BFI
Film Forever

PUBLIC INVESTMENT IN FILM IN THE UK

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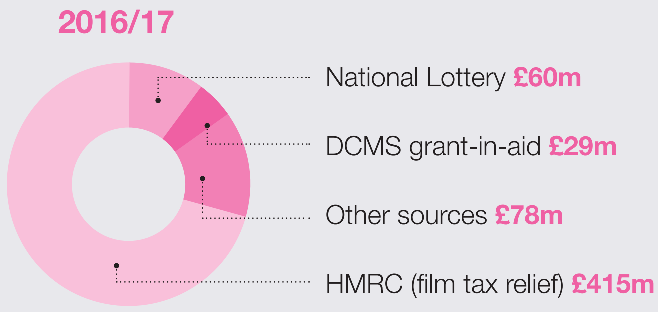
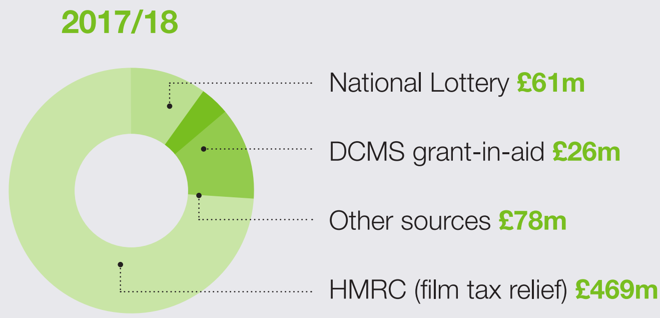
Cover image: *Misbehaviour* courtesy of Pathé UK

Facts in focus

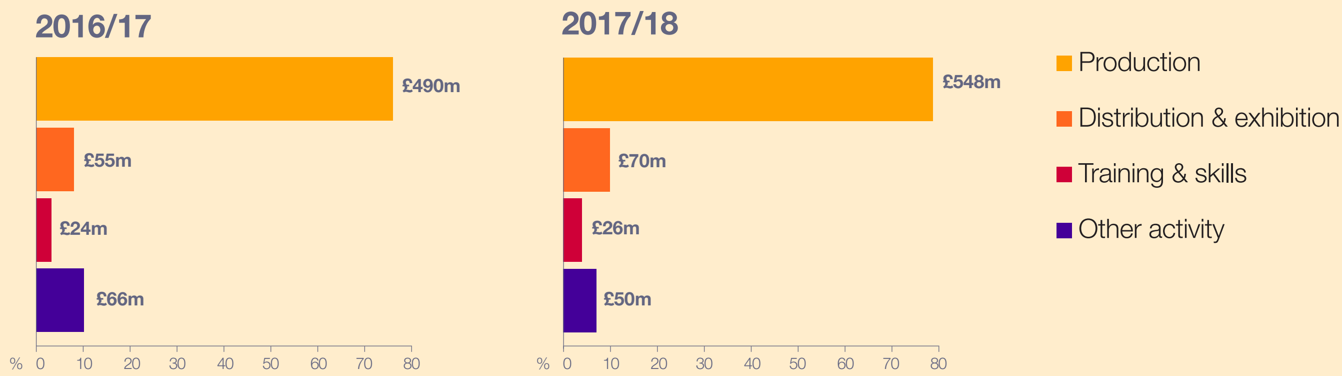
PUBLIC FUNDING FOR FILM IN THE UK

Total estimated public funding available for film in the UK in **2017/18** was **£634 million**, an increase of **9%** from **£582 million** in **2016/17**.





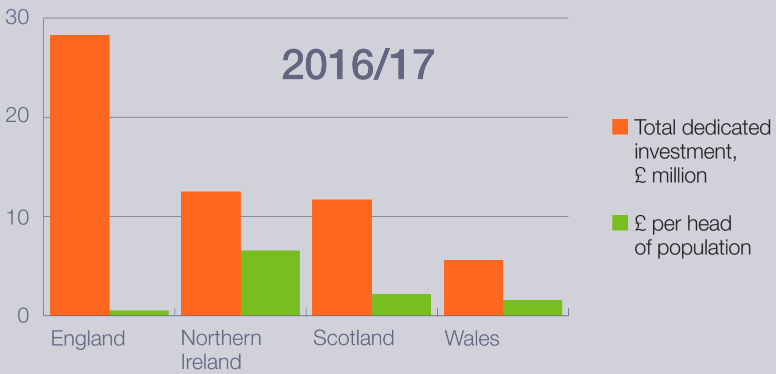
ACTIVITIES SUPPORTED BY PUBLIC FUNDING FOR FILM IN THE UK

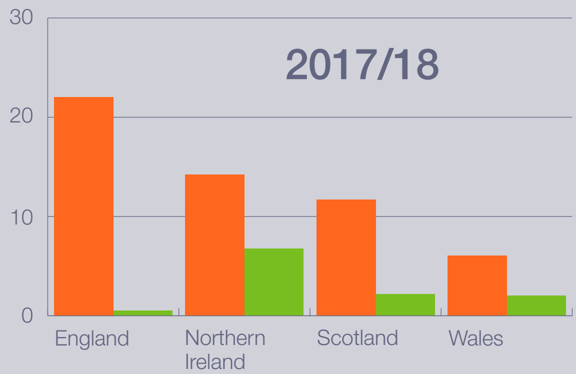


In 2017/18, 86% of investment in film production came from the film production tax relief, up from 85% in 2016/17.

SPEND ACROSS THE NATIONS

For both 2016/17 and 2017/18, 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

Table 1 outlines the estimated levels of available public funding for film in the UK from 2015/16 to 2017/18. (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 2017/18 is estimated to have been £634 million, up from £582 million in 2016/17. The largest single source of public funding in the year was the UK film tax relief, which provided £469 million (74% of the total). This was followed by the National Lottery (£61 million; 10% of the total) and grant-in-aid (£26 million; 4% of the total) from the Department for Digital, Culture, Media and Sport (DCMS) to the BFI and the National Film and Television School (NFTS). Funding from DCMS in 2017/18 was lower than in the previous two financial years, 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 just over £25 million for UK film in 2017/18, while BBC Films/BBC provided funding of £11 million.

Investment from Arts Council England (ACE) in 2017/18 was £8 million. (This is a substantial decrease from funding of just over £13 million in the previous financial year, but is still up from the £4.7 million reported for 2015/16). ACE funding includes National Portfolio investments into organisations and venues which form part of the national infrastructure for the arts (this element is relatively unchanged from 2016/17) alongside project awards from Grants for the Arts and other schemes (the level of successful moving image project applications to these selective schemes varies substantially from year to year).

The European Union (EU) provided investment of £5.4 million for UK film activity, of which £4.4 million came from Creative Europe's MEDIA sub-programme in 2017 (see note to Table 1) and £1 million was via the structural funds in 2017/18. Investment from these funds, which include the European Regional Development Fund and European Social Fund, increased compared with 2016/17 (£0.5 million) but was substantially 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.


Image: *Peterloo* courtesy of eOne Films

Table 1 Public funding for film in the UK by source, 2015/16 - 2017/18 (ranked by 2017/18 spend)

	2015/16		2016/17		2017/18	
Agency	£ million	%	£ million	%	£ million	%
National Lottery Distribution Fund[1]	75.4	14.4	59.6	10.3	60.7	9.6
DCMS grant-in-aid	26.4	5.0	28.5	4.9	26.1	4.1
Film4/Channel 4[2]	26.1	5.0	25.7	4.4	25.4	4.0
Northern Ireland Executive	13.0	2.5	11.4	2.0	13.7	2.2
BBC Films/BBC[3]	10.5	2.0	10.4	1.8	11.3	1.8
Arts Council England (ACE)[4]	4.7	0.9	13.1	2.3	8.0	1.3
European Union (EU) MEDIA sub-programme[5]	3.8	0.7	4.0	0.7	4.4	0.7
Scottish Government	5.1	1.0	3.9	0.7	3.9	0.6
Welsh Government	3.1	0.6	3.2	0.6	3.5	0.6
Higher education funding[6]	1.8	0.3	2.7	0.5	2.7	0.4
Local government[7]	0.2	<0.1	2.1	0.4	2.4	0.4
Foreign and Commonwealth Office	1.5	0.3	1.3	0.2	1.1	0.2
Other EU[8]	7.6	1.5	0.5	0.1	1.0	0.2
Department for International Trade	0.4	0.1	0.2	<0.1	0.2	<0.1
National/regional development agencies	1.7	0.3	0.1	<0.1	0.1	<0.1
Department for Business, Energy and Industrial Strategy	3.3	0.6	<0.1	<0.1	<0.1	<0.1
Other public sector[9]	0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Total public sector selective investment[10]	**184.7**	**35.3**	**166.7**	**28.7**	**164.7**	**26.0**
UK film production tax relief	338.4	64.7	414.9	71.3	469.0	74.0
Total public sector selective and automatic	**523.1**	**100.0**	**581.6**	**100.0**	**633.7**	**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 Film4's production investment and Channel 4 investment in NFTS.

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

[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 upon ACE calculations.

[5] The figures are for calendar years 2015-2017 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: 2015 €1= £0.85; 2016 €1= £0.88; 2017 €1=£0.89.

[6] This comprises Higher Education establishment-derived support for film archives and the National Film and Television School. It does 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] 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 2017/18 (£469 million for film tax relief), followed by the BFI (£100 million), Film4/Channel 4 (£25 million) and the NFTS (£15.2 million; this figure includes capital expenditure and income from student grants).

Table 2 Net film spend by agency, 2017/18[1]

	£ million	%
HMRC	469.0	67.6
BFI	100.0	14.4
Film4/Channel 4	25.0	3.6
NFTS	15.2	2.2
Northern Ireland Screen	14.5	2.1
Scottish agencies[2]	11.6	1.7
BBC Films/BBC[3]	11.0	1.6
EU MEDIA sub-programme[4]	9.7	1.4
ACE[5]	8.0	1.2
Into Film	6.3	0.9
Welsh agencies[6]	5.5	0.8
Film London	5.8	0.8
Creative England	4.1	0.6
Screen Yorkshire, Screen South and Northern Film + Media	2.2	0.3
Creative Skillset[7]	2.2	0.3
English regional film archives[8]	1.9	0.3
British Council	1.1	0.2
Heritage Lottery Fund	0.4	0.1
Total public agencies[9]	**693.6**	**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 film expenditure on the part of Creative Scotland and the National Library of Scotland Moving Image Archive.

[3] Investment for the calendar year 2017.

[4] Includes £5.3 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 = £0.89.

[5] 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 upon ACE calculations.

[6] 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 Government.

[7] Creative Skillset was rebranded as ScreenSkills in 2018, following a merger with the Indie Training Fund.

[8] 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.

[9] 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 (£693.6 million) is higher than total public funding for film in the 2017/18 year (£633.7 million, Table 1).

Figures/percentages may not sum to totals 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 2015/16 and 2017/18. 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 2017/18, film production accounted for £548 million (79% of the total). In the same financial year, distribution and exhibition benefited from the second largest share of public spending at 10% (£70 million) while training and skills activity received 4% of total public spend (£26 million).

Public spending increased each financial year between 2015/16 and 2017/18 in the areas of production, distribution and exhibition, and export and inward investment promotion. Training and skills showed a similar trajectory with only a minor decrease in 2016/17. With the exception of administration and services to the public, spending declined in all other areas of activity, with film archives and heritage recording the steepest drop.

Table 3 Activities supported by public spend on film, 2015/16 - 2017/18 (ranked by 2017/18 spend)

	2015/16		2016/17		2017/18	
	£ million	%	£ million	%	£ million	%
Production[1]	424.2	76.1	489.8	77.2	548.1	79.0
Distribution and exhibition	42.2	7.6	55.2	8.7	69.7	10.0
Training and skills[2]	24.3	4.4	24.0	3.8	26.2	3.8
Export and inward investment promotion[3]	9.4	1.7	10.9	1.7	12.5	1.8
Administration and services to the public	8.1	1.5	11.6	1.8	10.7	1.5
Education, young people and lifelong learning	14.0	2.5	9.8	1.5	8.7	1.3
Film archives and heritage[4]	20.7	3.7	19.5	3.1	8.4	1.2
Development	8.3	1.5	8.9	1.4	6.1	0.9
Business support[5]	5.9	1.1	4.9	0.8	3.0	0.4
Total[6]	**557.1**	**100.0**	**634.7**	**100.0**	**693.6**	**100.0**

Source: Creative Cultural Associates, Bigger Picture Research

Notes:

[1] Non-tax break production spend in 2017/18 was £79.2 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] 2017/18 total expenditure (£693.6 million) was greater than total public funding (£633.7 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 2016/17 updated since publication of the 2018 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 2017/18. In cash terms, England received the greatest level of funding with £22 million. In per capita terms, however, the level of investment in Northern Ireland was the highest at £7.64 per person, almost three times the level in Scotland, which had the next highest spend per person at £2.15.

Table 4 Investment in film in the UK nations 2017/18 (ranked by total dedicated investment)

	Total dedicated investment £ million	Population (million)	£ per person
England[1]	22.0	55.3	0.40
Northern Ireland[2]	14.5	1.9	7.64
Scotland[3]	11.6	5.4	2.15
Wales[4]	5.4	3.1	1.77

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.

[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 and Welsh Government direct expenditure.

Image: *Blinded by the Light* courtesy of eOne Films

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 2017, the MEDIA sub-programme invested £4.4 million in UK-based film activity; two thirds of this (£2.9 million) supported film distribution schemes (Table 5).

Table 5 Creative Europe MEDIA sub-programme investment in film in the UK, 2017

Activity area	MEDIA scheme(s)	£ million	%
Distribution	Selective, automatic, sales agents and online	2.9	65.9
Development	Single project and slate	0.5	11.4
Training and skills	Training	0.3	6.8
Business support	Markets	0.3	6.8
Exhibition	Film festivals, Europa Cinemas	0.3	6.8
Education	Film education	0.1	2.3
Total		**4.4**	**100.0**

Source: Creative Europe Desk UK, Creative Cultural Associates analysis
Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.89.

In addition to this, £5.3 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 £0.7 million in 2017, while £0.5 million was invested in television production (Table 6).

Table 6 Creative Europe MEDIA sub-programme investment in television and new media in the UK, 2017

Activity area	MEDIA scheme(s)	£ million	%
Development: new media	Video games	0.7	60.0
TV production	TV programming	0.5	40.0
Total		**1.2**	**100.0**

Source: Creative Europe Desk UK, Creative Cultural Associates analysis
Note: Data provided in Euros and converted to British pounds. Exchange rate: €1 = £0.89.

BFI LOTTERY AWARDS 2018

Table 7 shows the Lottery awards made by the BFI in 2018. There were 302 awards in total (down from 351 in 2017) with a combined value of £31 million.

Table 7 BFI Lottery awards, 2018 (ranked by total value)

Source	Number of awards	Total value (£ million)
Film Fund - Production	39	14.3
Film Fund - Audiences	74	7.2
Film Fund - Heritage	1	4.1
Film Fund - Development	104	2.2
Film Fund - International	40	1.9
Film Fund - Talent development	44	1.2
Total	**302**	**30.9**

Source: BFI
Note: BFI awards data are for calendar year 2018.

A total of 18 films were awarded project funding of £250,000 or over from the BFI in 2018 (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 2018, and may comprise separate awards for development, pre-production and production.)

Table 8 Large awards (£250,000+) for film made by the BFI, 2018

Project	Amount of award (£)
Molly	1,140,000
Misbehaviour	1,065,080
The Show	994,500
Normal People	935,000
Girl Untitled	931,250
Summerland	897,300
Monsoon	835,000
The Last Tree	801,639
Saint Maud	797,820
Eternal Beauty	782,500
Born To Run	750,747
Wildfire	685,000
Lynn and Lucy	610,000
Rialto	580,455
Chaplin	575,000
Limbo	535,000
Little Joe	500,000
The Reason I Jump	265,000

Source: BFI
Note: BFI awards data are for calendar year 2018.

LEADING PUBLIC INVESTORS IN BRITISH FILM PRODUCTION, 2016-2018

Table 9 shows the leading providers of public agency and public service broadcaster investment in British films for the calendar years 2016-2018. The public investor involved with the greatest number of films was the BFI with 85 projects (combined budget £265 million) followed by BBC Films/BBC (68 projects, combined budget £186 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, 2016-2018

Public funder	Number	Estimated budget (£ million)	Selected titles
BFI	85	265	Dirty God; The Last Tree; Blinded by the Light
BBC Films/BBC	68	186	Horrible Histories: The Movie - Rotten Romans; Sorry We Missed You; They Shall Not Grow Old
European agencies	45	141	Mary Shelley; The White Crow; Yuli
Film4/Channel 4	38	246	Diego Maradona; The Personal History of David Copperfield; Peterloo
Creative Scotland	36	76	Calibre; Last Breath; Tell It to the Bees
English regional screen agencies	21	35	Mari; Official Secrets; Yardie
Creative England	20	20	Days of the Bagnold Summer; The Hippies: Punk Rocked My Cradle; The Runaways
Welsh agencies/S4C/Welsh Government	19	55	Journey's End; Ray & Liz; Rockfield: The Studio on the Farm
Screen Ireland/Broadcasting Authority of Ireland	19	46	The Favourite; Vita & Virginia; Zoo
Northern Ireland Screen	14	39	Bad Day for the Cut; The Dig; Wildfire
Creative Europe	5	20	The Keeper; Marionette; Sea Fever

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