**BFI Response to the DCMS Public Service Broadcasting Contestable Fund Consultation**

**February 2017**

**About the BFI**

Founded in 1933, the BFI is a registered charity governed by Royal Charter to encourage the development of the arts of film, television and the moving image. In 2011, the BFI became the lead organisation for the screen industries in the UK. It is now a Government arms-length body and the distributor of National Lottery funds for film.

Our mission is to ensure that film is central to our cultural life, in particular by supporting and nurturing the next generation of filmmakers and audiences. The BFI serves a public role which covers the cultural, creative and economic aspects of film in the UK.

As part of our role and pertinent to this submission

* By providing Lottery and government funds to support development, production and distribution and audience development of film across the UK, and to help UK films gain international distribution;
* By working with partners to advance the position of the UK as an international centre of excellence for film production.

In November 2017, the BFI published ‘BFI2022’, which set out its strategy for the next five years, following an extensive industry consultation. It described the activities underpinning the BFI’s three strategic priorities:

* Future Audiences
* Future Learning and Skills
* Future Talent

Underpinning this strategy is a commitment to ***promoting diversity*** as a means for economic and cultural prosperity across our screen industries, and ***regional growth***.

The BFI Board of Governors is chaired by Josh Berger CBE.

**1. (i) Should the fund be broadly or narrowly focused? (ii) On which genres and audiences should the fund be focused?**

**a) Arts & classical music**

**b) Children’s**

**c) Religion and ethics**

**d) Education**

**e) Factual**

**f) Nations & Regions**

**g) Diversity (i.e. content for/about protected groups)**

**h) Other, please specify**

The BFI would favour a balance of programming across categories (a) through (e), and in addition we believe the fund should focus substantially on the following:

1. Improving the diversity of both content makers and audiences across the protected groups
2. Encouraging greater spread of content from across the Nations & Regions, to which end we would recommend siting some or all of the decision-making for the fund outside London
3. Supporting **new** voices in storytelling and programme-making across the genres listed above
4. An emphasis on quality programme-making

We would also strongly recommend that the Fund is available to support slate development and to grow small programme-makers/production companies interested in developing content in the listed categories. This would mirror the two-year support we offer to emerging film (and by extension TV) producers through the BFI Vision Awards, with a strong emphasis on support for companies in the Nations and Regions, and around diversity and inclusion.

**2. (i) Should the fund extend to radio as well as TV? (ii) If so, how should the proportion of the fund available for radio content be capped?**

**a) 5%**

**b) 10%**

**c) 15%**

**d) Other, please specify**

The BFI does not have the requisite expertise or position to comment on this question. We are also unable to comment on the need for additional public support in this arena.

Care should be taken with this pilot fund to not expect it to do too much. We would question whether impact would be lost if the fund was splintered across TV and radio. We also acknowledge that entirely different expertise would be required which would lead to a large uplift in overhead costs.

Should Ministers be minded to press ahead both with the BFI as administrator of the Contestable Fund, and with a requirement to fund radio programming, we would work with officials to consider the best options for delivery

**3. With regards to ensuring that content is free-to-access and made widely available, what platforms should be available to content funded by the contestable pot?**

**a) Linear broadcast only**

**b) Linear and associated broadcaster on-demand platforms**

**c) Linear, on-demand and other online platforms (such as YouTube)**

The BFI has a preference for option (c), in order to maximize the benefit to audiences who are choosing to watch TV, film and video on a range of platforms.

We recognise the growth of emerging online platforms as a means to grow audiences and, increasingly, as a place to hone skills and talent. Our BFI2022 strategy outlines a new, broader definition of film to mean “*anything that tells a story, expresses an idea or evokes an emotion through the art of the moving image, whilst honouring the platform for which the work was intended.”* This includes works for which online platforms – both free and paid for - are the intended means of delivery.

All research, including from OFCOM, shows that younger audiences in particular are moving away from linear TV; so the BFI would pay equally careful attention to the mix of platforms as to the genres supported in order to find the right mix to meet the broader objects of the Fund to support new voices, innovation, quality and finding new audiences.

Whilst content should be free-to access in its first window in the UK, we would encourage rights holders to sell subsequent rights to other platforms and to sell rights internationally.

**4. Which of the following broadcasting/distribution criteria should be placed upon qualifying bids?**

**a) Broadcaster/platform guarantee not required in bid**

**b) Broadcaster/platform guarantee required in bid**

**c) Award permitted “in principle” subject to broadcaster/platform guarantee within a particular timescale**

In order to fully embrace the principles of talent development and supporting innovative work, the BFI would not *require* a broadcaster or platform guarantee in all cases but would expect some form of exhibition strategy from apllicants to the Fund. This would be in line with our flexible approach to making film investments whereby some projects are deemed innovative and interesting enough to be greenlit without a distribution partner in place.

We would, however, ensure that there was some weight given to an expression of broadcaster/platform interest in any decision-making process. Furthermore, we would add extra weight to a project which brought with it financial commitments from a suggested distributor or platform – this provides potential for the public Contestable Fund to leverage in contributions from other sources.

**5. (i) To what extent do you agree with the pilot administration model (figure 5)? (ii) If not what other options should be considered?**

The BFI broadly agrees with the Draft Objectives outlined in Figure 5. The BFI has established a rigorous model of making investments in talent development, single project and slate development, short form and feature film production, and investment in production companies. This approach matches the objectives of the proposed fund by:

* Developing high quality film projects
* Providing funding to projects which otherwise would not be made
* Ensuring that the funding is available to as many people as possible
* Ensuring that new voices and creators are given opportunities they would otherwise not get
* Specific objectives relating to diversity

Our funds are administered through an open access system, and decisions are made on a rolling basis by an editorial team judging applications against these stated objectives. We do also run a number of funding rounds which are opened and closed – particularly in relation to feature films for first time directors, documentary feature films, and our production company support model.

Our documentary funding calls on the additional expertise of respected industry figures outside the organisation.

We would need to recruit specific expertise in programme-making and commissioning to administer the Contestable Fund, and would ensure that the overheads for this work were not more than 10% of total awards, in-line with those for our Film Funding activity. The Fund would have the cost effective option to draw on existing BFI expertise from our diversity, finance, business affairs, marketing and communications, and evaluation and monitoring teams.

Our preference would be to create a discrete team alongside the existing BFI Film Fund to administer the Contestable Fund. This would be headed by a Senior Production Executive/Commissioner, reporting to the Director of the Film Fund and drawing on the expertise of the industry, and supported by a small support staff.

Our BFI 2022 Strategy also commits to supporting the growth and development of screen sector production away from London and the South East and to devolve up to 25% of our own production funding decisions to decision makers in the UK’s nations and regions. In line with the blueprint outlined in the Government’s Industrial Strategy Green Paper we could foresee the Contestable Fund acting as an institutional base around which a screen cluster could develop. As such, if we were to follow this route, we would anticipate working with local administration including LEPs and City Regional leadership to provide accommodation and administrative support for the Fund.

**6. To what extent do you agree that the BFI is a lead candidate to administer the fund?**

Whilst the BFI stands ready to administer the Contestable Fund we accept we are not able to provide a value judgement on this question.

As described above, we believe that our established approach towards investing public money in content and production company businesses matches the governance requirements of the fund.

We would however need to employ the expertise required to administer the fund, and would seek to ensure that the overheads for this work were in-line with those for our Film Fund activity. Alongside employment of Production Executives to administer the overall fund, we would anticipate the need for further resource within the BFI’s business affairs, diversity and Certification teams.

**7. Which of the following conditions do you think should be placed on successful funding awards:**

**a) The fund should require matched funding from broadcaster/platform or other commercial partners**

**b) The fund should be able to recoup up to the amount granted to a successful programme**

**c) The fund should grant money by way of an equity investment**

**d) Other, please specify**

All of the above.

An element of co-funding for a programme can be considered to be evidence of an interest from the community for that programme but match funding (which implies 50/50 funding) may be too severe.

In order to ensure compliance with competition law it may be necessary to ensure that the funding is recoupable from any revenues derived from the programme (as current state aid rules require that the amount of aid invested is the minimum amount necessary to realise the cultural product).

**8. Which of the following criteria should the fund consider in respect of judging bids for funding?**

**a) Quality**

**b) Innovation**

**c) Additionality**

**d) Nations and Regions**

**e) Diversity**

**f) New Voices**

**g) Other, please specify**

All of the above.

This mirrors our stated approach to our film investments which prioritises:

* Support during the early careers of ambitious filmmakers
* Support for films with a strong cultural or progressive impact
* Projects that take risks in form and content, where the commercial sector cannot
* Projects that recognize the quality of difference in perspective, talent and recruitment
* An increase in the number of active projects and filmmakers outside London and the South East

As noted in answer to Question 1, the BFI would seek to apply our own Diversity Standards to any funding awards meaning that options (d) and (e) are inherent in the conditionality of the Fund.

When considering weighting of other criteria the BFI – as potential administrator of the Fund – would seek to base it around the Reithian guiding principles of the BBC and other PSBs and seek to support programmes which *‘Educate, Entertain & Inform’.*

Beyond this the BFI would, in harness with the principles of our Film Fund and its focus on talent development and investing in the ‘future’ of British Film, seek to give primacy to projects helmed by new and emerging voices – especially those which seek to further the grammar of TV in new and innovative ways.

**9. How can “additionality” (i.e. ensuring the funding is not replicating funding that would otherwise have been available) best be assessed?**

The BFI Film Fund focusses on talent development, risk and original British storytelling to ensure that the film projects we support are those which would not be commissioned by a purely ‘market driven’ approach.

Our position as a ‘lender of last resort’ (even where we intervene to provide tacit backing for an underfunded project) means we can be certain that we are only supporting films which would not otherwise be made, or would otherwise be unduly compromised by commercial or financial limitations.

In relation to the Contestable Fund, ensuring that both innovation and a focus on ‘new voices’ are high in the mix when weighting criteria and assessing applications would, in our opinion, be the best way to ensure the highest degree of additionality.