

Our Second Three Year Plan



Funding and policy priorities
April 2004 to March 2007

UK FILM | COUNCIL

About the UK Film Council

The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are represented effectively at home and abroad.

Creativity

Encouraging the development of new talent, skills, creative and technological innovation in UK film and assisting new and established filmmakers to produce successful and distinctive British films.

Enterprise

Supporting the creation and growth of sustainable businesses in the film sector, providing access to finance and helping the UK film industry compete successfully in the domestic and global marketplace.

Imagination

Promoting learning and an appreciation and enjoyment of cinema by giving UK audiences access to the widest range of UK and international cinema, and by supporting film culture and heritage.

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Foreword



Film matters. It matters because it is both a powerful engine of the creative economy, and a form of cultural expression which reaches huge audiences and influences lives. Yet without a well-structured set of interventions by Government, the UK film sector cannot begin to realise its potential.

The UK Film Council was set up to provide a framework within which Government intervention can both assist the private sector and deliver real benefits to the public as citizens and consumers. The framework for the next period is set out here in *Our Second Three Year Plan* which in turn was informed by responses to *Three Years On*, our consultation paper published in October 2003.

Our Second Three Year Plan describes the confirmed funding and policy priorities for the UK Film Council. It identifies the issues which need to be addressed to help secure economic growth and a lively and strong film culture in the UK. At the forefront are fiscal policy, the relationship with broadcasters and anti-piracy measures. These issues are complemented by a second series of interventions, including promoting diversity and inclusion, strengthening skills development, reviewing co-production partnerships and the certification of British films, and helping to champion media literacy. Taken together the initiatives are designed to ensure that public policy for film really delivers maximum cultural and economic benefits to the UK as a whole.

We also set out here the proposed uses of our Lottery and grant-in-aid funding, in particular our new commitment to distribution and exhibition and our enhanced commitment to skills.

Over the next three years we will be operating within an environment in which public spending is subject to tight constraint and Lottery proceeds for film appear to be declining in real terms. However, we believe that our spending proposals are realistic. That said, no strategy however comprehensive can be set in stone; the UK Film Council Board will of course reserve the right to adapt its expenditure plans to the changing circumstances, fresh opportunities and inevitably, the latest threats which characterise the progress of the UK film sector.

These are among the challenges which will be taken up by the new Chair of the UK Film Council, Stewart Till. According to our consultation last year, the first UK Film Council three year plan was viewed as being overwhelmingly successful. In our second three years, we cannot afford to be complacent; rather, we want to build on these solid foundations with determination.

[John Woodward](#)
Chief Executive Officer

Executive summary

- 1 *Our Second Three Year Plan* sets out the UK Film Council's funding and policy priorities for the next three years.
- 2 The plan is based on discussion in early 2004 by the Board of the UK Film Council in the light of responses to the needs analysis and initial proposals set out in *Three Years On*.
- 3 Overall, the consultation demonstrated that most respondents were very positive about the UK Film Council, its funding and its policy priorities. The majority of the substantive issues and concerns raised related to questions about how in practice these priorities will be taken forward.
- 4 The effectiveness of our second three year plan will be monitored closely over the next three years by the Board of the UK Film Council and ultimately by the Department for Culture, Media and Sport (DCMS).
- 5 The following tables on pages 7 to 9 summarise our confirmed priorities for the next three years.

Vanity Fair, filming on location in Bath benefited the local economy.



Policy priorities	Goals
Fiscal support	To ensure effective long-term fiscal measures are in place to support the UK film industry and its culture
International	<ul style="list-style-type: none"> To modernise the UK's film co-production agreements To maximise inward investment by assisting the industry to strengthen the infrastructure for film To devise and implement a film export strategy To create opportunities for the UK film industry by building and strengthening relationships with the US industry To contribute to the effectiveness of European audiovisual policy
Anti-piracy	To help combat copyright theft and to assist the film industry to respond to changing market realities and consumer needs
Film and broadcasting	To ensure optimum fit between UK film policy and UK broadcasting policy
Diversity and inclusion	To help achieve a more diverse and inclusive workforce and film culture
Education and literacy	To ensure media literacy is a key component in the Government agenda for life-long learning
Digital technology	To help equip the film sector to harness the potential benefits of digital technology
Research and statistics	To gather and publish statistics and to devise, carry out and disseminate research that helps develop a competitive UK film industry and vibrant film culture

The 1951 film *Magic Box* was restored by the bfi's National Film and Television Archive for today's audiences.



Funding priorities	Goals	Funds per year
British Film Institute	To champion moving image culture in all its richness and diversity across the UK for the benefit of as wide an audience as possible, and to create and encourage debate	£16,000,000
Distribution and Exhibition	To offer a more diverse range of films to a broader UK audience	£8,000,000
Premiere Fund	To assist the production of British or European feature films that can attract audiences the world over	£8,000,000
Regional Investment Fund for England	To co-ordinate film policy and strategy across England	£7,500,000
Film Skills Fund	To ensure an adequate supply of skilled and talented professionals	£6,500,000
Lottery franchises	To conclude UK Film Council cash investment leading to the creation of three sustainable UK film companies	£5,566,000
New Cinema Fund	To support creativity, innovation, new talent and 'cutting edge' filmmaking	£5,000,000
Development Fund	To broaden the range and ambition of projects and talent being developed	£4,000,000
First Light	To offer children and young people the opportunity to participate in filmmaking	£1,000,000

The *bfi* is making cinema heritage available to audiences in new ways: Akira Kurosawa's *Rashomon* was released on DVD.



Funding priorities	Goals	Funds per year
Nations	To co-ordinate film policy and strategy UK-wide	£505,000
Sponsorship	To help promote targeted showcase film events	£400,000
Publications Fund	To improve the quality of discussion, information and debate about film	£100,000

Introduction

The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. Informed by the policy directions issued by the Secretary of State for Culture, Media and Sport and the Department's own overarching objectives, we invest Government grant-in-aid and Lottery money in: development and production; helping UK film compete successfully in the global market; distribution and exhibition; training and skills; life-long learning; and cinema heritage. By film, we usually mean film and other moving image media.

In October 2003, we published *Three Years On – A consultation on our funding and policy priorities April 2004 to March 2007*. In it we explained the reasons for setting up the UK Film Council in April 2000 and laid out what had been achieved at the end of our first three years. Based on an analysis of the challenges and opportunities facing film in the UK, and mindful of the needs of UK citizens, consumers and businesses, *Three Years On* proposed a set of costed funding and policy priorities and tested these proposals with key stakeholders and partners over a three month period.

A digest of consultation responses follows. DCMS strategic priorities and our Lottery policy directions are given in appendices vi and vii.

Digest of consultation responses

Background

Below are summarised the responses to *Three Years On: A consultation on our funding and policy priorities April 2004 to March 2007*.

In total we received thirty written responses to this consultation, in addition to which a number of informal meetings were held with various organisations and stakeholders to discuss specific issues. This summary does not comprise a detailed analysis of the responses received, rather it draws out the key points raised. A full list of respondents is given in appendix iv.

Three Years On was published at the start of October 2003. Although on request it was subsequently extended, the official closing date for

the consultation was 9 January 2004. The consultation paper was published both in hard copy form and as a downloadable document on the UK Film Council website, on which there was also a downloadable questionnaire to facilitate the process of responding. *Three Years On* was downloaded 290 times and the questionnaire was downloaded a total of 60 times.

Over 1,100 hard copies of *Three Years On* were distributed. We aimed to be as inclusive as possible, and so recipients ranged from production companies to film schools, arts organisations, trade unions, voluntary sector organisations, local authorities, training providers, distributors, exhibitors, public funding bodies, sales agents, trade bodies, facilities and services

companies, Government agencies and Lottery distributors, amongst others.

In addition, the nine English Regional Screen Agencies actively publicised the consultation.

What we found out is organised under the six UK Film Council core values around which the consultation questions were structured.

It should be remembered that all of the proposed funding priorities had separately been informed by earlier and detailed consultation exercises, and so the Council was particularly interested in using this consultation to hear views on how it is working, and how it should be working.



Respiro, an Italian film that reached more audiences through the UK Film Council's Specialised Print and Advertising Fund.

What we found out

Advocacy

Overall, respondents complimented the UK Film Council for its leadership. One respondent commended the Council for having demonstrated for the first time that the many separate components of the UK film industry were actually all parts of a whole.

In general, the UK Film Council's policy priorities as laid out in *Three Years On* were welcomed, particularly with the new focus on distribution and exhibition, diversity and inclusion, film and broadcasting, anti-piracy and skills training. Further to these priorities, numerous respondents proposed others for consideration. These included:

- Building support for increased investment in the UK film industry from commercial and Government sources, as well as harnessing more effectively regional and especially local authority sources of funding;
- A more proactive engagement with the European market on a region by region and nation by nation basis;
- Archive access and digitisation, and film-related scholarship;
- The introduction of a new version of the Eady Levy;
- The maintenance and expansion of the film society movement in order to underpin the specialised distribution and exhibition strategy.

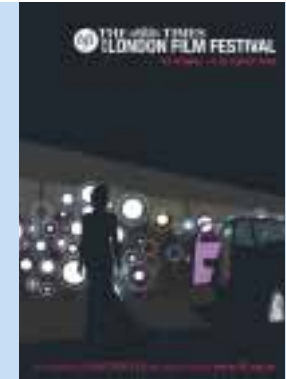
The UK Film Council's commitment to providing up-to-date information about the performance of the film industry and the cultural sector was also welcomed.

Partnerships

Some respondents took the opportunity to note the excellent working relationships they enjoyed with the UK Film Council. However, the general view of respondents was that the Council should do more to form new partnerships and acknowledge and build on existing ones.

In particular, it was thought that the Council needed to give greater recognition to the role played by the nine Regional Screen Agencies (RSAs) in delivering the Council's policy priorities in

The Times *bfi* 47th London Film Festival brings international cinema to UK audiences.



England and that the Council needed to redress the balance in its policy initiatives between London and the regions.

Views on the relationship between the UK Film Council and the *bfi* were mixed. At one end of the scale, it was suggested that the Council and the *bfi* should merge, and that the *bfi* National Film Theatre, and the publishing and distribution arms of the *bfi* should be privatised. At the other end, there was a call for the safeguarding of the *bfi*'s autonomy. The majority of respondents did however agree on one thing – that the role and responsibilities of the *bfi* needed urgent clarification, not just in relation to the UK Film Council but also to the Institute's users, partners

and stakeholders throughout the UK. The outcome of the strategic review of the *bfi* was consequently eagerly anticipated. This is included as appendix v.

Respondents welcomed the UK Film Council's commitment to working with DCMS to address the existing problems within the international co-production framework, and proposed a variety of approaches and solutions.

Economy

Some respondents stated that while the UK Film Council was making optimal use of limited funding, its key priority should be to build a case for an increase in funding from Government.

The Council's new focus on distribution and exhibition was widely endorsed by respondents, who welcomed the goal to ensure a broader and more diverse range of films is available to audiences throughout the UK. There was however some concern expressed that investment in the Digital Screen Network would be at the expense of potential capital investment in existing independent cinemas.

A variety of proposals were made regarding ways in which to improve the UK production sector and the stewardship of Lottery funding by the UK Film Council production funds. Proposals ranged from running the funds at arms' length from the Council through to clarifying the policy regarding the



Touching the Void, the most successful documentary to be made and released in the UK, was co-funded by the New Cinema Fund.

tenure of heads of the funds. It was also suggested that the Council should be more flexible in agreeing financing and recoupment structures with other financiers and that the production funds should prioritise the relationship with the producer.

With regard to the Development Fund, a call was made for analysis of how well it has performed against its objectives, and it was proposed that the Council should introduce minimum levels of producer development fees particularly for viable start-up companies. The same respondent suggested that the Council should rank producers making 'British Qualifying Films' based on a number of proportionate measures – this ranking could be used to inform the awards the fund made.

There were no responses concerning the balance of the UK Film Council's work in the UK and its work in Europe and internationally. Instead, responses focused on how the Council's work in each area might be enhanced.

Concerning the allocation of funding to production on one hand and distribution and exhibition on the other, the consensus was that there was an imbalance in favour of production. It was noted that if tax incentives are taken into account, the Government spends hundreds of millions of pounds on film production, throwing the imbalance between production and distribution and exhibition into even sharper relief. Others called for specific initiatives with regard to distribution and exhibition, for example national booking schemes and

programme support, and a more 'invasive' approach to getting UK films into the US market.

Resounding support was given to the Specialised Prints and Advertising Fund, with a call for it to receive a higher proportion of UK Film Council funding.

Diversity and inclusion

The UK Film Council's more recent focus on diversity was welcomed universally. Reading the summarised description of the strategy as laid out in *Three Years On*, which was published before the Council's diversity strategy *Success through diversity and inclusion*, inevitably a number of respondents felt that the strategy could be more ambitious and detailed. Clarification was called for



Bullet Boy, a new British feature co-funded by the New Cinema Fund, BBC Films and BBC2.

on how the objectives would be met, the roles and objectives of partners, and the processes by which the strategy would be monitored. Some specific initiatives were called for including:

- To ensure that more cinemas have the ability to screen films with soft-subtitling and that such subtitled films are screened throughout the week as well as at the weekend;
- To ensure that blind and partially-sighted filmmakers of all ages and at all stages in their careers have relevant support and access to training, and that blind and partially-sighted children have equal access to film education opportunities;
- To help sustain and improve opportunity for young people and create real and connected

training opportunities into young adulthood.

It was suggested that the term 'diversity' as used in *Three Years On* was overly narrow. It referred to equality of opportunity, whereas in other sectors including broadcasting, diversity also referred to artistic diversity and diversity of content.

Respondents from the English regions made the point that communities in remote rural areas were disconnected from anything the UK Film Council has to offer. They suggested that diversity and inclusion was not simply about ethnicity, but must embrace geographical diversity, and that the Council should recognise that each region has its own particular diversity and inclusion needs. Three sections of the community were also identified as

potentially not benefiting from or not being given access to the UK Film Council: those with little formal education; latecomers to the film job market; and low income groups.

Excellence and innovation

The UK Film Council's involvement in stimulating the creation of a UK-wide media literacy strategy was widely supported, and stakeholder respondents expressed an enthusiasm to be involved with its development. The overall view of the respondents was that in more generally promoting public enjoyment and understanding of cinema the Council could do much more, in three main areas: cinema exhibition; audience development; and education of young people.



Support from the UK Film Council's Specialised Print and Advertising Fund helped *The Station Agent* reach a wider audience in the UK.

Numerous respondents stated that any effective film education and/or media literacy strategy would have to be underpinned by support from the exhibition sector – consequently there was a call for a clarification of the role of education in the Distribution and Exhibition strategy.

In order to achieve its core aim to promote the widest possible enjoyment and understanding of cinema throughout the nations and regions of the UK, it was proposed by several respondents that the Council must do more to support audience development. This was viewed to be a responsibility of the Distribution and Exhibition department – in close collaboration with partners including the RSAs and the *bfi* – and key to the success of that department's strategy.

To produce cine-literate citizens, respondents believed that high quality film education had to be offered as part of young people's core curriculum, with appropriate resources made available. It was viewed to be an urgent priority for the Council to support the case for changes to be made to Key Stages Three and Four of the National Curriculum to this end. Overall, respondents concurred that the only way that the Council would be able to succeed in its education and literacy strategy would be in close partnership with organisations such as the *bfi*, Film Education and First Light.

The film skills strategy, *A Bigger Future*, was welcomed by respondents as evidence of a new focus by the UK Film Council on the importance of developing a skilled and talented workforce.

Respondents commented on the importance of practical experience for students to reinforce theory. Others agreed that the UK Film Council must more clearly acknowledge in its strategy the interrelationship between film, television, advertising and the broader media sector which drives talent development.

Responses to the question regarding the role the UK Film Council should play in relation to digital technologies were polarised. Some respondents called for urgent direct intervention in response to the digital revolution. Others suggested that the Council should simply monitor developments and make judicious interventions when necessary, otherwise providing an information service to the industry. In developing its strategy, some

Wasp, a short film supported by a joint New Cinema Fund and FilmFour scheme to encourage innovative filmmaking.



respondents advised the Council not to see digital technologies as ends in themselves, and not to expect a 'one size fits all' solution to be effective in such a rapidly developing and fluid area.

In terms of promoting creativity, some respondents thought that the Council should support non-mainstream, avant-garde filmmakers who want to experiment with cinematic form, as these were not adequately catered for by any of the existing funds, including the New Cinema Fund.

Openness, transparency and accessibility

Suggestions for other initiatives which could help the UK Film Council deliver its objectives better included:

- Consulting more widely with key stakeholders at the first stages in the development of any new strategy;
- Creating a clearly defined strategy of collaboration at national level with organisations like Business Link and the Learning Skills Council in order to ensure that duplication of effort is not occurring;
- Producing a clearer definition of the UK film industries' value chain in order to identify where interventions are necessary;
- Improving access for new entrants into the film industry and ensuring a steady flow of new young producers;
- Undertaking research on the competitiveness of

UK films in an exercise to identify whether they satisfy market need.

Regarding the openness and transparency of the UK Film Council, the overall view was that the Council was in general open and accessible, however, respondents made suggestions for how the Council's transparency and accessibility might be improved including:

- To give key partners a greater role in developing policy;
- To make available monitoring and evaluation data;
- To be more transparent regarding the appointment of Board members.



Introducing younger audiences to the wonder of cinema.

Our response

Following the consultation, here is how our departments have responded.

Chief Executive's office

Currently in place or progressing:

- Discussions with various Government departments and other public sector partners regarding increased support for film;
- An implementation plan to assist the *bfi* carry forward the recommendations of its strategic review;
- Consideration of the operational priorities of the Film Skills Strategy.

We will also:

- Review the allocation of all UK Film Council resources against funding priorities ahead of our third three year plan;
- Make a statement on the tenure of heads of the funds in 2004.

Diversity

Currently in place or progressing:

- A comprehensive diversity strategy, *Success through Diversity and Inclusion*, which details proposals for achieving a more diverse industry workforce, for ensuring access to film culture for a wider range of social and cultural backgrounds and for improving our own organisation's commitment and delivery on equality and diversity issues;

- A forum, Leadership on Diversity, of senior representatives from the industry's trade associations, guilds, unions and key employers, which is now developing proposals for industry standards on equality and diversity issues in terms of access, employment, content and portrayal.

We will also:

- Improve access to cinema screens by part-funding the cost of soft-subtitling and audio description;
- Ensure that the Film Skills Fund promotes fair access to training and career opportunities;
- Expect all English Regional Screen Agencies to develop and publish diversity strategies to underpin their work.



The Boy who plays on the Buddhas of Bamiyan was supported by Screen South, one of the English Regional Screen Agencies.

Strategic Development

Currently in place or progressing:

- Reconsideration of our digital priorities, bearing in mind that whilst these are being delivered through the Digital Screen Network and the New Cinema Fund's Digital Shorts, digital is set to transform radically traditional business models;
- Plans to 'join-up' research into the audiovisual sector and to enhance the breadth of available research and statistics.

Strategic Partnerships

Currently in place or progressing:

- Discussions with the *bfi*, the HLF and the FAF regarding archive access, digitisation and film-related scholarship;

- Strategies to secure a more proactive engagement with Europe on a region by region and nation by nation basis.

International

Currently in place or progressing:

- Measures to support UK Post, a new trade association representing the post-production and special effects industry;
- Consideration of issues raised regarding the review of co-production. These include the possible transfer of the certification function undertaken by the DCMS to the UK Film Council.

We will also:

- Review export priorities and possible new

support measures as part of the work of the DCMS Creative Industries Export Group.

Distribution and Exhibition

Currently in place or progressing:

- Discussions with film societies and others regarding the role of the film societies movement;
- A commitment to review the capital needs of cinema exhibition more generally;
- Research to better understand consumer motivations.

We will also:

- Announce the priorities for Distribution and Exhibition's education and audience development funding later in 2004;



Filming *A Way of Life*, a new feature set in Wales supported by the New Cinema Fund, Arts Council of Wales and ITV Wales.

- Review all Distribution and Exhibition funds ahead of our third three year plan.

Development Fund

Currently in place or progressing:

- Enhanced measures to support companies through a new Development Slate Fund strand to create sustainable partnerships between producers, sales companies and distributors.

New Cinema Fund

- Discussions with ACE regarding possible new support measures for avant-garde or artist film and video makers.

Premiere Fund, New Cinema Fund and Business Affairs

- Changes in funding guidelines to ensure all UK producers have the opportunity to receive the 'first dollar' 5% of money recouped from production funding by the UK Film Council (excluding net profits) to be used on the producer's training and development activities.
- A review with stakeholder partners of documentation in order to try to reduce and simplify transactions.

Monitoring

- Ensure robust monitoring and evaluation to assess the impact of *Success through Diversity and Inclusion*.

Across the UK Film Council

We will:

- Work harder to be more visible to and understand the specific needs of the UK's nations and regions;
- Signal more clearly the importance of our key partnerships and work harder to make those partnerships effective.

However, we will not:

- Consider a new version of the Eady Levy as this is at odds with the stated policy of the UK Government;
- Outsource our Development or Premiere and New Cinema funds, but this will be kept under review by the Board of the UK Film Council.

Ladies in Lavender, co-funded by the UK Film Council's Premiere Fund.



Summary

Overall, respondents were very positive about the UK Film Council, its funding and its policy priorities. In particular, strong endorsement was received for the Council's:

- New focus on distribution and exhibition;
- Preparedness to tackle the really tough policy challenges;
- Emerging portfolio of authoritative research and statistics.

Policy priorities

In March 2004, informed by consultation responses, the UK Film Council Board confirmed eight policy priorities for the next three years with associated goals, targets, activities and lead departments, namely:

- Fiscal support;
- International;
- Anti-piracy;
- Film and broadcasting;
- Diversity and inclusion;
- Education and literacy;
- Digital technology;
- Research and statistics.

These are summarised as follows:

Priority one – Fiscal support

Goal

To ensure effective long-term fiscal measures are in place to support the UK film industry and its culture

Target

To have a new tax incentive in place by June 2005 replacing Section 48

Principal activities

- Assist in the design of a tax incentive for UK film
- Build a case for a fiscal incentive to stimulate the distribution of British and European films
- Act as a conduit between Government and industry

Other key activities

- Assist government monitor and evaluate the impact of the new incentive and Section 42

relief, and consider the impacts of other tax mechanisms being utilised by the film industry

- With DCMS put in place a mechanism to help ensure industry practice and Government tax policy are properly aligned.

Led by

Strategic Development

Priority two – International

Goal

Work with the DCMS to modernise the UK's film co-production agreements

Target

To put a new policy framework in place by June 2005

UK digital effects expertise was showcased to audiences worldwide in the UK's biggest co-production, *Troy*.



Principal activities

- Propose a clear policy framework for the UK's international co-production activity
- Evaluate fully the cultural and economic benefits of all the UK's existing international co-production treaties
- Make recommendations for new treaties
- Help review and make recommendations for the revision of the current legislative definition of a 'British Qualifying Film'
- Review the current operation of the system whereby films are certified as British

Led by

International

Goal

To maximise inward investment by assisting the industry to strengthen the infrastructure for film

Target

2004	£283 million
2005	£311 million
2006	£327 million
2007	£346 million
2008	£346 million

Principal activities

Inward investment

- Promote the UK
- Identify possible projects for the UK
- Ensure productions receive bespoke support across the production process
- Assist in the continued development of the UK's talent and technicians

- Support work to establish and maintain the UK's cost-competitiveness
- Disseminate information on current market trends through information and research
- Inform Government of fiscal and regulatory issues
- Support national and regional screen agencies

Production infrastructure

- Ensure UK film infrastructure remains competitive
- Host an annual production conference
- Support the Production Guild of Great Britain
- Create a trade body for the sector



Speedmatching at Berlinale Talent Campus, an international training initiative supported by the UK Film Council for emerging filmmakers.

- Support ‘Showcase’, the planned production infrastructure event in Los Angeles in November 2004

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International

Goal
To devise and implement a film export strategy

Target

- To encourage a joined-up UK-wide commercial export promotion strategy across industry, Government and public sector film agencies
- To help position the UK as the European centre for global film activity across all sectors

Principal activities

- Connect UK producers and exporters to finance within the key export promotion territories
- Create co-distribution agreements that support the distribution of UK films and reciprocal arrangements
- Provide networking opportunities, access market information and support attendance at international sales markets and festivals

Led by
International

Goal
To create opportunities for the UK film industry by building and strengthening relationships with the US industry

Target
To deliver UK Film Council’s policies in the US and service the US industry for UK film

Principal activities

- Raise the profile of UK film, talent and culture in the US
- Support the development of new UK filmmakers so that distinctive UK films are made and audiences found
- Support training opportunities across the value chain to help create a world-class UK film industry

Lila Says, a UK/France co-production supported by the New Cinema Fund.



Other key activities

- Support the promotion of the UK as the world's second production base after the US
- Deliver UK Film Council objectives in the US by identifying key contacts and establishing new and maintaining existing relationships

Led by

UK Film Council US

Goal

To contribute to the effectiveness of European audiovisual policy

Target

To achieve the objectives set out in our published Stage Two European strategy

Principal activities

Regulatory and legal

- Contribute to the case for carrying over the Nice Treaty provisions on audiovisual to the new EU Constitution
- Help to maintain the current EU GATS position not to negotiate undertakings for the audiovisual sector
- Track UNESCO's proposals for a cultural diversity instrument
- Continue to make the case to maintain a favourable state aids regime
- Work to ensure the EC has an IP regime equipped to support film in the UK
- Research the potential impact of adopting the euro on film in the UK

- Track Television Without Frontiers and work to achieve a positive outcome for film

Multilateral

- Contribute to the European Film Agency Directors group
- Assist Government preparations for the UK's EU presidency in 2005
- Add value to the European dimension of our strategic partners' activities (eg *bfi*, Skillset, the RSAs)

MEDIA Plus

- Ensure complementarity of the new generation of the MEDIA Programme post-2006 with UK Film Council and Government objectives
- Through the UK MEDIA Desk, provide information and advice to UK professionals



Gurinder Chadha, one of the UK's leading writer/directors, behind the camera on her film *Bend it like Beckham*.

- Through the UK MEDIA Desk, secure maximum benefit from the MEDIA Programme to UK professionals in training, development, distribution and promotion

Led by

Strategic Development

Priority three – Anti-piracy

Goal

To help combat copyright theft and to assist the film industry to respond to changing market realities and consumer expectations

Target

To put in place an effective anti-piracy strategy for film in the UK

Principal activities

- Through the UK Film Council Anti-piracy Task Force, to assist in the development and implementation of a strategy to tackle and mitigate the effects of piracy on film in the UK
- Through the Creative Industries Forum on Intellectual Property, work with Government to develop appropriate legislation building on relevant recommendations of the Anti-piracy Task Force
- Test feasibility of hosting an anti-piracy summit as part of the UK's presidency of the EU
- Input into relevant EU legislation to ensure an IP regime consonant with UK film policy

Led by

Strategic Development

Priority four – Film and broadcasting

Goal

To ensure optimum fit between UK film policy and UK broadcasting policy

Target

To secure robust commitments to film from the BBC, ITV, Channel 4, S4C, Five and Sky

Principal activities

- Provide compelling evidence to Ofcom to advance the case for film
- Encourage UK broadcasters to actively contribute to the full range of UK film
- Encourage pay-TV services to agree and implement a mechanism for extracting better value for films acquired by UK independent distributors



The UK Film Council's New Cinema Fund encourages innovative and diverse filmmaking, for example, *One Love*.

- Help ensure that film is addressed positively in the new BBC Charter
- Research the feasibility of a 'free-to-air' and/or 'basic tier' specialised film channel and the potential to develop a UK-based Video-on-Demand service

Led by

Strategic Development

Priority five – Diversity and inclusion

Goal

To help achieve a more diverse and inclusive workforce and film culture

Target

To mainstream diversity and inclusion across all UK Film Council activities

Principal activities

- Develop and implement the UK Film Council's diversity and inclusion strategy
- Co-ordinate and add value to the diversity and inclusion work of other UK Film Council departments
- Deliver advice and support to our key funded partners – the *bfi*, National Screen Agencies,

RSAs and Skillset – to embed UK-wide diversity strategies for film

- Advise and support the Leadership on Diversity group of industry trade associations, guilds, employers' representatives and unions and ensure delivery of Equality Standard and action plans
- Advise and support individuals and companies
- Ensure implementation of the UK Film Council's employment commitments arising from the diversity strategy

Other key activities

- Identify ways to ensure that the new tax incentive includes diversity and inclusion obligations
- Ensure slate-funded companies demonstrate their commitment to supporting diversity and inclusion through our assessment and selection procedures

- Ensure that our web presence, printed materials and other forms of communications are accessible

Led by
Diversity

Priority six – Education and literacy

Goal

To ensure media literacy is a key component in the Government agenda for life-long learning

Target

To develop and implement in partnership with key stakeholders a joined-up and effective UK-wide media literacy strategy in which film and the moving image play a prominent part

Principal activities

- Establish a Media Literacy Task Force
- Agree terms of reference
- Identify principal partners
- Agree and implement work packages

Led by
Strategic Development

Priority seven – Digital technology

Goal

To help harness the potential benefits of digital technology for UK film

Target

To mainstream digital across all UK Film Council activities

Principal activities

- Diversity, Digital, Access Day Conference
- Complete series of Stage Two 'Digital Futures' seminars
- Contribute to the work of the European Digital Cinema Forum
- Contribute to the DCMS/DTI Digital Committee
- Manage delivery of modular cinemas research

Led by
Strategic Development

Young people displaying their media literacy to Culture Secretary, Tessa Jowell.



Priority eight – Research and statistics

Goal

To gather and publish statistics and to devise, carry out and disseminate research that helps develop a competitive UK film industry and vibrant film culture

Target

To ensure evidence-based policy

Principal activities

Data collection and analysis

- Collection, analysis and interpretation of up-to-date data on film in the UK and internationally

Undertaking research

- Devise and carry out research to inform and underpin the development of UK Film Council strategy

Disseminating research and statistics

- Dissemination of research and statistics to stakeholders including Government, industry, the wider film and research communities, the media and the public

Working with stakeholders

- Development and maintenance of strong links and effective working relationships with UK and international partners

Led by

Strategic Development (Research and Statistics Unit)

Many of our policy partners on whose help our success is dependent are shown in appendix ii.

Funding priorities

The rationale for public funding of film rests on the need to address market failure. First, to achieve positive outcomes that the market alone will under-provide, such as the fostering of UK film culture. Second, to address features of the film market that diverge from the model of a well-functioning competitive market.

To complement our policy priorities, the UK Film Council Board confirmed twelve funding priorities for the next three years with associated goals, targets, activities and lead departments, namely:

- Development Fund;
- Premiere Fund;
- New Cinema Fund;
- Lottery franchises;
- Nations;
- Regional Investment Fund for England;
- First Light;
- Publications Fund;
- Sponsorship;
- Film Skills Fund;
- Distribution and Exhibition;
- British Film Institute.

These funds are summarised here:

Priority one – Development Fund

Goal

To broaden the range and ambition of projects and talent being developed

Target

To set slate funding agreements in place with up to eight companies and move 10-15% of projects towards production per annum

Principal activities

Manage, receive, assess and recommend projects for:

- Slate funding
- Single project funding
 - With industry partners
 - Direct funding of top level talent
 - Seed funding

Robert Altman's *Gosford Park*, co-funded by the Premiere Fund, has been a success worldwide.



- 25 Words or Less Writers Scheme
- Partnership with Film Skills Fund for screenwriting training
- Regional Writers Scheme linked to NCF short film programme

Priority two – Premiere Fund

Goal

To assist the production of British or European feature films that can attract audiences the world over

Target

To invest in a minimum of five feature films per annum

Principal activities

- Manage, receive, assess and recommend projects for funding
- Assist in the development, financing, production and distribution of projects selected for funding

Other key activities

- Oversee the progress of the *Relph Report* working group
- Liaise with the Skillset Guiding Lights mentor programme
- Establish closer links with Regional Screen Agencies

Priority three – New Cinema Fund

Goal

To support creativity, innovation, new talent and 'cutting edge' filmmaking

Target

To fund each year up to ten feature films, including three films directed by first time feature directors partly through a low budget slate, one to two feature documentaries, seven pilots and approximately 100 short films from a diverse range of filmmakers

Principal activities

- Manage, receive, assess and recommend projects for funding:
 - Features
 - Documentaries
 - Shorts

- Co-finance feature films from a diverse range of filmmakers which will be screened widely in the UK and beyond and attract and challenge audiences
- Co-finance and promote world class documentaries through the World Documentary Fund
- Maximise participation of a diverse range of filmmakers and audiences across the UK
- Support and nurture new talent through the:
 - Digital Shorts Scheme and other NCF shorts schemes (Cinema Extreme, Completion Fund)
 - NCF/BBC slate deal and through investigating similar models
 - Co-finance a scheme for longer-form shorts

Other key activities

- Provide training to the widest possible number of short filmmakers across the UK, in particular increasing opportunities for black and Asian filmmakers

Priority four – Lottery franchises

Goal

To conclude UK Film Council investment leading to the creation of three sustainable UK film companies

Target

To invest in UK feature films

Principal activities

- Manage, receive, assess and recommend projects for funding

- Assist in the development, financing, production and distribution of projects selected for funding

Delivered by

Lottery franchises (Pathé, The Film Consortium, DNA)

Oversight by

Production Finance and Business Affairs

Priority five – Nations

Goal

To co-ordinate film policy and strategy UK-wide

Target

To deliver a shared strategy between UK Film Council and the National Screen Agencies

Seafood funded by Film London, one of the English Regional Screen Agencies which supports local creativity and innovation.



Principal activities

- Build a vibrant and sustainable film industry and a film culture which reaches across the UK and impacts internationally

Delivered by

Scottish Screen, Sgrîn Cymru Wales, NIFTC

Oversight by

Strategic Partnerships

Priority six – Regional Investment Fund for England

Goal

To co-ordinate film policy and strategy across England

Target

To deliver a shared strategy between UK Film Council and the RSAs

Principal activities

- Receive, assess and award projects for funding
- Provide a focus upon modernising delivery in order to achieve excellence and value for money

Delivered by

English Regional Screen Agencies

Oversight by

Strategic Partnerships

Priority seven – First Light

Goal

To offer children and young people the opportunity to participate in filmmaking

Targets

To increase the number of films made by young people

To enhance opportunity for young people from disadvantaged backgrounds

To improve the quality and diversity of films made

To develop the filmmaking abilities of organisations and facilitators

To increase opportunities for access to, and the distribution and exhibition of, the films made

Rock to Fakie, the UK Film Council's First Light Scheme encourages children and young people to learn about filmmaking.



To demonstrate that filmmaking can be a beneficial part of young people's creative education and social engagement

To improve the connection between the film industry and community and education filmmaking

Principal activities

- Receive, assess and recommend projects for funding
- Develop First Light as a champion and catalyst for young filmmakers and a key partner in delivering the UK Film Council's diversity and inclusion objectives

Delivered by
Hi8us First Light

Oversight by
Strategic Partnerships

Priority eight – Publications Fund

Goal
To improve the quality of discussion, information and debate about film

Target
To make at least six awards in year one

Principal activities

- Support publications which aim to educate and inform the UK public, groups and businesses
- Support publications which provide and aim to expand an independent forum for debate about film
- Develop the mid/long-term sustainability of selected publications
- Review the fund in year two

Delivered by
Strategic Partnerships

Priority nine – Sponsorship

Goal
To help promote targeted showcase events

Target
To create opportunities or secure involvement in initiatives which support UK Film Council objectives

Principal activities

- International profile showcase for documentary filmmakers through the Grierson Trust and new industry partnerships and platforms
- Audience and industry access to new filmmaking talent via shorts film showcasing
- European activity to strengthen promotion and development of UK talent
- Support for organisations providing key services to core audiences

Construction of 'Hagrid's Hut' in Scotland for Harry Potter and the Prisoner of Azkaban.



Delivered by
Communications

Priority ten – Film Skills Fund

Goal

To ensure an adequate supply of skilled and talented professionals

Targets

To develop and deliver an expert film-specific network of careers information, advice and guidance throughout the UK

To implement an integrated approach to skills provision which assesses and calibrates demand from the industry for specific skills and will match that demand through further, higher and post-graduate provision

To establish a focused network of screen academies recognised to provide a mix of creative and commercial skills needed by the UK film industry

To set up complementary programmes to develop skills and talent of employees, employers, freelancers and new entrants already working in the industry and film companies

Principal activities

- Establish and operate the new Film Skills Fund
- Ensure that the UK Film Council's objectives and those of the Film Skills Fund are fully aligned
- Ensure that Skillset delivers value for money with the support of public funds

Delivered by
Skillset – Film Skills Fund

Oversight by
Strategic Partnerships

Priority eleven – Distribution and Exhibition

Goal

To offer a more diverse range of films to a broader UK audience

Targets

To support and strengthen the distribution and exhibition of specialised films in the UK

To exploit the potential offered by the latest digital technology for the wider exploitation of specialised films

Storytelling, a bfi initiative for young people to learn more about film.



To implement a programme of work in support of voluntary film exhibition, including research, library and information services, membership services, publishing and funding

To promote audience development activities and to assist a wider awareness of educational activities with key partners

To work with International in the promotion of UK films abroad and reciprocal promotion of international films within the UK

To work with regional, national and UK-wide partners in distributing a wider range of films, including local and national archive material

To research cinema audiences and develop appropriate industry data that can be disseminated to the distribution and exhibition sectors

To examine skills issues in the sector especially where they relate to digital and new technologies

Principal activities

- Manage, receive, assess and recommend projects for funding, for the:
 - Specialised Print and Advertising Fund
 - Digital Screen Network and digitisation of 35mm prints
 - Audience development (education) funding strand
 - UK Film Distribution Programme
 - Cinema Access Programme

Other key activities

- Oversee CMA/AIM partnership

Priority twelve – British Film Institute

Goal

To champion moving image culture in all its richness and diversity across the UK for the benefit of as wide an audience as possible, and to create and encourage debate

Target

To assist the *bfi* implement the recommendations of its 2003/04 strategic review

Principal activities

- Develop opportunities for all UK citizens to engage with film and TV heritage and culture
- Influence the international agenda by providing a focus for the diversity of UK film and TV culture

The *bfi*'s National Film and Television Archive restores films for future audiences to enjoy.



- Maximise cultural objectives and achieve best value to the taxpayer by harnessing and pursuing all appropriate commercial opportunities
- Create a well-managed, customer-focused, efficient organisation that is financially stable

Delivered by

bfi

Oversight by

Strategic Partnerships

Many of our funding partners on whose involvement our success is dependent are named in appendix ii.

Operational priorities

The following departments will support and underpin the delivery of our funding and policy priorities over the next three years:

Business Affairs

Principal activities

- Provide advice and support to each of the UK Film Council Lottery funds and negotiate and document all contractual arrangements with third parties regarding Lottery funding
- Provide advice and support for other UK Film Council-led initiatives on business and legal matters
- Monitor the performance of the three Lottery franchises including managing the investment of UK Film Council Lottery funding on individual projects

Resources

Principal activities

Corporate finance

- Income and expenditure control
- Fiscal and treasury management
- Internal and external management and statutory reporting
- Risk management
- Corporate governance

Production finance

- Financial assessment and recording of awards
- Advice on deal structures and negotiations, control of award expenditure by applicants
- Maximisation of returns from UK Film Council's

portfolio of rights

- Reporting fund performance
- Development of third party funding to partner the Premiere Fund
- Assess need for a Creative Industries Bank using EIB structures and for the feasibility of a pre-production investment fund with those UK broadcasters investing in film

Human resources and facilities

- Personnel policies and practices
- Health and Safety
- Broad policy changes and specific initiatives from the Cabinet Office as part of Government's drive to modernise workforce pay and practices

Bend it like Beckham, which was supported by the UK Film Council, created new stars with its two lead characters.



- Compliance with UK Government and EU procurement procedures

- Estate management

Information technology

- IT infrastructure and software

Monitoring

- Performance reporting to DCMS
- Monitoring and performance framework for all UK Film Council and partner organisation activities
- Corporate business plan and operational plan

Communications

Principal activities

- Maintain a strong UK Film Council corporate identity
- Deliver effective film industry communications
- Deliver effective 'UK Film Council family' communications
- Deliver an effective public affairs programme
- Deliver effective media communications
- Deliver effective internal communications

Inevitably, over the next three years new and unforeseen priorities will emerge, but at this point in time we believe the funding and policy priorities detailed above, if and when prosecuted successfully, will significantly improve the quality, range and competitiveness of film in the UK.

That said, given the extremely tight constraint on UK Film Council finances, it is likely that our funding priorities will enjoy little flexibility over the next three years. As a consequence, close monitoring and evaluation will be paramount over the period for us and our stakeholders.

Risks

The vitality of film in the UK over the period of this plan will depend on numerous linked factors, all of which are being actively managed or influenced by UK Film Council. For example in fiscal policy, Government agreement is needed on the detail of a new tax incentive, to operate as a successor to Section 48 from mid-2005, for both film production and distribution.

In Europe, advocacy is needed to ensure continuance of state aid derogations beyond June 2007. Inward investment activity faces competition from territories offering lower costs of production and increasingly sophisticated workforce expertise. At the same time the strength of sterling against the US dollar could undermine the UK's competitive advantage in its key source of inward

investment, the USA. The recent steps taken by Government to rebalance the trading position with the UK's key partners within the current co-production agreements may also strain relationships. However, renegotiation of these agreements within a principled economic and cultural rationale should mitigate this risk in the longer term.

The cultural arguments for support of film need strengthened advocacy, but this could be undermined by a failure to achieve planned outcomes. These range from the media literacy agenda at the heart of the reform programme within the *bfi*, through support for specialised film for a more diverse and inclusive audience, to enabling national and regional partners to deliver UK-wide strategies.

At an operational level, the major risk is the adequacy of available funding for the Council to maintain activity over the next three years. Grant-in-aid is static in the current Government spending round and even an inflationary increase will be difficult to secure. Although National Lottery income has recently stabilised, further Lottery 'fatigue' is likely, with the prospect of further reductions from the introduction of a dedicated Olympic Lottery game. In addition, recovery of funding from previous feature film awards ('recoupment income') is included in income projections. This approximates to 13% of the Council's income and its achievement depends on astute financial assessment in making award decisions.

Measures of success

Our Second Three Year Plan sets out the detailed funding and policy priorities of the UK Film Council, and describes both the activities which we will undertake to realise our goals and the risks which we face.

The plan includes a series of goals and targets and as part of our activities we will measure the impact of our work. This will be undertaken by providing robust and reliable evidence collected using standard methodologies within a coherent framework. This evidence will enable comparative assessments of value for money and the identification of good practice and continuous improvement.

This will be achieved by:

- Further developing the performance measurement framework, including reviewing and re-establishing, where appropriate, a set of key performance indicators that provide a consistent approach to measuring impact and value for money;
- Providing advice and guidance to ensure that impact is measured in reliable and robust ways, that change can be measured over time and that comparisons when made are valid; and by
- Providing regular, transparent updates to all stakeholders on our ongoing performance against the goals and targets set.

Our performance results will be posted on the UK Film Council website.

Our financial plan

Our income, from which we finance our funds and cover our operations, is derived from three main sources: grant-in-aid, National Lottery receipts and recoupment income.

As far as grant-in-aid is concerned, our allocation from DCMS is determined every three years through the Government's Spending Review process. The current allocation for 2004 to 2005 is £24,110,000. Allocations for future years are currently being considered by the DCMS, however for planning purposes we have no increase in real terms for each of the next two years.

Future Lottery receipts are shown in the table following. They are based on Lottery income projections supplied by DCMS which include the

impact of a potential Olympic Lottery game.

Year	Projected income
2004-2005	£27,303,000
2005-2006	£26,183,000
2006-2007	£25,484,000

Our third source of income is recoupment which includes Lottery investment returns and interest. This is estimated to be £8.9 million in 2004 to 2005, £8.4 million in 2005 to 2006 and £8.3 million in 2006 to 2007.

These return projections are set against a background of less money for production awards in our second three years, are dependent on the commercial exploitation of the feature films benefiting from

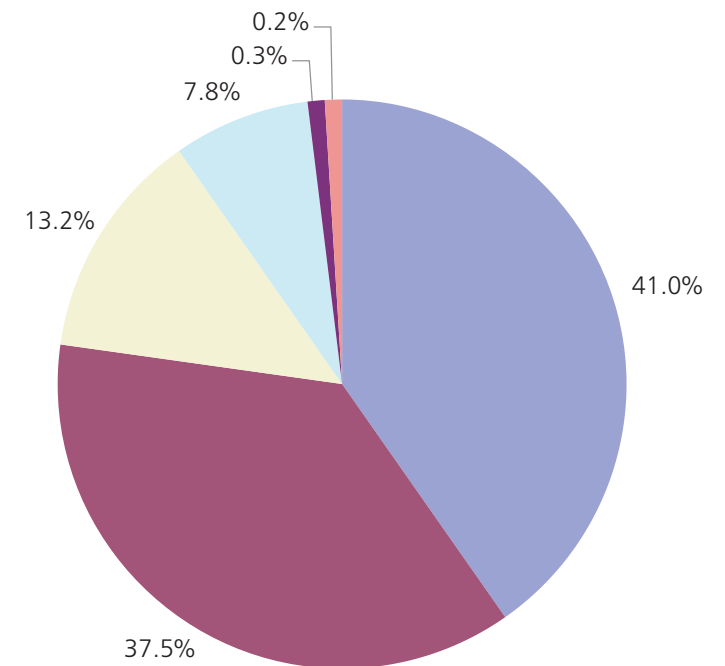
those awards and are not guaranteed.

The UK Film Council has approached the decline in Lottery income during Stage One by husbanding resources so that there is sufficient cash to meet the income shortfall over the 2004 to 2007 plan illustrated. However, reserves will be exhausted at the end of 2006 to 2007. For the UK Film Council to maintain and refresh delivery of its funding and policy priorities at the same levels beyond March 2007, additional funding will be required. In the current Government Spending Review round for the period 2005 to 2008, this has been impressed upon, and acknowledged by, the DCMS and during the period of the first half of the plan, the UK Film Council and DCMS will work together to identify solutions.

The money we receive

Average annual income sources over the plan period

Source	£'000	%
Lottery income*	26,323	41.0
DCMS Grant	24,110	37.5
Lottery investment returns	8,520	13.2
ACE Lottery	5,000	7.8
Interest	205	0.3
EC Grant	110	0.2
Total	64,268	100.0












* DCMS projection May 2004 including impact of potential Olympic Lottery game.

How we allocate the money...

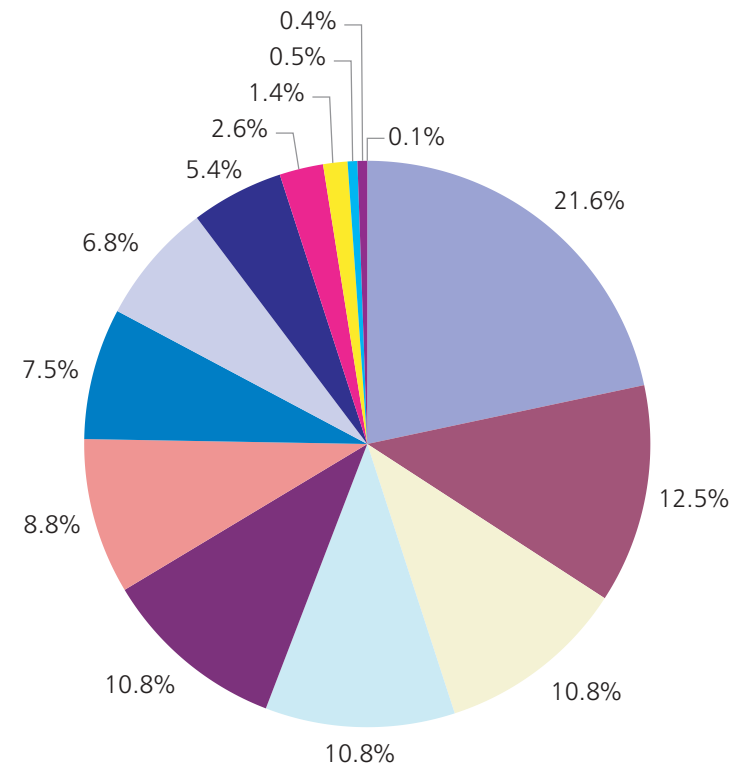
Average annual expenditure over the plan period

Priority

	<i>bfi</i>	16,000	21.6
	Operations	9,297	12.5
	Distribution and Exhibition	8,000	10.8
	Premiere Fund	8,000	10.8
	RIFE and Nations	8,005	10.8
	Film Skills Fund	6,500	8.8
	Film franchises	5,566	7.5
	New Cinema Fund	5,000	6.8
	Development Fund	4,000	5.4
	International including UK Film Council US and UK MEDIA Desk	1,940	2.6
	First Light	1,000	1.4
	Sponsorship	400	0.5
	Diversity	300	0.4
	Publications Fund	100	0.1

Total

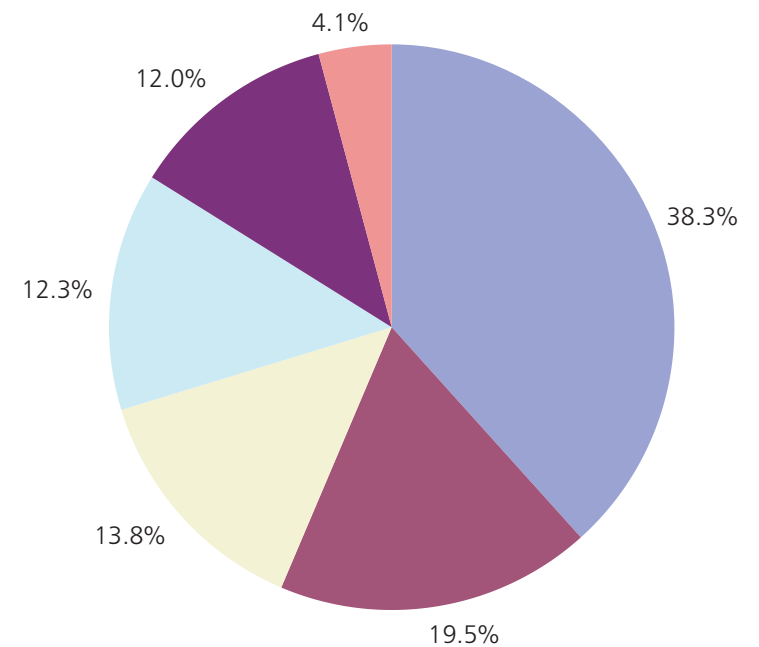
74,108 100.0



...by strategic objective

Average annual expenditure over the plan period

Strategic objective	£'000	%
Development and production	28,422	38.3
Distribution and exhibition	14,447	19.5
Life-long learning	10,216	13.8
Training and skills	9,112	12.3
Cinema heritage	8,894	12.0
UK film in the global market	3,017	4.1
Total	74,108	100.0



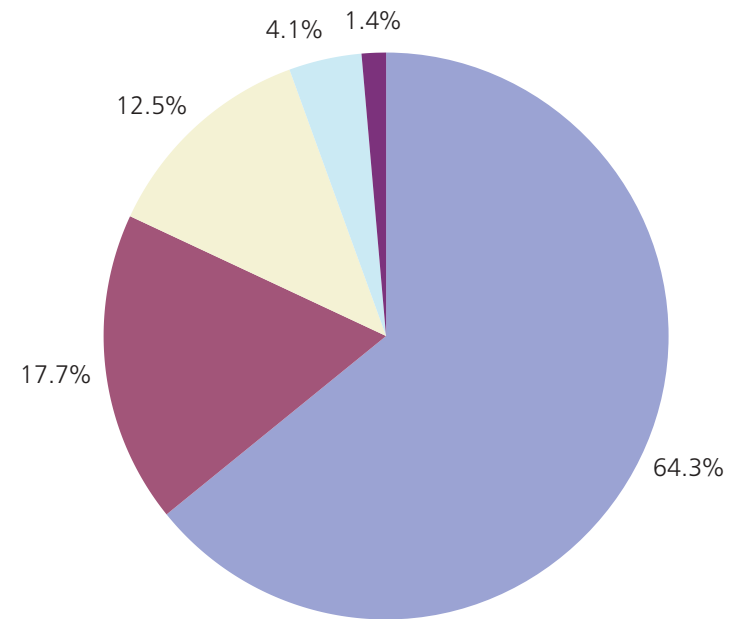


UK Film Council US, Los Angeles

Strategic objective – UK film in the global market

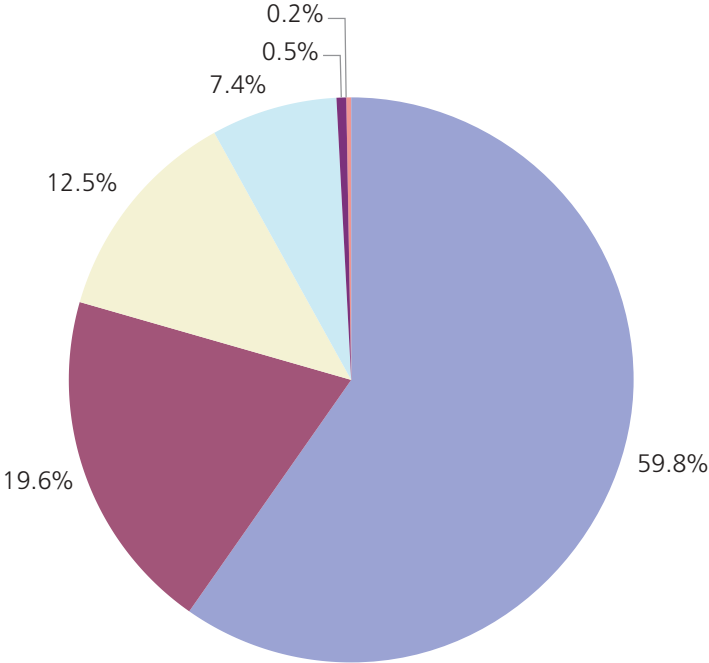
Priority

Priority	£'000	%
International including UK Film Council US and UK MEDIA Desk	1,940	64.3
RIFE and Nations	531	17.7
Operations	378	12.5
Sponsorship	125	4.1
Diversity and inclusion	43	1.4
Total	3,017	100.0



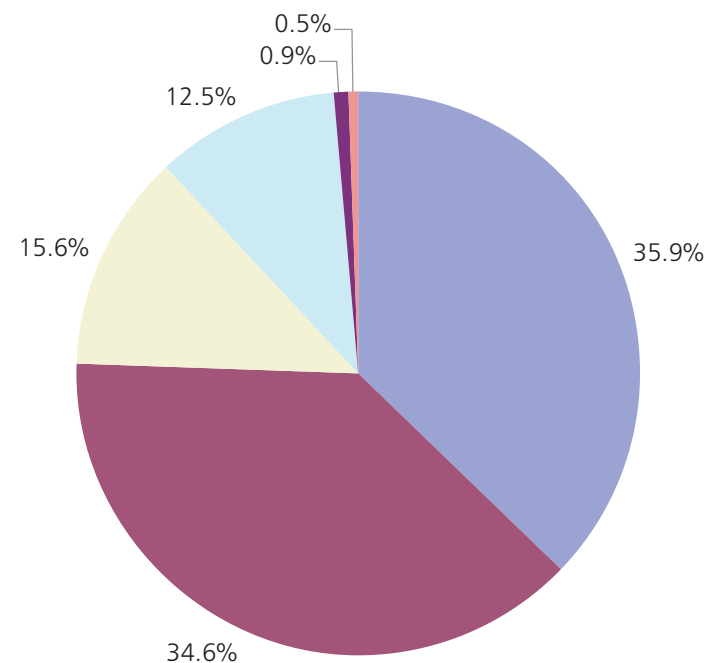
**Strategic objective –
Development and production**

Priority	£'000	%
Development, Premiere, New Cinema funds	17,000	59.8
Film franchises	5,566	19.6
Operations	3,566	12.5
RIFE and Nations	2,096	7.4
Sponsorship	125	0.5
Diversity and inclusion	69	0.2
Total	28,422	100.0



Strategic objective – Distribution and exhibition

Priority	£'000	%
■ <i>bfi</i>	5,188	35.9
■ Distribution and exhibition	5,000	34.6
■ RIFE and Nations	2,252	15.6
■ Operations	1,813	12.5
■ Sponsorship	125	0.9
■ Diversity and inclusion	69	0.5
Total	14,447	100.0

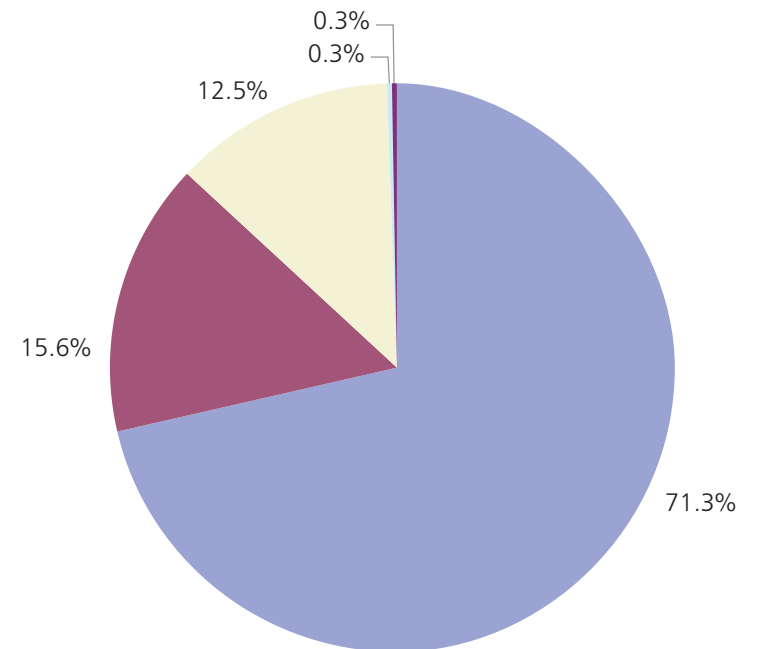




The MEDIA Supermarket was organised by the UK MEDIA Desk with Skillset. It promoted training programmes, markets and events to the UK film industry.

Strategic objective – Training and skills

Priority	£'000	%
Film Skills Fund	6,500	71.3
RIFE and Nations	1,419	15.6
Operations	1,143	12.5
Diversity and inclusion	25	0.3
Sponsorship	25	0.3
Total	9,112	100.0

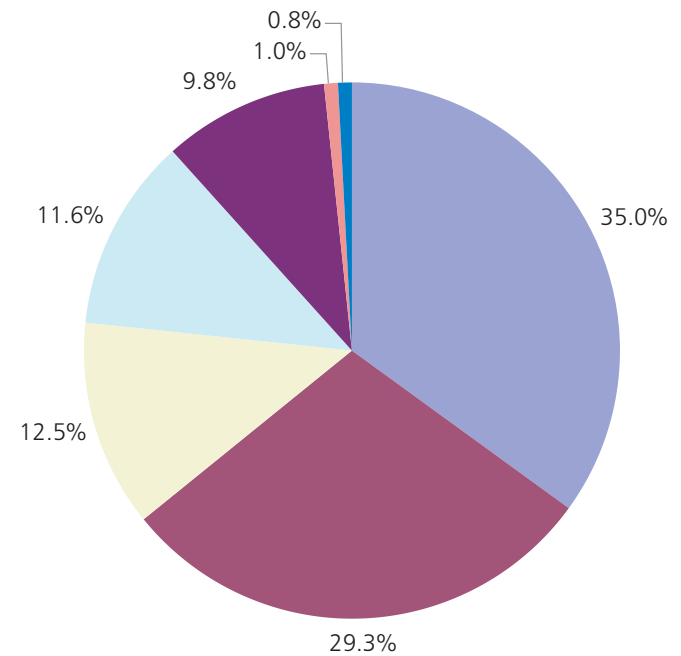


Anthony Minghella, *bfi* Chair, at the launch of NIFTC's policy for education.



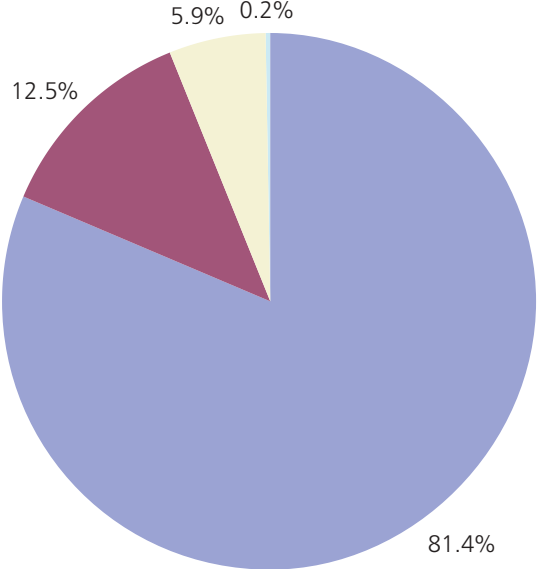
Strategic objective – Life-long learning

Priority	£'000	%
<i>bfi</i>	3,578	35.0
Distribution and exhibition	3,000	29.3
Operations	1,281	12.5
RIFE and Nations	1,180	11.6
First Light	1,000	9.8
Publications Fund	100	1.0
Diversity and inclusion	77	0.8
Total	10,216	100.0



Strategic objective – Cinema heritage

Priority	£'000	%
<i>bfi</i>	7,234	81.4
Operations	1,116	12.5
RIFE and Nations	527	5.9
Diversity and inclusion	17	0.2
Total	8,894	100.0



Appendix i: Our policy framework

Our aim

To stimulate a competitive, successful and vibrant British film industry and culture, and to promote the widest possible enjoyment and understanding of cinema throughout the nations and regions of the UK.

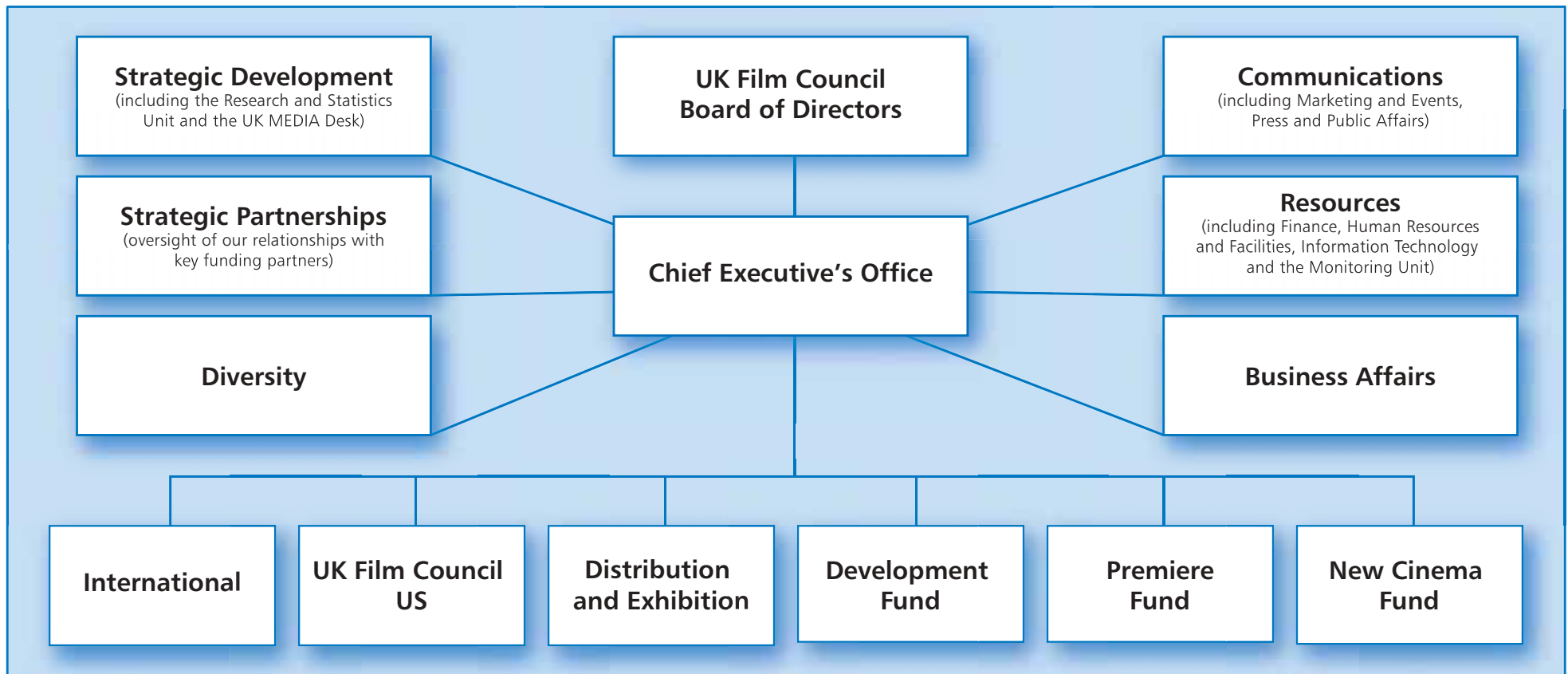
Our core values

Advocacy and leadership	To lead on issues where a single powerful voice reflecting properly considered views is most effective
Partnership	To work in partnership with Government, industry, private, public and voluntary sectors in the UK and internationally
Economy	To work with the grain of the market to stimulate competitiveness and enterprise, and to deliver sustainable development and best value
Diversity and inclusion	To promote social inclusion and celebrate diversity so that every citizen in the UK has access to film culture and so barriers to working in the industry are reduced
Excellence and innovation	To encourage excellence and innovation particularly through the use of new digital technologies
Openness, transparency and accessibility	To be open, transparent and accessible to stakeholders, industry and public alike

Our strategic objectives

UK film in the global market	To help the UK film industry compete successfully in the global market and to use film to raise the profile of the UK and UK culture across the world
Development and production	To encourage the making of distinctive UK films by new and established filmmakers and to help to ensure that those films find their audience
Distribution and exhibition	To ensure audiences throughout the UK have access to the full range of British and international cinema
Training and skills	To support appropriate training opportunities across the value chain to help create a world-class UK film industry
Life-long learning	To support the development of opportunities for all UK citizens to understand and appreciate film through the generation and dissemination of knowledge about film and the film industry
Cinema heritage	To support the development of opportunities for access to cinema history and heritage and the use of film history in understanding identity, representation, culture and creativity

Appendix ii: How we work...



...and who we work with

Our partners include

All Industry Marketing
American Film Marketing Association
Arts Council England
Berlinale Talent Campus
British Broadcasting Corporation
British Council
British Federation of Film Societies
British Film Institute
British Screen Advisory Council
British Video Association
Broadcasting and Creative Industries Disability Network
Cinema Exhibitors' Association
Cinema Marketing Agency
Commission for Racial Equality
Department for Culture, Media and Sport

Department for Education and Skills
Department of Trade and Industry
DNA Films
English Regional Screen Agencies
European Audiovisual Observatory
European Commission
European Film Agency Directors Group
Federation Against Copyright Theft
Federation of Entertainment Unions
Film Archive Forum
Film Distributors' Association
Film Exports UK
FilmFour
Foreign and Commonwealth Office
Greater London Authority
Hi8us First Light

HM Treasury
Inland Revenue
Motion Picture Association
New Producers Alliance
Northern Ireland Film and Television Commission
Office of Communications
Pact
Pathé Pictures
Production Guild of Great Britain
Regional Development Agencies
Scottish Screen
Sgrîn Cymru Wales
Skillset
The Film Consortium
UK Post
UK Trade and Investment

Appendix iii: Our Board

Sir Alan Parker CBE (Chair) *

Stewart Till CBE (Chair)

Tim Bevan *

Colin Brown

Gurinder Chadha

Mark Devereux

Andrew Eaton (Deputy Chair)

Nigel Green

John Hill *

Stephen Knibbs

James Lee *

Anthony Minghella CBE

Alison Owen

Heather Rabbatts CBE

Sarah Radclyffe *

Marc Samuelson

Iain Smith

David Sproxtton

Parminder Vir OBE

* Retired July 2004

Appendix iv: Who responded

Aardman Animations	Cinema Exhibitors' Association	Pact
The Anthony Williams Consultancy	English Regional Screen Agencies	Royal National Institute of the Blind
Arts Alliance	Equity	RNID
Arts Council England	Film Distributors' Association	Sgrŷn Cymru Wales
Arts Council England, North East	First Light	Skillset
Broadcasting Entertainment Cinematograph and Theatre Union	Kern European Affairs	South West Screen
British Federation of Film Societies	Knowle West Media Centre	Tubedale Films
British Film Institute	Lee and Thompson	University of Lincoln, AHRB Centre for British Film and Television Studies
Calling the Shots	London Borough of Lewisham	Watershed
Carol Stevens, University of the West of England	Northern Ireland Film and Television Commission	
	Northern Film and Media	

Appendix v: *bfi* strategic review

The British Film Institute has announced a series of new initiatives that follow a nine-month strategic review involving a radical overhaul of the entire organisation.

The initiatives will ensure that the *bfi* reaches more people, becomes more outward-looking, operates more efficiently, and seeks new partnerships to promote UK film and television, culture and heritage.

The *bfi*: a preview

Film and television have the power to inspire us and influence our lives. They allow us to take on new identities, to hear new voices and to see the world through other people's eyes. They increase our understanding of our own lives and of the ever-changing global world in which we live. The universal ability of film to excite and enthrall us, to make us think and help us empathise, the way it moves us to tears and laughter, makes it a uniquely important art form.

Such powerful arts should be celebrated and understood – that is why the *bfi* exists. If the *bfi* didn't exist, we would be busy inventing it. Seventy years ago, this was the Big Idea.

Today, in a world permeated with moving images, the British Film Institute's role is even more vital. It exists as a national champion for British film and television culture and heritage in all its richness and diversity, a leading critical and educational voice, an open door to opinions and interests that are invisible to the mainstream. It exists to stand alongside individuals, the industry and collegiate organisations across the UK, who are working to foster a diverse film culture and to collaborate in ways that add greater value.

To remain relevant, every organisation needs periodically to examine itself and the *bfi* has looked again, listened to criticisms and suggestions and determined a new way forward.

Our strategy is to maximise impact through partnership and by being more responsive. To seek to engage wider audiences across the United Kingdom especially among socially and culturally diverse communities, children and young people. We will operate more efficiently and pass on that benefit to our audiences. We will balance the dynamic between supporting, championing and delivering an enriched moving image culture across the regions and nations, helping to ensure that the excellence of the UK's film and television heritage leads the agenda on an international stage.

To do this, we are literally going to turn the *bfi* inside out – change it from an inward-looking to an outward-facing organisation. This is a fundamental change in priorities.

Here is what we are going to do:

- The National Film and Television Archive (NFTVA) is an unsurpassed collection of international scope. In title terms alone, it is significantly larger than the moving image collection of the *bfi* Library of Congress. Jewels in the collection include the films of Powell and Pressburger, David Lean, the industrial collection of the National Coal Board, Shell Oil, British Transport, documentaries by the GPO, films by Humphrey Jennings and John Grierson, a definitive collection of pre-1910 European cinema – several thousand silent shorts from the dawn of cinema, not to mention over 250,000 television titles. We also look after a magnificent library; in fact, the only major library in the world that specialises in both film and television.
- We have two aims to balance – the first is to make sure the collection is safe for future generations. We will be making a long-term investment to significantly upgrade the NFTVA stores. The second is to radically re-orientate the NFTVA and the *bfi* Library, putting further energies into curating and interpreting our collection to increase distribution.
- A new NFTVA curatorial team will set the priorities for a proactive programme of preservation and restoration and we will make sure this rich resource will actively contribute to a renaissance in film and television research and scholarship. We will seek a formal agreement with an educational institution with the aim of creating a Teaching Hospital for Film where active restoration and scholarship meet.

- A renewed emphasis on research and scholarship completes the strands of the *bfi* Education strategy. The objectives of *bfi* Education's activities are:
 - To establish the value of learning about the moving image media both for individuals and for UK culture;
 - To increase understanding and enjoyment of the moving image by learners in all sectors across the UK;
 - To drive moving image media literacy up the agenda of educationalists, policy-makers, employers and society at large.
- We intend to create, with partners, a network of Archive Portals – or mediatheques – across the UK. Our vision is that these will be user-friendly

and attractive new facilities within existing cultural destinations where individuals or families can choose to view, on demand, a canon of classic film and television drawn from the NFTVA. We will work with our partners and with regional archives on replenishing and regularly adding new material that isn't available today, and which otherwise might never be available.

- Create a one-stop shop point of contact for all colleagues in the regions and nations - a National Partnership Office - so that it is much easier for everyone to work with us.
- We will invest heavily over the coming years in the future of Virtual *bfi* – access for anyone, no matter where they live. This year alone, we launched 'screenonline' which tells the story of

British film, with 350 hours of clips drawn from the NFTVA. Every student (or library-goer) in the UK can access this site for free, at the click of a button. But the *bfi* still has vast reservoirs of information. It possesses a legendary and comprehensive database, with over 70 years' accumulated knowledge, facts and wisdom about film and television. At present, this is only available to visitors who visit the *bfi* premises. This is an example of just one of the initiatives we will prioritise to accelerate information into the public domain.

- We intend to go further than simply providing a rich seam of information. We plan a strong offer of educational resources, a web presence for young adults, webcasting of *bfi* events, an

online debating chamber and a platform and theatre for those creative experimenters working in the digital ether. The Virtual *bfi* will be a destination in its own right, where the *bfi* can debate into the night with friends and colleagues across the UK.

- We are extremely excited by the advent of the UK Film Council's proposed digital network and the huge potential this offers for distribution and exhibition. There is a powerful connection between this initiative and our avowed intent to increase the number of films being released from the NFTVA. The Digital Network offers unprecedented opportunities to share these films, economically and simply with exhibitors across the UK, within the constraints of existing

Rights agreements. Programmes such as the upcoming Fellini season from the National Film Theatre or films from the London Film Festival could now be available. We can and should be a major content provider. The new *bfi* National Partnership Office will be charged with brokering partnerships in this respect, to push the potential of these collaborations to the full.

- A critical consideration of the review has been how, within one organisation, we will balance the dynamic between supporting, championing and delivering an enriched moving image culture across the regions and nations and at the same time, fulfil our responsibility in an international context. We believe we should provide that national focus for film heritage and culture in

such a way that can influence and at times lead the international agenda. There is a strong argument for a specific national destination for film – a flagship that can at once be owned and used by the Nations and Regions, and have a clear identity internationally. Film is a major art form, highly popular, highly accessible, and hugely powerful in influencing national identity – and yet, disappointingly, one without a home to match the flagships of other art forms.

We re-affirm our commitment to achieving such a focus – a place which embodies the holistic nature of film culture, offers a rich diet of filmic experiences, windows into the rich treasures of archives, a venue for celebratory exhibitions and a stage for the experimental and the avant garde. The Film Centre will be a home for the London Film Festival and a whole range of industry events and celebrations.

We envision a vibrant meeting place where anyone and everyone can come together to enjoy and experience film in all its richness – on any day of the year, at any time of day – with the confidence that they will find kindred spirits and the widest range of film to view.

This is an ambitious project of international importance but we are impatient to see some improvements now. We will develop a ‘test bed’ film centre on the South Bank, creating a more welcoming aura around the National Film Theatre. This will include scaled down versions of our film centre innovations – visitors can sample the new mediatheque module, access our rich data in an information zone, a new exhibition space, and more friendly and convenient café facilities, all set in an environment that celebrates film.

The *bfi* has a sustained commitment to reaching cross-cultural audiences with a dedicated policy office that was responsible for the highly successful pan-UK ImagineAsia festival. The 2005 project Blackworld is already gathering momentum. These

major events bring focus to an ongoing programme illustrated by the recent Chinese Martial Arts season and the upcoming Dilip Kumar season in conjunction with ‘Bite The Mango’.

We are proposing a new and additional focus on young adults and have committed to resourcing a dedicated initiative. Run by young adults, with the remit to experiment and be adventurous, this initiative will be empowered with driving a new and provocative cultural perspective across all *bfi* activities.

And what's more...

Many of the *bfi*'s activities bring in revenue through ticket sales or through areas of cultural enterprise such as the internationally celebrated DVD label. We will be forming a trading arm to run ourselves more effectively, introduce an entrepreneurial culture and realise more profit for reinvestment into *bfi* activities.

Finally, in order to achieve this ambitious vision, we have looked carefully at our overheads and made the decision to rationalise the *bfi* estate. A full feasibility study will determine later this year the extent to which we can vacate our offices at Stephen Street and relocate to the South Bank.

We believe these initiatives are bold, ambitious and entirely deliverable. This new vision has grown out of extensive consultation, with every member of staff meaningfully involved at some stage. We are also indebted to the many individuals and organisations who have contributed and whose views are reflected in this review.

This is not the end of a review – it is a preview of what's to come.

bfi April 2004

Appendix vi: DCMS strategic priorities

DCMS has four strategic priorities:

Strategic priorities	
Young people	Enhancing access to a fuller cultural and sporting life for children and young people, and giving them the opportunity to develop their talents to the full
Economy	Maximising the contribution which the tourism, creative and leisure industries can make to the economy
Community	Opening up our institutions to the wider community, to promote life-long learning and social cohesion
Delivery	Modernising delivery, by ensuring our sponsored bodies are set, and meet targets which put the customer first

Appendix vii: The National Lottery Act 1993

(as amended)

As a National Lottery Distributor, the UK Film Council is required to take into account policy directions issued by the Secretary of State for Culture, Media and Sport.

Our current directions require the UK Film Council, in distributing money from the National Lottery to take into account:

A the need to ensure that money is distributed under section 25(1) for projects which promote the public good or charitable purposes and which are not intended primarily for private gain;

B the need to foster, as a prerequisite for a healthy UK film culture, the development of a sustainable film industry, including through pursuit of the following strategic goals:

- i attracting more private finance into film in order to catalyse the emergence of commercially sustainable structures;
- ii improving the quality of British films and raising their profile in the marketplace;
- iii ensuring the industry takes full advantage of digital technologies;
- iv helping ensure an adequate supply of skills and new talent.

C the need to ensure that it considers applications which relate to the complete range of activities falling within section 22(3)(a) and in respect of which it has the power to distribute money, taking into account:

- i its assessment of the needs of film and its priorities for the time being for addressing them;
 - ii the need to ensure that all parts of the country have access to funding;
 - iii the need to promote access to film for people from all sections of society;
 - iv the scope for reducing economic and social deprivation at the same time as creating benefits for film.
- D the need to support cultural filmmaking, to develop film culture, improve education about the moving image and encourage creative excellence;

- E the need to promote knowledge and appreciation of film by children and young people;
 - F the need to further the objectives of sustainable development;
 - G the need for money distributed under section 25(1) to be distributed to projects only where they are for a specific, time limited, purpose;
 - H the need:
 - i in all cases, for applicants to demonstrate the financial viability of the project for the period of the funding;
 - ii where setting up costs are sought, for a clear business plan beyond the period of the
 - I funding incorporating provision for associated running and maintenance costs;
 - iii in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the grant wherever possible.
 - J the need to require an element of partnership funding and/or contributions in kind from other sources, commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas, to obtain such support;
 - K the desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy;
 - L the need to ensure that its powers to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives;
- I the desirability of supporting the development of the long term financial and managerial viability of film organisations and companies. In taking this into account the Film Council shall have regard to Direction G.

M such information as it considers necessary to make decisions on each application, including independent expert advice when required.

N the need for recipients of awards to pay the set contribution towards the Skills Investment Fund (SIF).

O the need for recipients of awards to comply with recognised industry best practice and agreements relating to pay and the employment of trainees.

P the need to conserve and expand the national film heritage by requiring the deposit of Lottery funded films and selected materials in the collections of the British Film Institute or regional archives designated by the *bfi*.

Q the need for film development and production projects to be capable of qualifying as “relevant films” as defined by the Films Act 1985.

Appendix viii: Glossary

ACE

Arts Council England

AHRB

Arts and Humanities
Research Board

AIM

All Industry Marketing

bfi

British Film Institute

CMA

Cinema Marketing Agency

DCMS

Department for Culture,
Media and Sport

DTI

Department of Trade and
Industry

DVD

Digital Versatile Disk

EC

European Commission

EIB

European Investment Bank

EU

European Union

FAF

Film Archive Form

GATS

General Agreement on Trade
in Services

HLF

Heritage Lottery Fund

IP

Intellectual Property

IT

Information Technology

NCF

New Cinema Fund

NFT

bfi National Film Theatre

NFTVA

bfi National Film and
Television Archive

NIFTC

Northern Ireland Film and
Television Commission

Ofcom

Office of Communications

Pact

Producers Alliance for
Cinema and Television

RIFE

Regional Investment Fund for
England

RSA

Regional Screen Agency

UNESCO

United Nations Educational,
Scientific and Cultural
Organisation

UK FILM | COUNCIL

Photo credits

7th Art Productions

Airside

Andrea Arnold

BBC Films

bfi

Blue Dolphin Film and Video

Buena Vista International UK

Charles Denvir, Visiontime

Entertainment Film Distributors

FilmFour

Film London (Pulse 2003)

First Light

Focus Features

Granada Films

Lakeshore Entertainment Group UK

Northern Ireland Film and Television Commission

Pathé Distribution

Redbus Film

Severine Brigeot

Tartan Films

The Moving Picture Company

UK Film Council US

Verve Pictures

Warner Bros. Distributors

Warner Brothers Pictures 2004

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Designed and printed by Limehouse.

www.limehouse.co.uk

UK FILM | COUNCIL