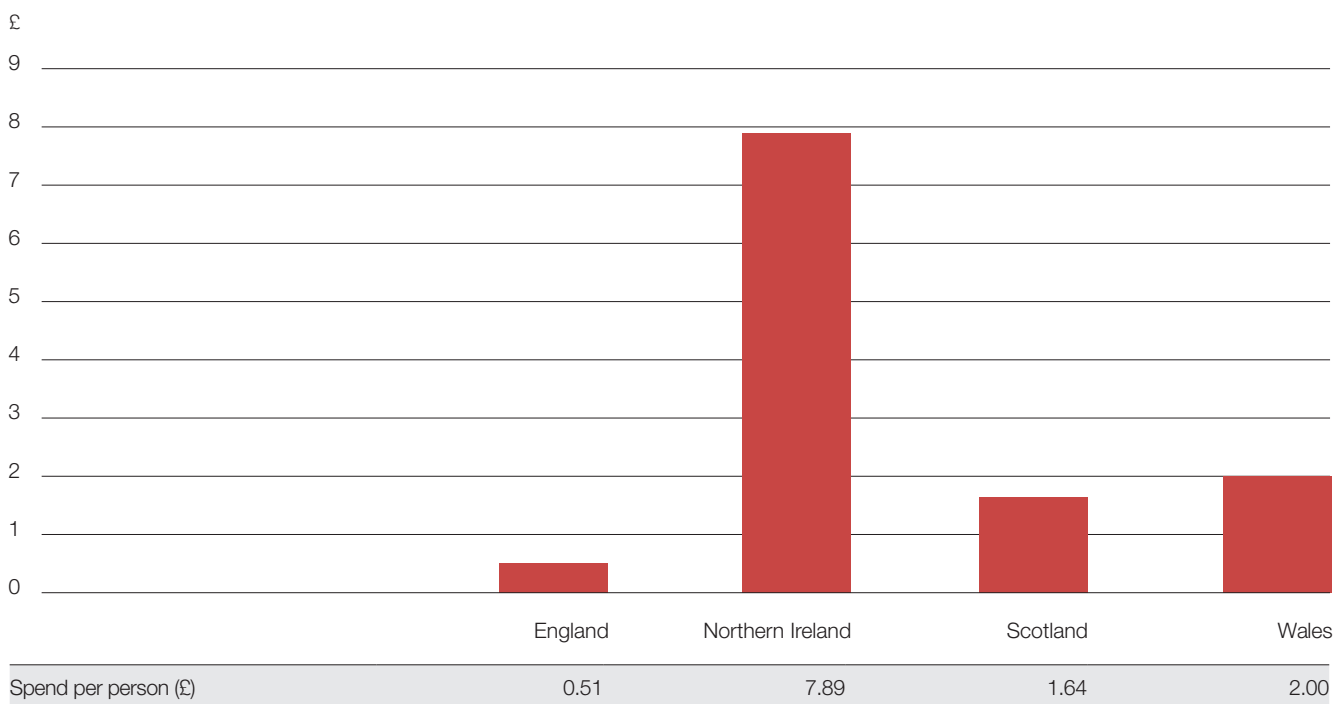
Nation	Total dedicated investment (£ million)	Population (million)	£ per person
England ¹	27.5	54.3	0.51
Northern Ireland ²	14.2	1.8	7.89
Scotland ³	8.7	5.3	1.64
Wales ⁴	6.2	3.1	2.00

Source: Bigger Picture Research, ONS

Notes

1. Includes investment from Creative England, English regional screen agencies, English regional screen archives and Arts Council England.
2. Investment from Northern Ireland Screen and Arts Council of Northern Ireland.
3. Investment from Creative Scotland.
4. Includes investment from Ffilm Cymru Wales, Wales Film Archive, Arts Council of Wales and Welsh Assembly Government direct expenditure.

Figure 1 Per capita investment in film in the UK nations, 2014/15



Source: Bigger Picture Research, ONS

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 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 2014, the MEDIA sub-programme invested £3.8 million in UK-based film activity, and nearly half of this (47%) went into film distribution (Table 5).

Table 5 Creative Europe MEDIA sub-programme investment in film in the UK, 2014

Activity area	MEDIA scheme(s)	£ million	%
Distribution	Selective, automatic, sales agents and online	1.8	46.7
Development	Single project and slate	0.6	17.9
Training & skills	Initial training	0.4	11.8
Education	Audience development	0.4	9.9
Exhibition	Film festivals and Europa Cinemas	0.3	6.9
Business support	Markets	0.3	6.8
Total		3.8	100.0

Source: Creative Europe Desk UK, Bigger Picture Research analysis

Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.8486

In addition to this, £6.6 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 £3.8 million in 2014, and £0.3 million was invested in new media (Table 6).

Table 6 Creative Europe MEDIA sub-programme investment in television and new media in the UK, 2014

Activity area	MEDIA scheme(s)	£ million
Television production	-	3.8
Television sub total		3.8
Business support: new media	Markets	0.07
Development: new media	Games	0.07
Training & skills: new media	Initial training	0.2
New media sub total		0.3
Total		4.1

Source: Creative Europe Desk UK, Bigger Picture Research analysis

Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.8486

BFI LOTTERY AWARDS 2015

Table 7 shows the Lottery awards made by the BFI in 2015. There were 393 awards in total (up from 385 in 2014) with a combined value of £25.5 million.

Table 7 BFI Lottery awards, 2015

Source	Number of awards	Total value (£ million)
Film Fund – Development	107	2.4
Film Fund – Pre-production	5	0.1
Film Fund – Production	26	14.9
Film Fund – Completion	11	0.5
Film Fund – Documentary	5	0.8
Film Fund – Vision Awards	5	0.5
Film Fund – International	3	0.1
Film Fund – Animation Development Lab	3	0.2
Distribution Fund – Distribution	16	1.4
Distribution Fund – International Festival Sales Support Scheme	30	0.2
Partnerships – Audience Fund	158	4.0
Partnerships – Film Academy	24	0.7
Total awards	393	25.5

Source: BFI

Notes:

BFI awards data are for calendar year 2015.

Percentages may not sum to 100 due to rounding.

The large awards for film of £250,000+ made by the BFI in 2015 are shown in Table 8. In total, 16 awards were made, half of which were for £1 million or more.

Table 8 Large awards (£250,000+) for film made by the BFI, 2015

Source	Project	Amount of award (£)
Film Fund – Production	Early Man	2,000,000
	The Girl with All the Gifts	1,780,000
	Swallows and Amazons	1,451,975
	Ethel & Ernest	1,200,000
	American Honey	1,000,000
	Free Fire	1,000,000
	A United Kingdom	1,000,000
	Viceroy's House	1,000,000
	Dark River	871,000
	City of Tiny Lights	833,469
	Fanny Lye Deliver'd	785,715
	Journeyman	775,000
	I, Daniel Blake	350,000
	Mindhorn	300,000
Film Fund – Distribution	Bill	300,000
Film Fund – Documentary	Versus: The Life and Films of Ken Loach	300,000

Source: BFI

Note: BFI awards data are for calendar year 2015.

LEADING PUBLIC INVESTORS IN BRITISH FILM PRODUCTION, 2013-2015

Table 9 shows the leading public agency and public service broadcaster investment in British films for the calendar years 2013-2015. The most frequent public investors were the BFI with 102 projects and BBC Films/BBC with 85. These projects had estimated combined budgets of £264 million and £272 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, 2013-2015

Public funder	Number	Estimated budget (£ million)	Examples
BFI	102	264	45 Years; 20,000 Days on Earth; Suffragette; Swallows and Amazons; A United Kingdom
BBC Films/BBC	85	272	Bill; Far From the Madding Crowd; The Lady in the Van; A Little Chaos;
European agencies ¹	58	323	Alone in Berlin; The Danish Girl; The Habit of Beauty; The Salvation; Theeb
Film4/Channel 4	37	164	American Honey; Dark Horse; The Duke of Burgundy; Macbeth; Youth
English regional screen agencies	26	90	'71; Await Further Instructions; How To Talk to Girls at Parties; A Royal Night Out
Creative England	26	28	Adult Life Skills; The Levelling; Norfolk; Notes on Blindness; Spooks: The Greater Good
Scottish agencies	25	28	The Legend of Barney Thomson; Sunset Song; What We Did on Our Holiday; Where You're Meant to Be; Una
Irish Film Board	23	47	Brooklyn; The Hallow; I Am Not a Serial Killer; The Lobster; Moon Dogs
Welsh agencies/S4C/ Welsh Government	23	37	The Canal; Dan y Wenallt (Under Milk Wood); Ethel & Ernest; The Library Suicides
Northern Ireland Screen	18	33	High-Rise; I Am Belfast; The Survivalist
Creative Europe	15	23	City of Tiny Lights; Couple in a Hole; 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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